5 December 2022

888 Holdings Plc

("888" or "the Group")

Publication of Certain Other Information

888 (LSE: 888), one of the world's leading betting and gaming companies with internationally renowned brands including 888, William Hill, Mr Green and SI Sportsbook, today announces the publication of certain additional company information in connection with the proposed offering of senior secured notes, announced separately today. The additional information is set forth in Exhibit A hereto (the "*Information Release*").

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Important Notices

This Information Release may contain certain forward-looking statements, beliefs or opinions, with respect to the financial condition, results of operations and business of 888. These statements, which contain the words "anticipate", "believe", "intend", "estimate", "expect", "may", "will", "seek", "continue", "aim", "target", "projected", "plan", "goal", "achieve", words of similar meaning or other forward looking statements, reflect 888's beliefs and expectations and are based on numerous assumptions regarding 888's present and future business strategies and the environment 888 will operate in and are subject to risks and uncertainties that may cause actual results to differ materially. No representation is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of 888 to be materially different from those expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are beyond 888's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and other factors such as 888's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which 888 operates or in economic or technological trends or conditions. Past performance of 888 cannot be relied on as a guide to future performance. As a result, you are cautioned not to place undue reliance on such forward-looking statements. The list above is not exhaustive and there are other factors that may cause 888's actual results to differ materially from the forward-looking statements contained in this Information Release. Forward-looking statements speak only as of their date and 888, its respective parent and subsidiary undertakings, the subsidiary undertakings of such parent undertakings, and any of such person's respective directors, officers, employees, agents, affiliates or advisers expressly disclaim any obligation to supplement, amend, update or revise any of the forward-looking statements made herein, except where it would be required to do so under applicable law. No statement included in this Information Release is intended as a profit forecast or a profit estimate and no statement should be interpreted to mean that the financial performance of 888 for the current or future financial years would necessarily match or exceed the historical published for 888.

The Notes will be offered in reliance on an exemption from registration under Rule 903 or Rule 904 of Regulation S of the U.S. Securities Act in offshore transactions. There is no assurance that the Offering will be completed or, if completed, as to the terms on which it is completed. The Notes to be offered have not been registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold in the United States absent registration or unless *pursuant to an applicable exemption from the registration requirements of the Securities Act and any other applicable securities laws. This Information Release does not constitute an offer to sell or the solicitation of an offer to buy the Notes, nor shall it constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.*

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation").

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, a "retail investor" means a person who is one (or more) of: (i) a "retail client" as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); (ii) a "customer" within the meaning of the provisions of the United Kingdom Financial Services Markets Act 2000 (as amended, "FSMA") and any rules or regulations made thereunder to implement Directive (EU) 2016/97, where that customer would not qualify as a "professional client" as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a "qualified investor" as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. The preliminary offering memorandum is not a prospectus for the purposes of the UK Prospectus Regulation.

This Information Release does not constitute and shall not, in any circumstances, constitute a public offering nor an invitation to the public in connection with any offer within the meaning of the Prospectus Regulation or otherwise.

The offer and sale of the Notes will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of securities.

In the United Kingdom, this Information Release is directed only persons who (i) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of FSMA) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This Information Release is directed only at relevant persons, and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Information Release relates is available only to relevant persons and will be engaged in only with relevant persons.

MiFID II professionals/ECPs-only/ No PRIIPs KID - Manufacturer target market (MIFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail investors in EEA.

UK MIFIR professionals/ECPs-only/ No UK PRIIPS KID - Manufacturer target market (UK MIFIR product governance) is eligible counterparties and professional clients only (all distribution channels). No UK PRIIPs key information document (KID) has been prepared as not available to retail investors in the United Kingdom.

The distribution of this Information Release into certain jurisdictions may be restricted by law. Persons into whose possession this Information Release comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

EXHIBIT A

Reconciliations of William Hill Non-IFRS measures

Reconciliation of William Hill Adjusted EBITDA, Retail Adjusted EBITDA, UK Online Adjusted EBITDA, International Online Adjusted EBITDA and Corporate Adjusted EBITDA

William Hill uses William Hill Adjusted EBITDA, Retail Adjusted EBITDA, UK Online Adjusted EBITDA, International Online Adjusted EBITDA and Corporate Adjusted EBITDA as a means to measure the profitability of William Hill, the William Hill Retail business, the UK Online business, the International Online business and its corporate costs, as applicable. The following table shows a reconciliation of William Hill Adjusted EBITDA, Retail Adjusted EBITDA, UK Online Adjusted EBITDA, International Online Adjusted EBITDA and Corporate Adjusted EBITDA for the periods indicated.

	William Hill FY			William Hill 6M	
	2019	**2020**	**2021**	**2021**	**2022**
			(GBP in millions)		
(Loss)/profit for the period	**(23.3)**	**88.2**	**(229.4)**	**(105.4)**	**(13.4)**
Tax	(8.7)	13.6	(14.5)	(20.6)	0.3
Finance expenses	52.7	50.5	67.6	32.1	21.4
Finance Income	(3.0)	(22.5)	(1.7)	(0.8)	(0.2)
Operating exceptional items and adjustments	126.9[(1)]	(91.1)[(2)]	235.9[(3)]	90.7 [(4)]	50.1[(5)]
Adjusted Operating Profit/(loss)	**144.6**	**38.7**	**57.9**	**(4.0)**	**58.2**
Depreciation	60.7	55.1	50.9	23.7	18.7
Amortization	52.7	55.1	55.5	30.0	20.4
William Hill Adjusted EBITDA	**258.0**	**148.9**	**164.3**	**49.7**	**97.3**

(1) Operating exceptional items and adjustments in 2019 includes £93.9 million of portfolio shop closures, £11.4 million of amortization of acquired intangibles, £3.5 million related to a transformation program restructuring costs, £8.2 million mainly related to corporate transaction and integration costs associated with the acquisition of Mr Green, £6.0 million related to the Triennial Review mitigation program aside from shop closure related costs and £5.2 million of dual running costs from moving William Hill's land-based data centers into the cloud and offset by £1.2 million credits relating to historical shop closure exits before the Triennial Review. For an overview of key exceptional items and adjustments of William Hill, see "*—William Hill exceptional items and adjustments*."

(2) Operating exceptional items and adjustments in 2020 includes £238.3 million related to VAT income offset by £125.7 million related to the impairment of Retail segment, £9.0 million related to Caesars transaction related costs and £12.5 million related to the amortization of acquired intangibles. For an overview of key exceptional items and adjustments of William Hill, see "*—William Hill exceptional items and adjustments*."

(3) Operating exceptional items and adjustments in 2021 includes £24.5 million related to on-sale related costs, £70.5 million related to Caesars transaction related costs, £70.4 million related to the impairment of goodwill and £15.2 million related to regulatory provision and related fees. For an overview of key exceptional items and adjustments of William Hill, see "*—William Hill exceptional items and adjustments*."

(4) Operating exceptional items and adjustments for the 26-week period ended June 29, 2021 includes £0.6 million related to the on-sale related cost, £69.6 million related to Caesars transaction related costs and £20.5 million related to the amortization of acquired

intangibles. For an overview of key exceptional items and adjustments of William Hill, see "—*William Hill exceptional items and adjustments*."

(5) Operating exceptional items and adjustments for the 26-week period ended June 28, 2022 includes £2.8 million related to the on-sale related cost, £8.9 million related to the regulatory provision and related fees and £38.4 million related to the amortization of acquired intangibles. For an overview of key exceptional items and adjustments of William Hill, see "—*William Hill exceptional items and adjustments*."

The following table shows William Hill Adjusted EBITDA for William Hill and by segment for the periods indicated:

	William Hill FY			William Hill 6M		William Hill LTM
	2019	2020	2021	2021	2022	June 28, 2022
	(GBP in millions)					
Retail Adjusted EBITDA	141.0	14.6	0.6	(47.5)	49.6	97.7
UK Online Adjusted EBITDA	133.0	137.3	157.3	102.5	47.8	102.6
International Online Adjusted EBITDA	31.5	37.5	32.6	17.6	18.4	33.4
Corporate Adjusted EBITDA	(47.5)	(40.5)	(26.2)	(22.9)	(18.5)	(21.8)
William Hill Adjusted EBITDA	**258.0**	**148.9**	**164.3**	**49.7**	**97.3**	**211.9**

The following table shows a reconciliation of William Hill's Retail adjusted operating profit to Retail Adjusted EBITDA figures for the periods indicated.

	William Hill FY			William Hill 6M	
	2019	2020	2021	2021	2022
	(GBP in millions)				
Retail Adjusted Operating Profit/(loss)	83.2	(29.5)	(45.7)	(70.0)	29.8
Retail Depreciation	48.4	36.1	35.5	16.7	14.3
Retail Amortization	9.4	8.0	10.8	5.8	5.5
Retail Adjusted EBITDA	**141.0**	**14.6**	**0.6**	**(47.5)**	**49.6**

The following table shows a reconciliation of William Hill's UK Online adjusted operating profit to UK Online Adjusted EBITDA figures for the periods indicated.

	William Hill FY			William Hill 6M	
	2019	2020	2021	2021	2022
	(GBP in millions)				
UK Online Adjusted Operating Profit	102.8	103.7	128.9	89.8	37.6
UK Online Depreciation	1.2	2.2	2.5	2.7	1.7
UK Online Amortization	29.0	31.4	25.9	10.0	8.5
UK Online Adjusted EBITDA	**133.0**	**137.3**	**157.3**	**102.5**	**47.8**

The following table shows a reconciliation of William Hill's International Online adjusted operating profit to International Online Adjusted EBITDA figures for the periods indicated.

	William Hill FY			William Hill 6M	
	2019	2020	2021	2021	2022
			(GBP in millions)		
International Online Adjusted Operating Profit	16.1	19.0	12.3	8.2	12.2
International Online Depreciation	2.6	2.8	2.9	1.7	1.1
International Online Amortization	12.8	15.7	17.4	7.7	5.1
International Online Adjusted EBITDA	**31.5**	**37.5**	**32.6**	**17.6**	**18.4**

The following table shows a reconciliation of William Hill's adjusted operating profit related to corporate costs to Corporate Adjusted EBITDA figures for the periods indicated.

	William Hill FY			William Hill 6M	
	2019	2020	2021	2021	2022
			(GBP in millions)		
Corporate Adjusted Operating Profit/(loss)	(57.5)	(54.5)	(37.6)	(32.0)	(21.4)
Corporate Depreciation	8.5	14.0	10.0	2.6	1.6
Corporate Amortization	1.5	—	1.4	6.5	1.3
Corporate Adjusted EBITDA	**(47.5)**	**(40.5)**	**(26.2)**	**(22.9)**	**(18.5)**

William Hill Adjusted EBITDA, Retail Adjusted EBITDA, UK Online Adjusted EBITDA, International Online Adjusted EBITDA and Corporate Adjusted EBITDA are non-IFRS measures and should not be considered in isolation or as a substitute for analysis of William Hill's operating results as reported under IFRS. Not all companies calculate EBITDA-based measures in an identical manner and therefore it may not be comparable to other similarly titled measures used by other companies and may have limitations as an analytical tool.

Reconciliation of Adjusted Operating Profit/(loss)

William Hill uses Adjusted Operating Profit/ (loss) for William Hill and each segment as a means to measure the profitability of William Hill and each of its segments. The following table shows adjusted operating profit/(loss) for William Hill and by segment for the periods indicated.

	William Hill FY			26 weeks ended					
	2019	2020	2021	December 31, 2019	June 30, 2020	December 29, 2020	June 29, 2021	December 28, 2021	June 28, 2022
					(GBP in millions)				
Retail Adjusted Operating Profit/(loss)	83.2	(29.5)	(45.7)	41.0	(14.0)	(15.5)	(70.0)	24.3	29.8
UK Online Adjusted Operating Profit/(loss)	102.8	103.7	128.9	56.7	46.4	57.3	89.8	39.1	37.6
International Online Adjusted Operating Profit/(loss)	16.1	19.0	12.3	7.3	9.6	9.4	8.2	4.1	12.2
Corporate Adjusted Operating Profit/(loss)	(57.5)	(54.5)	(37.6)	(33.0)	(22.0)	(32.5)	(32.0)	(5.6)	(21.4)
Adjusted Operating Profit/(loss)	**144.6**	**38.7**	**57.9**	**72.0**	**20.0**	**18.7**	**(4.0)**	**61.9**	**58.2**

Adjusted Operating Profit/ (loss) is calculated as net (loss)/profit for the period before finance income and expenses, tax, excluding exceptional items and other defined adjustments (as described in "*—Reconciliation of William Hill Adjusted EBITDA, Retail Adjusted EBITDA, International Online Adjusted EBITDA and Corporate Adjusted EBITDA—William Hill* e*xceptional items and adjustments*") for William Hill and each segment, respectively. Adjusted Operating Profit/ (loss) is a non-IFRS measures and should not be considered in isolation or as a substitute for analysis of William Hill's operating results as reported under IFRS.

Exceptional items are those items the management consider to be one-off or material in nature that should be brought to the reader's attention in understanding William Hill's financial performance.

Adjustments are recurring items that are excluded from internal measures of underlying performance and which are not considered by William Hill to be exceptional. This relates to the amortization of specific intangible assets recognized in acquisitions. This item is defined as an adjustment as we believe it would impair the visibility of the underlying activities across each segment as it is not closely related to William Hill's or any associated operational cash flows. The amortization of specific intangible assets recognized in acquisitions is recurring and recognized over their useful life.

William Hill exceptional items and adjustments

Certain key exceptional items and adjustments of William Hill are listed below:

	William Hill FY			26 weeks ended					
	2019	**2020**	**2021**	**December 31, 2019**	**June 30, 2020**	**December 29, 2020**	**June 29, 2021**	**December 28, 2021**	**June 28, 2022**
				(GBP in millions)					
Operating									
Cost of Sales									
VAT Income[(1)]	—	238.3	—	—	230.3	8.0	—	—	—
Other operating expenses									
On-sale related costs[(2)]	—	—	(24.5)	—	—	—	(0.6)	(23.9)	(2.8)
Impairment of Retail Segment[(3)]	—	(125.7)	—	—	(81.9)	(43.8)	—	—	—
Caesars transaction related costs[(4)]	—	(9.0)	(70.5)	—	—	(9.0)	(69.6)	(0.9)	—
Portfolio shop closures[(5)]	(93.9)	—	—	1.2	—	—	—	—	—
Impairment of Goodwill[(6)]	—	—	(70.4)	—	—	—	—	(70.4)	—
Regulatory provision and related fees[(7)]	—	—	(15.2)	—	—	—	—	(15.2)	(8.9)
Other[(9)]	(21.6)	—	—	(11.6)	—	—	—	—	—
Adjustments									
Amortization of acquired intangibles	(11.4)	(12.5)	(55.3)	(5.2)	(6.1)	(6.4)	(20.5)	(34.8)	(38.4)
Non-operating									
Finance Income									
Finance Income in respect of VAT reclaim	—	18.9	—	—	18.6	0.3	—	—	—
Costs in respect of refinancing[(8)]	—	—	(2.0)	—	—	—	(2.0)	—	—
Total exceptional items and adjustments before tax	**(126.9)**	**110.0**	**(237.9)**	**(15.6)**	**160.9**	**(50.9)**	**(92.7)**	**(145.2)**	**(50.1)**

Notes:

(1) *VAT Income:* In May 2020, HMRC confirmed it would not appeal the ruling of the Upper Tier Tribunal in the cases of Rank Group Plc and Done Brothers (Cash Betting) Ltd (trading as Betfred) that VAT was incorrectly applied to revenues earned from certain gaming machines prior to 2013. William Hill submitted claims which were substantially similar, and these claims were agreed and settled. William Hill continues to engage with HMRC on a number of smaller related claims of an amount of £1.2 million, which have not been recognized in this financial information as they are not virtually certain to be receivable. The refund, net of associated costs, was classified as an exceptional item as it is both material and one-off in nature. The net of the gross refund of VAT from HMRC and the associated third-party costs were recognized in cost of sales to match where the original charges were recognized. The interest income was recognized within finance income. After corporation tax, the net profit recognized in respect of the VAT reclaim in the period was £208.3 million. This relates to the Retail segment.

(2) *On-sale related costs:* Following the acquisition of William Hill by the Seller on April 22, 2021, William Hill has incurred costs associated with the on-sale to the Group and separation of the William Hill US segment from the rest of the William Hill business. These costs are recognized as an exceptional item given their material size and one-off nature. For William Hill FY 2021 and 26 weeks ended June 28, 2022, these costs include £3.4 million and £1.4 million of technology spend to separate the platform and product so that US sports book can stand alone from the rest of William Hill, £3.0 million and £nil of redundancy costs following the separation, £6.7 million and £nil of legal and consultancy costs, as well as £11.4 million and £1.4 million of employee incentive costs as part of the on-sale to the Group, respectively. The costs are recognized within the Corporate segment.

(3) *Impairment of the Retail segment:* As a result of the conclusion of the Triennial Review in 2018 and the announcement of the maximum stakes on B2 gaming products reducing to £2, management recognized an impairment of the assets of the Retail segment in the year ended December 2018. This was presented as an exceptional item due to its material and one-off nature.

Subsequently in 2020, following the impact of the COVID-19 pandemic, management recognized an impairment of intangible assets of £125.7 million within the Retail segment in December 2020.

These were presented as exceptional items due to their material nature and relate to the Retail segment.

(4) *Caesars transaction related costs:* William Hill has incurred costs associated with the transaction with the Seller, which it has aggregated and presented as an exceptional item given their material size and one-off nature. Of these costs, £35.9 million inclusive of VAT where applicable (£9.0 million for William Hill FY 2020 and £35.9 million for the 26 weeks ended June 29, 2021) relates to amounts paid to financial, corporate broking and legal advice. In addition, William Hill has incurred £8.6 million (net of tax) of retention payments to key employees following the completion of the transaction to the Seller, £14.3 million stamp duty charge, £6.0 million of share-based payment charges and £5.7 million of employee sharesave scheme costs as William Hill delisted from the London Stock Exchange on April 21, 2021.

(5) *Portfolio shop closures:* During 2019 and 2020 there were two separate shop closure programs. In 2019, 713 shops were closed as a part of the Triennial Review mitigation restructuring costs program and in 2020, a further 119 shops were not re-opened post the first COVID-19 lockdown. As a result, during 2020, £6.6 million of credit relating to the Triennial mitigation shop closures was recognized principally in relation to the negotiated early exit of certain property leases, sale of freehold properties and disposal of operations in Northern Ireland and Isle of Man. In the same period, a charge of £6.2 million relating to the 2020 shop closures, being a combination of specific asset write offs (£3.3 million) and provision creation (£3.2 million), with a £0.3 million provision release recognized.

In William Hill FY 2019, £47.3 million related to an impairment charge against the relevant right-of-use assets and £46.6 million related to other costs of closure, onerous costs, redundancy costs and other related costs.

All portfolio shop closure costs are not presented as an exceptional item from January 1, 2020, as management do not deem these costs to be material.

(6) *Impairment of Goodwill:* As a result of the reduction in the consideration for the sale of William Hill to the Group, management recognized an impairment of goodwill. This was presented as an exceptional item due to its material and one-off nature.

(7) *Regulatory provision and related fees:* The industry in which 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. Following a periodic compliance assessment undertaken by the UKGC in July and August 2021 William Hill and the Group are currently addressing action points raised by the UKGC. See "*Risk Factors—Risks Related to Law and Regulation of the Betting and Gaming Industry—Our business may be exposed to litigation proceedings and regulatory and compliance risks in various jurisdictions across the world.*" In that context it has made a provision of £15.0 million in the second half of 2021 to cover the potential for any regulatory fine, penalty or settlement and associated costs resulting from that compliance assessment, as well as a further £0.2 million legal fees charged in William Hill FY 2021 and £0.3 million in William Hill 6M 2022. In William Hill 6M 2022, this provision has been increased based on the most recent correspondence with the UKGC. This provision reflects our best estimate at the time based on the preliminary findings of UKGC's license review issued in May 2022 and subsequent correspondence, management's knowledge and third party regulatory and legal advice provided at the time reflecting outcomes of previous compliance assessments and regulatory action across the industry (refer to note 3 of the William Hill Historical Financial Information for the period ended December 28, 2021 and note 2 of the William Hill Interim Financial Information for further details).

(8) *Costs in respect of refinancing:* On April 22, 2021, William Hill's committed revolving credit facilities of £425 million provided by a syndicate of banks, expiring in November 2022 (£35 million) and October 2023 (£390 million) were cancelled as part of the acquisition of William Hill by the Seller. As a result, £2.0 million was charged as an exceptional finance cost to profit and loss, being accelerated amortization of finance fees associated with the facilities which were being amortized over the lives of each facility.

(9) *Other:* The Other category combines several items that were previously disclosed separately and all relating to items that were presented as exceptional items in previous financial reporting periods. From January 1, 2020, these items have not been included as exceptional items as management no longer deem these costs to be individually material.

In William Hill FY 2019, the other category includes £3.5 million related to a transformation program restructuring costs, £8.2 million mainly related to corporate transaction and integration costs associated with the acquisition of Mr Green, £6.0 million represented other business-wide costs relating to the Triennial Review mitigation program aside from shop closure related costs and £5.2 million of this relates to dual running costs from moving William Hill's land-based data centers into the cloud. This is offset by £1.2 million credits relating to historical shop closure exits before the Triennial Review.

Adjusted operating profit/(loss) and the related measures by segment are non-IFRS measures and should not be considered in isolation or as a substitute for analysis of William Hill's operating results as reported under IFRS. Not all companies calculate Adjusted Operating Profit/(loss) measures in an identical manner and therefore it may not be comparable to other similarly titled measures used by other companies and may have limitations as an analytical tool.

Reconciliation of Retail Operating Profit/(loss), UK Online Operating Profit/(loss), International Online Operating Profit/(loss) and Corporate Operating Profit/(loss) for William Hill

William Hill uses Retail Operating Profit/(loss), UK Online Operating Profit/(loss), International Online Operating Profit/(loss) and Corporate Operating Profit/(loss) as a means to measure the profitability of the William Hill Retail business, the UK Online business, the International Online business and its corporate costs, as applicable. The following table shows a reconciliation of the Retail Operating Profit/(loss), UK Online Operating Profit/(loss), International Online Operating Profit/(loss) and Corporate Operating Profit/(loss) for William Hill for the periods indicated. The following table shows the reconciliation from Operating Profit/(loss) by segments to adjusted operating profit/(loss) by segment for the periods indicated.

	William Hill FY(1)			26 weeks ended					
	2019	2020	2021	December 31, 2019	June 30, 2020	December 29, 2020	June 29, 2021	December 28, 2021	June 28, 2022
					(GBP in millions)				
Retail Operating Profit/(loss)	(11.9)	83.2	(88.0)	42.2	134.4	(51.2)	(74.2)	(13.8)	27.1
Operating exceptional items and adjustments	(95.1)	112.7	(42.3)	1.2	148.4	(35.7)	(4.2)	(38.2)	(2.7)
Retail Adjusted Operating Profit/(loss)	**83.2**	**(29.5)**	**(45.7)**	**41.0**	**(14.0)**	**(15.5)**	**(70.0)**	**24.3**	**29.8**
UK Online Operating Profit/(loss)	102.8	103.7	69.2	56.7	46.4	57.3	82.3	(13.1)	6.8
Operating exceptional items and adjustments	-	-	(59.7)	-	-	-	(7.5)	(52.1)	(30.8)
UK Online Adjusted Operating Profit/(loss)	**102.8**	**103.7**	**128.9**	**56.7**	**46.4**	**57.3**	**89.8**	**39.1**	**37.6**
International Online Operating Profit/(loss)	(2.6)	6.5	(26.6)	(0.1)	3.5	3.0	(0.6)	(26.0)	(1.6)
Operating exceptional items and adjustments	(18.7)	(12.5)	(38.9)	(7.4)	(6.1)	(6.4)	(8.8)	(30.1)	(13.8)
International Online Adjusted Operating Profit/(loss)	**16.1**	**19.0**	**12.3**	**7.3**	**9.6**	**9.4**	**8.2**	**4.1**	**12.2**
Corporate Operating Profit/(Loss)	(70.6)	(63.6)	(132.6)	(42.4)	(22.0)	(41.6)	(102.2)	(30.4)	(24.2)
Operating exceptional items and adjustments	(13.1)	(9.1)	(95.0)	(9.4)	-	(9.1)	(70.2)	(24.8)	(2.8)
Corporate Adjusted Operating Profit/(Loss)	**(57.5)**	**(54.5)**	**(37.6)**	**(33.0)**	**(22.0)**	**(32.5)**	**(32.0)**	**(5.6)**	**(21.4)**

(1) operating profit and exceptional items and adjustments have been adjusted from the figures previously disclosed in the offering memorandum related to the Existing Notes, in order to allocate amortization of acquired intangibles from the Corporate segment to the trading segments.

Retail Operating Profit/(loss), UK Online Operating Profit/(loss), International Online Operating Profit/(loss) and Corporate Operating Profit/(loss) are non-IFRS measures and should not be considered in isolation or as a substitute for analysis of William Hill's operating results as reported under IFRS.

William Hill operating exceptional items and adjustments by operating segment

A reconciliation of operating exceptional items and adjustments of William Hill by operating segment is listed below:

	William Hill FY			26 weeks ended					
	2019	**2020**	**2021**	**December 31, 2019**	**June 30, 2020**	**December 29, 2020**	**June 29, 2021**	**December 28, 2021**	**June 28, 2022**
	(GBP in millions)								
Retail									
VAT Income	-	238.3	-	-	230.3	8.0	-	-	-
Impairment of Retail segment	-	(125.7)	-	-	(81.9)	(43.8)	-	-	-
Portfolio shop closures	(95.1)	-	-	1.2	-	-	-	-	-
Impairment of goodwill	-	-	(35.7)	-	-	-	-	(35.7)	-
Amortization of acquired intangibles(1)	-	-	(6.6)	-	-	-	(4.2)	(2.5)	(2.7)
Other	-	-	-	-	-	-	-	-	-
Total	**(95.1)**	**112.6**	**(42.3)**	**1.2**	**148.4**	**(35.8)**	**(4.2)**	**(38.2)**	**(2.7)**
UK Online									
Regulatory Provision	-	-	(15.2)	-	-	-	-	(15.2)	(8.9)
Amortization of acquired intangibles(1)	-	-	(27.4)	-	-	-	(7.5)	(19.8)	(21.9)
Impairment of goodwill	-	-	(17.1)	-	-	-	-	(17.1)	-
Other	-	-	-	-	-	-	-	-	-
Total	-	-	**(59.7)**	-	-	-	**(7.5)**	**(52.1)**	**(30.8)**
International									
Amortization of acquired intangibles(1)	(11.4)	(12.5)	(21.3)	(5.2)	(6.1)	(6.4)	(8.8)	(12.5)	(13.8)
Impairment of goodwill	-	-	(17.6)	-	-	-	-	(17.6)	-
Other	(7.3)	-	-	(2.2)	-	-	-	-	-
Total	**(18.7)**	**(12.5)**	**(38.9)**	**(7.4)**	**(6.1)**	**(6.4)**	**(8.8)**	**(30.1)**	**(13.8)**
Corporate									
On-sale related costs	-	-	(24.5)	-	-	-	(0.6)	(23.9)	(2.8)
Caesars transaction costs	-	(9.0)	(70.5)	-	-	(9.0)	(69.6)	(0.9)	-
Amortisation of acquired intangibles(1)	-	-	-	-	-	-	-	-	-
Portfolio shop closures	1.2	-	-	-	-	-	-	-	-
Other	(14.3)	-	-	(9.4)	-	-	-	-	-
Total	**(13.1)**	**(9.0)**	**(95.0)**	**(9.4)**	-	**(9.0)**	**(70.2)**	**(24.8)**	**(2.8)**
Total exceptional items and adjustments	**(126.9)**	**91.1**	**(235.9)**	**(15.6)**	**142.3**	**(51.2)**	**(90.7)**	**(145.2)**	**(50.1)**

(1) Exceptional items and adjustments have been adjusted from the figures previously disclosed in the offering memorandum related to the Existing Notes, in order to allocate amortization of acquired intangibles from the Corporate segment to the trading segments.

Reconciliation of William Hill Online's revenue

William Hill Online's revenue represents the aggregation of William Hill's UK Online revenue and International Online revenue. The following table shows the reconciliation from William Hill Online Revenue to the UK Online William Hill Revenue and International Online William Hill Revenue by segments for the periods indicated.

	William Hill FY			William Hill 6M	
	2019	**2020**	**2021**	**2021**	**2022**
	(GBP in millions)				
UK Online	488.3	515.7	643.4	362.4	261.7
International Online	250.0	287.1	261.2	147.3	105.5
William Hill Online Revenue	**738.3**	**802.8**	**904.6**	**509.7**	**367.2**

William Hill Online's revenue are non IFRS measures and should not be considered in isolation or as a substitute for analysis of William Hill's operating results as reported under IFRS.

SUMMARY HISTORICAL FINANCIAL AND OTHER INFORMATION OF WILLIAM HILL

The following tables set forth William Hill's summary combined carve-out financial information, William Hill's summary combined carve-out interim condensed financial information and other data for the periods ended and as of the dates indicated below. Except as otherwise stated in "Presentation of Financial and Other Information—Historical Financial Information—William Hill Historical Financial Information" and except for the reconciliation of Net profit/loss to Adjusted EBITDA presented under "—Other Financial and Operating Data," the William Hill Historical Financial Information has been extracted without modification from the William Hill Historical Financial Information from the Offering Circular. William Hill's combined carve-out financial statements are prepared and presented in accordance with IFRS, as modified by the Annexure to SIR 2000 "Standards for Investment Reporting applicable to public reporting engagements on historical financial information" issued by the U.K. Auditing Practices Board and in accordance with the Listing Rules and Prospectus Directive Regulation.

William Hill also presents the last twenty-six week figures for the periods ended June 28, 2022, December 28, 2021, June 29 2021, December 29, 2020, June 30, 2020 and December 31, 2019 for informational purposes to present its financial results for periods prior to and following the outbreak of the COVID-19 pandemic. This financial information has been derived from the underlying accounting records of William Hill and has not been subject to an audit or review and therefore is unaudited.

The summary combined carve-out financial information and summary combined carve-out interim condensed financial information below include certain non-IFRS measures that William Hill uses to evaluate its economic and financial performance. These measures are not identified as accounting measures under IFRS and therefore should not be considered a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are prepared in accordance with IFRS. See "Presentation of Financial and Other Information—Non-IFRS Financial Metrics and Other Data."

You should read the information set forth below in conjunction with the sections "Presentation of Financial and Other Information—Historical Financial Information," "Use of Proceeds," "Capitalization," "Selected Historical Financial Data of William Hill" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of William Hill" and the combined carve-out financial statements of William Hill and the notes thereto included elsewhere in this Offering Memorandum and incorporated by reference. William Hill's historical results do not necessarily indicate results that may be expected for any future period.

Summary Combined Carve-Out Income Statement

	William Hill FY 2019	William Hill FY 2020	William Hill FY 2021	William Hill 6M 2021	William Hill 6M 2022
			(GBP millions)		
Revenue	**1,455.3**	**1,157.0**	**1,241.4**	**597.0**	**630.7**
Gaming duties	(214.8)	(190.9)	(237.1)	(120.7)	(99.6)
Other cost of sales	(149.7)	122.8	(126.3)	(59.4)	(68.4)
Total cost of sales	**(364.5)**	**(68.1)**	**(363.4)**	**(180.1)**	**(168.0)**
Which includes exceptional cost of sales of:	—	*238.3*	—	-	-
Gross Profit	**1,090.8**	**1,088.9**	**878.0**	**416.9**	**462.7**
Marketing expenses	(187.2)	(196.3)	(217.4)	(120.9)	(76.8)
Operating expenses	(892.9)	(765.8)	(842.9)	(392.0)	(378.4)
Other operating income	5.5	3.8	4.3	1.9	0.7
Total operating expenses	**(1,074.6)**	**(958.3)**	**(1,056.0)**	**(511.0)**	**(454.5)**
Which includes exceptional and adjusting items within operating expenses:	*(126.9)*	*(147.2)*	*(235.9)*	*(90.7)*	(50.1)
Operating (loss)/profit	**16.2**	**130.6**	**(178.0)**	**(94.1)**	**8.2**
Finance income	3.0	22.5	1.7	0.8	0.2
Finance expense	(52.7)	(50.5)	(67.6)	(32.1)	(21.4)
Which includes exceptional finance (expense)/income of:	—	*18.9*	*(2.0)*	*(2.0)*	-
Share of post-tax profit /(loss) of equity accounted associate	1.5	(0.8)	—	(0.6)	(0.1)
(Loss)/profit before tax	**(32.0)**	**101.8**	**(243.9)**	**(126.0)**	**(13.1)**
Tax	8.7	(13.6)	14.5	20.6	(0.3)
Which includes tax on exceptional and adjusting items:	*11.5*	*(24.6)*	(8.0)	*4.0*	*4.1*

	William Hill FY 2019	William Hill FY 2020	William Hill FY 2021	William Hill 6M 2021	William Hill 6M 2022
			(GBP millions)		
Net (Loss)/profit for the period	**(23.3)**	**88.2**	**(229.4)**	**(105.4)**	**(13.4)**
Net (loss)/profit for the period attributable to net parent investment	**(23.3)**	**88.0**	**(230.1)**	**(105.8)**	**(13.5)**
Net profit for the period attributable to non-controlling interests	**—**	**0.2**	**0.7**	**0.4**	**0.1**

Summary Combined Carve-Out Statement of Financial Position

	As at			
	Dec. 31, 2019	**Dec. 29, 2020**	**Dec. 28, 2021**	**June 28, 2022**
		(GBP millions)		
Assets				
Non-current assets	1,192.3	1,012.0	2,250.1	2,244.1
Current assets	438.3	676.6	289.8	238.0
Total assets	**1,630.6**	**1,688.6**	**2,539.9**	**2,482.1**
Liabilities				
Non-current liabilities	(860.4)	(798.3)	(925.7)	(902.3)
Current liabilities	(707.7)	(539.1)	(997.5)	(988.4)
Total liabilities	**(1,568.1)**	**(1,337.4)**	**(1,923.2)**	**(1,890.7)**
Net parent investment	**61.0**	**349.5**	**615.0**	**589.6**
Non-controlling interests	**1.5**	**1.7**	**1.7**	**1.8**
Total net investment	**62.5**	**351.2**	**616.7**	**591.4**

Summary Combined Carve-Out Cash Flow Statement

	William Hill FY 2019	William Hill FY 2020	William Hill FY 2021	William Hill 6M 2021	William Hill 6M 2022
			(GBP millions)		
Net cash (used in)/from operating activities	105.6	311.6	27.8	(29.2)	34.1
Net cash (used in) investing activities	(218.6)	(42.3)	(2,921.0)	(2,878.2)	(58.8)
Net cash (used in)/from financing activities	34.0	(53.9)	2,515.3	2,554.0	(16.3)
Net increase/(decrease) in cash and cash equivalents in the period	(79.0)	215.4	(377.9)	(353.4)	(41.0)
Cash and cash equivalents at start of period	447.1	367.7	588.4	588.4	203.7
Changes in foreign exchange rates	—	5.3	(6.8)	(5.7)	1.3
Other (cash transferred to held for sale)	(0.4)	—	—	-	—
Cash and cash equivalents at end of period	**367.7**	**588.4**	**203.7**	**229.3**	164.0

Other Financial and Operating Data

Number of Retail Shops

	Dec. 31, 2019	March 31, 2020	June 30, 2020	Sept. 29, 2020	Dec. 29, 2020	Feb. 26, 2021	March 30, 2021	June 29, 2021	Sept. 28, 2021	Dec. 28, 2021	June 28, 2022
Number of Retail Shops	**1,568**	**1,535**	**1,533**	**1,414**	**1,414**	**1,414**	**1,414**	**1,409**	**1,408**	**1,407**	**1,388**

William Hill Adjusted EBITDA

The following table shows William Hill Adjusted EBITDA for William Hill and by segment for the periods indicated:

	William Hill FY			William Hill 6M		William Hill LTM
	2019	2020	2021	2021	2022	June 28, 2022
			(GBP in millions)			
Retail Adjusted EBITDA	141.0	14.6	0.6	(47.5)	49.6	97.7
UK Online Adjusted EBITDA	133.0	137.3	157.3	102.5	47.8	102.6
International Online Adjusted EBITDA	31.5	37.5	32.6	17.6	18.4	33.4
Corporate Adjusted EBITDA	(47.5)	(40.5)	(26.2)	(22.9)	(18.5)	(21.8)
William Hill Adjusted EBITDA	**258.0**	**148.9**	**164.3**	**49.7**	**97.3**	**211.9**
IFRS 16 impact[(1)]	(44.3)	(36.5)	(33.9)	(18.1)	(15.8)	**(31.6)**
William Hill Adjusted EBITDA (pre-IFRS 16)	**213.7**	**112.4**	**130.4**	**31.6**	**81.5**	**180.3**

(1) Represents the impact of the application of IFRS 16 on William Hill for William Hill FY 2019, William Hill FY 2020 and William Hill FY 2021. For William Hill FY 2019, the impact of IFRS 16 includes £39.9 million of depreciation in respect of right-of-use assets and £4.4 million of interest paid on leases. For William Hill FY 2020, the impact of IFRS 16 includes £32.5 million of depreciation in respect of right of use assets and £4.0 million of interest paid on leases. For William Hill FY 2021, the impact of IFRS 16 includes £30.7 million of depreciation in respect of right of use assets and £3.2 million in respect of interest paid on leases. For William Hill 6M 2021, the impact of IFRS 16 includes £16.3 million of depreciation in respect of right-of-use assets and £1.8 million of interest paid on leases. For William Hill 6M 2022, the impact of IFRS 16 includes £14.6 million of depreciation in respect of right-of-use assets and £1.2 million of interest paid on leases. For William Hill LTM, the impact of IFRS 16 includes £29.0 million of depreciation in respect of right-of-use assets and £2.6 million of interest paid on leases.

Revenue

The following table shows revenue by segment for the periods indicated:

	William Hill FY			William Hill 6M	
	2019	2020	2021	2021	2022
			(GBP in millions)		
Retail revenue	717.0	354.2	336.8	87.3	263.5
UK Online revenue	488.3	515.7	643.4	362.4	261.7
International Online revenue	250.0	287.1	261.2	147.3	105.5
Total revenue	**1,455.3**	**1,157.0**	**1,241.4**	**597.0**	**630.7**

The following table shows revenue by segment for the twenty-six week periods ended December 31, 2019, June 30, 2020, December 29, 2020, June 29, 2021, December 28, 2021 and June 28, 2022:

	Twenty-six weeks ended					
	December 31, 2019	June 30, 2020	December 29, 2020	June 29, 2021	December 28, 2021	June 28, 2022
			(GBP in millions)			
Retail revenue	325.3	146.9	207.3	87.3	249.5	263.5
UK Online revenue	239.9	230.5	285.2	362.4	281.0	261.7
International Online revenue	131.2	139.0	148.1	147.3	113.9	105.5
Total revenue	**696.4**	**516.4**	**640.6**	**597.0**	**644.4**	**630.7**

Online revenue split

The following table shows revenue by product type for the periods indicated for UK Online and International Online:

	William Hill FY			William Hill 6M	
	2019	2020	2021	2021	2022
	(GBP in millions)				
UK Online sportsbook revenue	236.1	252.8	310.9	189.1	122.8
UK Online gaming revenue	252.2	262.9	332.5	173.3	138.9
International Online sportsbook revenue	71.5	67.9	74.5	44.6	29.8
International Online gaming revenue	178.5	219.2	186.7	102.7	75.7
Total William Hill Online revenue	**738.3**	**802.8**	**904.6**	**509.7**	**367.2**

Retail revenue split

The following table shows revenue by product type for the period indicated for William Hill Retail:

	William Hill FY			William Hill 6M	
	2019	2020	2021	2021	2022
	(GBP in millions)				
William Hill Retail sportsbook revenue	400.0	212.7	190.3	51.8	151.9
William Hill Retail gaming revenue	317.0	141.5	146.5	35.5	111.6
Total William Hill Retail revenue	**717.0**	**354.2**	**336.8**	**87.3**	**263.5**

Locally regulated and/or taxed vs. non-locally regulated revenue split

Locally regulated and/or taxed vs. non-locally regulated revenue split refers to the amount of revenue William Hill derives from its locally regulated and/or taxed and non-locally regulated markets, respectively. In locally regulated and/or taxed jurisdictions, gaming duties are imposed on licensed operators. The following table shows William Hill's locally regulated and/or taxed vs. non-locally regulated revenue split for the periods indicated:

	William Hill FY			William Hill 6M	
	2019	2020	2021	2021	2022
	(GBP in millions)				
Revenue from locally regulated and/or taxed markets	1,316.6	993.7	1,127.0	530.8	584.7
Revenue from non-locally regulated markets	138.7	163.3	114.4	66.2	46.0
Total revenue	**1,455.3**	**1,157.0**	**1,241.4**	**597.0**	**630.7**

The following table shows William Hill's locally regulated and/or taxed vs. non-locally regulated revenue split for the twenty-six week periods ended December 31, 2019, June 30, 2020, December 29, 2020, June 29, 2021, December 28, 2021 and June 28, 2022:

	Twenty-six weeks ended					
	December 31, 2019	June 30, 2020	December 29, 2020	June 29, 2021	December 28, 2021	June 28, 2022
	(GBP in millions)					
Revenue from locally regulated and/or taxed markets	620.8	434.1	559.6	530.8	596.2	584.7
Revenue from non-locally regulated markets	75.6	82.3	81.0	66.2	48.2	46.0
Total revenue	**696.4**	**516.4**	**640.6**	**597.0**	**644.4**	**630.7**

SUMMARY UNAUDITED PRO FORMA FINANCIAL INFORMATION AND OTHER DATA OF THE GROUP

The Summary Unaudited Pro Forma Financial Information of the enlarged Group set out below has been prepared to illustrate the effect of the Acquisition Transactions which includes the raising of borrowings under the Senior Facilities, the repayment of existing indebtedness of William Hill (including, among other things, the redemption or repurchase of the Existing William Hill Notes (as defined herein) and the repayment and cancellation of the Existing William Hill Facilities), and the offering of the Notes (the "Offering") (referred to hereafter as "the Transactions") on:

(i) *the consolidated net assets of the enlarged Group as at June 30, 2022 as if the Transactions had taken place on June 30, 2022;*

(ii) *on the consolidated income statement of the enlarged Group for the year ended December 31, 2021 as if the Transactions had taken place on January 1, 2021;*

(iii) *on the consolidated income statement of the enlarged Group for the six-month period ended June 30, 2022 as if the Transactions had taken place on January 1, 2021; and*

(iv) *on the consolidated income statement of the enlarged Group for the six-month period ended June 30, 2021 as if the Transactions had taken place on January 1, 2021 (together the "**Unaudited Pro Forma Financial Information**").*

The Unaudited Pro Forma Financial Information of the Group for the twelve months ended June 30, 2022, has been calculated by adding the pro forma statements of income of the Group for the six months ended June 30, 2022 to the pro forma statements of income of the Group for the year ended December 31, 2021, and subtracting the pro forma statements of comprehensive income of the Group for the six months ended June 30, 2021.

The Unaudited Pro Forma Financial Information has been prepared in a manner consistent with the accounting policies that will be applied by the enlarged Group for the six months ending 30 June 2022 and has been prepared on the basis set out in the notes below and in accordance with the requirements of sections 1 and 2 of Annex 20 of the UK Prospectus Delegated Regulation.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only. The hypothetical financial position or results included in the Unaudited Pro Forma Financial Information may differ from the enlarged Group's actual financial position or results. The Unaudited Pro Forma Financial Information does not purport to represent what the enlarged Group's financial position or results would have been if the Transactions had actually taken place on the dates indicated nor does it purport to represent the enlarged Group's results expected to be achieved in the future.

The Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of section 434 of the Companies Act 2006. The Unaudited Pro Forma Financial Information has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act, the Prospectus Regulation, or any generally accepted accounting standards. The Parent Guarantor's accountant's report on the Unaudited Pro Forma Financial Information is included elsewhere in this Offering Memorandum.

The Unaudited Pro Forma Financial Information has been derived from the 888 Financial Statements and William Hill's Historical Financial Information, with certain pro forma adjustments made to give effect to the Transactions. The assumptions and estimates underlying the Unaudited Pro Forma Financial Information are described in the accompanying notes thereto, which should be read together with the Unaudited Pro Forma Financial Information. For a detailed description of the basis of presentation with respect to the pro forma financial information of the enlarged Group, see "Presentation of Financial and Other Information" and "Unaudited Pro Forma Financial Information."

The summary pro forma consolidated financial information below includes certain non-IFRS measures that we use to evaluate our economic and financial performance. These measures are not identified as accounting measures under IFRS and therefore should not be considered a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are prepared in accordance with IFRS. See "Presentation of Financial and Other Information—Non-IFRS Financial Metrics and Other Data."

The Unaudited Pro Forma Financial Information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Group," "Management's Discussion and Analysis of Financial Condition and Results of Operations of William Hill," "Selected Historical Financial Data of the Group," "Selected Historical Financial Data of William Hill," "Use of Proceeds," "Capitalization," "Summary—The Acquisition Transactions and the Transactions," the 888 Historical Financial Information and William Hill Historical Financial Information included elsewhere in this Offering Memorandum and incorporated by reference.

Summary pro forma *consolidated income statement of the Group*

	Twelve months ended December 31, 2021	Six months ended June 30, 2021	Six months ended June 30, 2022	Twelve months ended June 30, 2022
		(unaudited) *(GBP millions)*		
Revenue	1,953.9	977.9	962.8	**1,938.8**
Gaming duties	(370.9)	(193.2)	(161.9)	**(339.6)**
Other cost of sales	(241.4)	(113.8)	(126.6)	**(254.2)**
Cost of sales	**(612.3)**	**(307.0)**	**(288.5)**	**(593.8)**
Gross Profit	**1,341.6**	**670.9**	**674.3**	**1,345.0**
Marketing expenses	(440.2)	(244.0)	(180.7)	**(376.9)**
Operating expenses	(822.4)	(399.6)	(442.9)	**(865.7)**
Other operating income	4.3	1.9	0.7	**3.1**
Exceptional items	(240.3)	(141.1)	(20.7)	**(119.9)**
Operating profit/(loss)	**(157.0)**	**(111.9)**	**30.7**	**(14.4)**
Finance income	1.8	0.9	0.3	**1.2**
Finance expenses	(182.3)	(101.7)	(79.9)	**(160.5)**
Share of post-tax loss of equity accounted associate	-	(0.6)	(0.1)	**0.5**
Profit/(loss) before tax	**(337.6)**	**(213.3)**	**(49.0)**	**(173.3)**
Taxation	28.8	31.4	5.7	**3.1**
Net profit/(loss) for the period	**(308.8)**	**(181.8)**	**(43.4)**	**(170.4)**
Attributable to:				
Equity holders of the Parent	(309.5)	(182.2)	(43.5)	(170.8)
Non-controlling interest	0.7	0.4	0.1	0.4

Summary unaudited *pro forma* statement of net assets of the Group

	As at June 30, 2022
	(unaudited) *(GBP millions)*
Assets	
Non-current assets	2,285.0
Current assets	570.7
Total assets	**2,855.7**
Liabilities	
Non-current liabilities	1,864.3
Current liabilities	729.3
Total liabilities	**2,593.6**
Net assets/(liabilities)	**262.1**

Other *pro forma* financial information

	Year ended December 31, 2021	Six months ended June 30, 2021	Six months ended June 30, 2022	Twelve months ended June 30, 2022**
	(unaudited)			
	(in GBP millions, other than percentages and ratios)			
	Pro Forma Enlarged Group			
Pro forma EBITDA(1)(2)	31.0	(25.4)	120.5	176.9
Pro forma Adjusted EBITDA(1)(2)	284.2	120.4	147.8	311.6
Pro forma Adjusted EBITDA margin(1)(2)(3)	14.5%	12.3%	15.4%	16.1%
Pro forma Acquisition Adjusted EBITDA(1)(2)				398.6
Pro forma as adjusted net total debt(4)				1,738
Pro forma as adjusted net secured debt(5)				1,636
Pro forma as adjusted net senior secured debt(6)				1,636
Pro forma adjusted cash and cash equivalents (7)				186
Pro forma adjusted interest expense(8)				
Ratio of *pro forma* as adjusted net total debt to *pro forma* Acquisition Adjusted EBITDA(1)(2)(4)				4.4x
Ratio of *pro forma* as adjusted net total secured debt to *pro forma* Acquisition Adjusted EBITDA(1)(2)(5)				4.1x
Ratio of *pro forma* as adjusted net senior secured debt to *pro forma* Acquisition Adjusted EBITDA(1)(2)(6)				4.1x
Ratio of *pro forma Acquisition* Adjusted EBITDA to *pro forma* adjusted interest expense(1)(2)(8)				x

** Unless otherwise specified below, balance sheet data has been calculated, as applicable, using a convenience exchange rate of $1.1130 per £1.00 or €1.1370 per £1.00, which represents the rate published by Bloomberg Composite Rate (London) as of September 30, 2022. These exchange rates have been provided solely for the convenience of potential investors. The rate should not be construed as a representation that USD, EUR or GBP amounts could have been, or could be, converted into such other currency at the rate set forth herein or at any other rate.

(1) *Pro forma* EBITDA, *pro forma* Adjusted EBITDA, *pro forma* Acquisition Adjusted EBITDA, *pro forma* as adjusted net total debt, *pro forma* as adjusted net secured debt, *pro forma* as adjusted net senior secured debt, *pro forma* adjusted cash and cash equivalents and *pro forma* adjusted interest expense are not measurements of financial performance under IFRS and should not be considered as alternatives to other indicators of our operating performance, cash flow or any other measure of performance derived in accordance with IFRS. *Pro forma* EBITDA, *pro forma* Adjusted EBITDA, *pro forma* Acquisition Adjusted EBITDA, *pro forma* as adjusted net total debt, *pro forma* as adjusted net secured debt, *pro forma* as adjusted net senior secured debt, *pro forma* adjusted cash and cash equivalents and *pro forma* adjusted interest expense as presented in this Offering Memorandum may differ from and may not be comparable to similarly titled measures used by other companies and differ from "Consolidated EBITDA" contained in the "*Description of the Senior Secured Notes*" section of the Offering Memorandum and in the Indenture. We present *pro forma* EBITDA, *pro forma* Adjusted EBITDA, *pro forma* Acquisition Adjusted EBITDA, *pro forma* as adjusted net total debt, *pro forma* as adjusted net secured debt, *pro forma* as adjusted net senior secured debt, *pro forma* adjusted cash and cash equivalents and *pro forma* adjusted interest expense for informational purposes only. There can be no assurance that items we have identified for adjustment as non-recurring will not recur in the future or that similar items will not be incurred in the future. The calculations for *pro forma* EBITDA, *pro forma* Adjusted EBITDA, *pro forma* Acquisition Adjusted EBITDA, *pro forma* as adjusted net total debt, *pro forma* as adjusted net secured debt, *pro forma* as adjusted net senior secured debt, *pro forma* adjusted cash and cash equivalents and *pro forma* adjusted interest expense are based on various assumptions and management estimates. These amounts have not been, and, in certain cases, cannot be, audited or reviewed by our independent auditors. This information is inherently subject to risks and uncertainties. It may not give an accurate or complete picture of the financial condition or results of operations of the acquired businesses or other transactions for the periods presented, may not be comparable to our consolidated financial statements or the other financial information included in this Offering Memorandum, or incorporated by reference herein, and should not be relied upon when making an investment decision. We present *pro forma* EBITDA, *pro forma* Adjusted EBITDA, *pro forma* Acquisition Adjusted EBITDA, *pro forma* as adjusted net total debt, *pro forma* as adjusted net secured debt, *pro forma* as adjusted net senior secured debt, *pro forma* adjusted cash and cash equivalents and *pro forma* adjusted interest expense because we believe they are helpful to investors as measures of our operating performance and ability to service our debt. *Pro forma* EBITDA, *pro forma* Adjusted EBITDA, *pro forma* Acquisition Adjusted EBITDA, *pro forma* as adjusted net total debt, *pro forma* as adjusted net secured debt, *pro forma* as adjusted net senior secured debt, *pro forma* adjusted cash and cash equivalents and *pro forma* adjusted interest expense have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. The method of calculation of pro forma net leverage ratios herein is not necessarily consistent with the method of calculation in the covenants under the section entitled "*Description of the Senior Secured Notes*", including with respect to treatment of customer liabilities, cash in transit, customer cash and restricted cash. See "*Presentation of Financial and Other Information*" and "*Risk Factors – Risks Related to the Acquisition— Our success will be dependent upon our ability to integrate William Hill, and we may not realize the anticipated benefits of the Acquisition.*"

(2) The following table shows a reconciliation of our *pro forma* net profit/(loss) for the year/period to *pro forma* EBITDA, *pro forma* Adjusted EBITDA and *pro forma* Acquisition Adjusted EBITDA:

	Year ended December 31, 2021	Six months ended June 30, 2021	Six months ended June 30, 2022	Twelve months ended June 30, 2022
		(unaudited) *Pro forma enlarged Group* *(in GBP millions)*		
***Pro forma* Net profit/(loss) for the year/period**	**(308.8)**	**(181.8)**	**(43.4)**	**(163.5)**
Pro forma interest expense, net	180.5	100.8	79.6	159.3
Pro forma taxation	(28.8)	(31.4)	(5.7)	(10.0)
Pro forma depreciation and amortization[(a)]	188.1	87.0	90.0	191.1
***Pro forma* EBITDA**	**31.0**	**(25.4)**	**120.5**	**176.9**
Pro forma exceptional items[(b)]	240.3	141.1	20.7	119.9
Pro forma share based payments[(a)(c)]	6.1	4.1	2.2	4.2
Pro forma exchange differences[(a)]	6.8	-	4.3	11.1
Pro forma share of post-tax loss of equity accounted associate	-	0.6	0.1	(0.5)
***Pro forma* Adjusted EBITDA**	**284.2**	**120.4**	**147.8**	**311.6**
Cost synergies[(d)]				87.0
***Pro forma* Acquisition Adjusted EBITDA[(e)]**				**398.6**

(a) The following table shows the break-down of depreciation and amortization, share based payments and foreign exchange differences, as applicable, by party within the Group, for the year ended December 31, 2021:

	Group	William Hill	Total
		(GBP millions)	
Depreciation and amortization	26.4	161.7	188.1
Share Based Payments	6.1	-	6.1
Foreign exchange differences	6.8	-	6.8

The following table shows the break-down of depreciation and amortization, share based payments and foreign exchange differences, as applicable, by party within the Group, for the six months ended June 30, 2021:

	Group	William Hill	Total
		(GBP millions)	
Depreciation and amortization	13.1	73.9	87.0
Share Based Payments	4.1	-	4.1

The following table shows the break-down of depreciation and amortization, share based payments and foreign exchange differences, as applicable, by party within the Group, for the six months ended June 30, 2022:

	Group	William Hill	Total
		(GBP millions)	
Depreciation and amortization	12.0	78.0	90.0
Share Based Payments	2.2	-	2.2
Foreign exchange differences	4.3	-	4.3

(b) The following table provides an overview of the exceptional items for the year ended December 31, 2021:

	Group	William Hill	*Pro forma* Adjustments	Total
		(GBP millions)		
Restructuring costs[(i)]	2.2	-	-	2.2
Exceptional legal and professional costs[(ii)]	10.9	70.5	42.3	123.7
Retroactive duties and associated charges[(iii)]	4.3	-	-	4.3
Provision - regulatory matters[(iv)]	(0.1)	15.2	-	15.1
On-sale related costs[(v)]	-	24.5	-	24.5
Impairment of goodwill[(vi)]	-	70.4	-	70.4
Total	**17.3**	**180.6**	**42.3**	**240.2**

i. Restructuring costs, comprises of £1.9 million employees redundancy costs related to the Group's decision to close its Antigua office, additional £0.3 million relates to the disposal of property, plant and equipment (refer to note 4 in the 2021 888 Financial Statements for further details).

ii. The Group has incurred legal and professional M&A costs of £10.9 million associated with the Acquisition (refer to note 4 of 2021 888 Financial Statements for further details). William Hill has incurred costs of £70.5 million associated with the transaction with the Seller, with regard to financial, corporate broking, legal and public relation advice (refer to note 3 of William Hill Historical Financial Information for the period ended December 28, 2021, for further details).

iii. The Group recorded an exceptional retroactive charge of £4.3 million following a reassessment of potential gaming duties relating to activity in prior years (refer to note 4 in the 2021 888 Financial Statements for further details)

iv. The Group has recorded an exceptional net change in provisions in respect of regulatory matters and legacy customers' activity prior periods (refer to note 4 in the 2021 888 Financial Statements). William Hill has recorded an exceptional provision of £15.2 million relating to any regulatory fine, penalty or settlement and associated costs that may result from the compliance assessment undertaken by the UKGC (refer to note 3 of the William Hill Historical Financial Information for the period ended December 28, 2021, for further details).

v. Following the acquisition of William Hill by the Seller on April 22, 2021, William Hill has incurred costs associated with the on-sale and separation of the US segment from William Hill (refer to note 3 of the William Hill Historical Financial Information for the periods ended December 28, 2021).

vi. William Hill recorded an exceptional charge of £70.4 million goodwill impairment as a result of the reduced consideration for the Acquisition (refer to note 3 of the William Hill Historical Financial Information for the periods ended December 28, 2021).

The following table provides an overview of the exceptional items for the six months ended June 30, 2021:

	Group	William Hill	*Pro forma Adjustments*	Total
		(GBP millions)		
Restructuring costs(i)	2.2	-	-	2.2
Exceptional legal and professional costs(ii)	1.2	69.6	62.7	133.5
Retroactive duties and associated charges(iii)	4.8	-	-	4.8
On-sale related costs(iv)	-	0.6	-	0.6
Total	**8.2**	**70.2**	**62.7**	**141.1**

i. Restructuring costs, comprises of £1.9 million employees redundancy costs related to the Group's decision to close its Antigua office, additional £0.3 million relates to the disposal of property, plant and equipment (refer to note 3 of the 2022 888 Unaudited Interim Financial Statements for further details).

ii. The Group has incurred legal and professional M&A costs of £1.2 associated with the Acquisition (refer to note 3 of the 2022 888 Unaudited Interim Financial Statements for further details). William Hill has incurred costs of £69.6 million associated with the Acquisition, with regard to financial, corporate broking, legal and public relation advice.

iii. The Group recorded an exceptional retroactive charge of £4.8 million following a reassessment of potential gaming duties relating to activity in prior years (refer to note 3 of the 2022 888 Unaudited Interim Financial Statements for further details).

iv. Following the acquisition of William Hill by the Seller on April 22, 2021, William Hill has incurred costs associated with the on-sale and separation of the US segment from William Hill. Within the 26 weeks ended June 28, 2021, costs include £0.6 million of technology spend to separate the platform and product so that US sports book can stand alone from the rest of William Hill.

The following table provides an overview of the exceptional items for the six months ended June 30, 2022:

	The Group	William Hill	*Pro forma* Adjustments	Total
		(GBP millions)		
Exceptional legal and professional costs(i)	7.4	-	(7.4)	-
Retroactive duties and associated charges(ii)	(2.2)	-	-	(2.2)
Loss on reclassification of Bingo business to Held for sale(iii)	11.2	-	-	11.2
Provision - regulatory matters(iv)	-	8.9	-	8.9
On-sale related costs(v)	-	2.8	-	2.8
Total	**16.4**	**11.7**	**(7.4)**	**20.7**

i. The Group has incurred legal and professional M&A costs of £7.4 million associated with the Acquisition (refer to note 4 of the 2022 888 Unaudited Interim Financial Statements for further details).

ii. The Group recorded an exceptional retroactive credit of £2.2 million following a reassessment of potential gaming duties relating to activity in prior years (refer to note 4 of the 2022 888 Unaudited Interim Financial Statements for further details).

iii. The Group announced that it had completed the sale of its entire Bingo business to Saphalata Holdings Ltd., a member of the Broadway Gaming group. In connection with the sale of its Bingo business, the Group reclassified Bingo assets and liabilities as 'Held for sale' and recognized an impairment loss of £11.2 million (refer to note 4 of the 2022 888 Unaudited Interim Financial Statements for further details).

iv. William Hill has recorded an exceptional provision relating to any regulatory fine, penalty or settlement and associated costs resulting from the compliance assessment undertaken by the UKGC (refer to note 2 of the William Hill Interim Financial Information for further details).

v. Following the acquisition of William Hill by the Seller on April 22, 2021, William Hill has incurred costs associated with the on-sale to the Group and separation of the US segment from William Hill. Within the 26 weeks ended June 28, 2022, costs include £2.8 million of technology spend to separate the platform and product so that US sports book can stand alone from the rest of William Hill (refer to note 2 of the William Hill Interim Financial Information for further details).

(c) Represents the total share based payments paid by the Group and William Hill, notwithstanding the acceleration of William Hill share based payments paid on closing of the takeover by the Seller in connection with the Seller Acquisition, which are classified to Exceptional items.

(d) The Group believes that the Acquisition will result in pre-tax cash synergies of approximately £150 million (including £34 million of capital expenditure synergies) in 2025, which would be achieved in phases. This figure represents £87 million operating (non-capital expenditure) synergies expected by Company management to be realized during 2023.

The Group expects that the cost synergies will primarily be achieved via economies of scale savings in direct costs, including payment processing fees and revenue share between the Group and William Hill. The balance will be achieved from savings from the following areas: (i) the ability to utilize the premier proprietary technology from both the Group and William Hill to create a single, unified wholly-owned proprietary platform for the Group with significant synergies related to data center optimization post-migration and other technology-related synergies; (ii) marketing and other fees payable to suppliers due to the Group's stronger negotiating position and greater scale; and (iii) back office overheads and other efficiencies, such as gaming license fees which may be consolidated in countries where there is an overlap between the Group and William Hill. Of these synergies, the Group estimates that approximately 15% will be achieved through cost of sales, approximately 32% through product and technology, approximately 35% through brand and marketing and approximately 18% through other operating costs. To achieve these synergies, the Group expects to incur exceptional costs of £100 million spread over the next three years, primarily related to staff costs, spread across the first three years following Completion. These financial benefits estimates are based on reaching the full £150 million run rate after four years (FY 2022 to FY 2025), compared to the market standard practice of three years. This four year period reflects both the timing of completion within year one, as well as the anticipated timeframe to achieve the full synergies across all areas, particularly within technology where the Group expects to take additional time to reduce the risk of any adverse customer impacts.

The Group's estimates regarding cost synergies are based on historical results as well as experience in similar circumstances and various assumptions and management estimates that the Group believes are reasonable. Neither the Group nor William Hill's independent auditors have audited, reviewed or performed any procedures relating to this amount. The Group cannot assure you that it will be able to attain these costs savings. Additionally, it may be unable to realize all of these costs savings within the timeframe expected, or at all, and it may incur additional and/or unexpected costs in order to realize them. See "*Risk Factors—Risks Related to the Acquisition—Our success will be dependent upon our ability to integrate William Hill, and we may not realize the anticipated benefits of the Acquisition."* This information is inherently subject to risks and uncertainties. It may not give an accurate or complete picture of the financial condition or results of operations of the Transaction for the period presented and may not be comparable to our historical consolidated financial statements or the other financial information included in this Offering Memorandum, or incorporated by reference herein, and should be treated with caution when making an investment decision.

(e) *Pro forma* Acquisition Adjusted EBITDA may not be indicative of the Group or William Hill's historical operating results or financial condition and is not meant to be predictive of the future results or financial condition of the Group. For example, although the trading for William Hill Retail continues to normalize from the impact of COVID-19 and the performance of William Hill Online is expected to continue to improve, the growth in these areas is expected to be partially offset by certain regulatory and compliance headwind, including an ongoing review by the UKGC with respect to William Hill International's UK licensed activities. See "*Risk Factors—Risks Related to Law and Regulation of the Betting and Gaming Industry— Our business may be exposed to litigation proceedings and regulatory and compliance risks in various jurisdictions across the world.*"

(3) *Pro forma* Adjusted EBITDA margin is defined as *pro forma* Adjusted EBITDA divided by *pro forma* revenue.

(4) *Pro forma* as adjusted total net debt represents *pro forma* as adjusted total debt minus *pro forma* cash and cash equivalents of the Group, including William Hill as at September 30, 2022. *Pro forma* as adjusted total debt reflects the Group's total debt as of June 30, 2022 adjusted for the Acquisition Transactions (including drawings under the Senior Facilities, the Notes, the William Hill 2026 Notes, the Additional Notes offered hereby and *pro forma* IFRS 16 lease liabilities as of September 30, 2022), *pro forma* adjusted to give effect to the Transactions (including the expected use of proceeds from the Offering), in each case using a convenience exchange rate of \$1.1130 per £1.00 or €1.1370 per £1.00, which represents the rate published by Bloomberg Composite Rate (London) as of September 30, 2022, to convert EUR and USD amounts into GBP, referenced on the capitalization table hereto. See "*Capitalization*" and "*Use of Proceeds*." *Pro forma* as adjusted total debt is presented for illustrative purposes only and does not purport to represent what the Group's total debt would have been had the Transactions occurred on June 30, 2022 or September 30, 2022, nor does it purport to project our total debt for any future period or our financial position at any future date.

(5) *Pro forma* as adjusted total net secured debt represents *pro forma* as adjusted total net debt excluding *pro forma* IFRS 16 lease liabilities as of September 30, 2022. All of the Group's secured debt is senior secured debt, therefore *pro forma* as adjusted secured debt reflects the Group's total senior secured debt as of June 30, 2022 adjusted for the Acquisition Transactions (including drawings under the Senior Facilities, the Notes, the William Hill 2026 Notes and the Additional Notes offered hereby), after giving effect to the Transactions (including the expected use of proceeds from the Offering) in each case using a convenience exchange rate of \$1.1130 per £1.00 or €1.1370 per £1.00, which represents the rate published by Bloomberg Composite Rate (London) as of September 30, 2022, to convert EUR and USD amounts into GBP, referenced on the capitalization table hereto. See "*Capitalization*" and "*Use of Proceeds.*" *Pro forma* as adjusted secured debt reflects the principal amount of relevant indebtedness outstanding net of unamortized debt issuance costs and does not reflect accrued and unpaid interest. *Pro forma* as adjusted secured net debt is presented for illustrative purposes only and does not purport to represent what the Group's secured net debt would have been had the Transactions occurred on June 30, 2022 or September 30, 2022, nor does it purport to project its secured debt for any future period or its financial position at any future date.

(6) *Pro forma* as adjusted senior secured net debt represents *pro forma* as adjusted senior secured debt, minus *pro forma* cash and cash equivalents of the Group, including William Hill as at September 30, 2022. *Pro forma* as adjusted senior secured debt reflects the Group's total senior secured debt as of June 30, 2022 adjusted for the Acquisition Transactions (including drawings under the Senior Facilities, the Notes, the William Hill 2026 Notes and the Additional Notes offered hereby), after giving effect to the Transactions (including the expected use of proceeds therefrom) in each case using a convenience exchange rate of \$1.1130 per £1.00 or €1.1370 per £1.00, which represents the rate published by Bloomberg Composite Rate (London) as of September 30, 2022, to convert EUR and USD amounts into GBP, referenced on the capitalization table hereto. See "*Capitalization*" and "*Use of Proceeds*." *Pro forma* as adjusted senior secured debt reflects the principal amount of relevant indebtedness outstanding net of unamortized debt issuance costs and does not reflect accrued and unpaid interest. *Pro forma* as adjusted senior secured net debt is presented for illustrative purposes only and does not purport to represent what the Group's senior secured net debt would have been had the Transactions occurred on June 30, 2022 or September 30, 2022, nor does it purport to project its senior secured debt for any future period or its financial position at any future date.

(7) *Pro forma* as adjusted cash and cash equivalents reflect cash and cash equivalents of the Group *pro forma* for the Acquisition Transactions and the Transactions as at September 30, 2022, referenced on the capitalization table hereto. *Pro forma* as adjusted cash and cash equivalents excludes restricted cash of £157.2 million, primarily related to customer deposits. P*ro forma* cash and cash equivalents of the Group for June 30, 2022 was £391.4 million, including restricted cash of £146.5 million from the Unaudited Pro Forma Financial Information. See "*Capitalization*" and "*Use of Proceeds.*" Actual amounts may differ.

(8) *Pro forma* as adjusted net interest expense represents the Group's estimated cash interest expense (excluding amortization of capitalized issuance costs such as original issue discount payable at maturity) for the twelve months ended June 30, 2022, adjusted to give effect to the Transaction as if the Transactions had occurred on July 1, 2021. See "*Risk Factors—Risks Related to Our Business—We be subject to interest rate risk.*"

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The Unaudited Pro Forma Financial Information of the enlarged Group set out below has been prepared to illustrate the effect of the Acquisition Transactions which includes the raising of borrowings under the Senior Facilities, the repayment of existing indebtedness of William Hill (including, among other things, the redemption or repurchase of the Existing William Hill Notes (as defined herein) and the repayment and cancellation of the Existing William Hill Facilities), and the offering of the Notes (the "Offering") (referred to hereafter as "the Transactions") on:

(v) *the consolidated net assets of the enlarged Group as at June 30, 2022 as if the Transactions had taken place on June 30, 2022;*

(vi) *on the consolidated income statement of the enlarged Group for the year ended December 31, 2021 as if the Transactions had taken place on January 1, 2021;*

(vii) *on the consolidated income statement of the enlarged Group for the six-month period ended June 30, 2022 as if the Transactions had taken place on January 1, 2021; and*

(viii) *on the consolidated income statement of the enlarged Group for the six-month period ended June 30, 2021 as if the Transactions had taken place on January 1, 2021 (together the "**Unaudited Pro Forma Financial Information**").*

The Unaudited Pro Forma Financial Information of the Group for the twelve months ended June 30, 2022, has been calculated by adding the pro forma statements of income of the Group for the six months ended June 30, 2022 to the pro forma statements of income of the Group for the year ended December 31, 2021, and subtracting the pro forma statements of comprehensive income of the Group for the six months ended June 30, 2021.

The Unaudited Pro Forma Financial Information has been prepared in a manner consistent with the accounting policies that will be applied by the enlarged Group for the six months ending 30 June 2022 and has been prepared on the basis set out in the notes below and in accordance with the requirements of sections 1 and 2 of Annex 20 of the UK Prospectus Delegated Regulation.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only. The hypothetical financial position or results included in the Unaudited Pro Forma Financial Information may differ from the enlarged Group's actual financial position or results. The Unaudited Pro Forma Financial Information does not purport to represent what the enlarged Group's financial position or results would have been if the Transactions had actually taken place on the dates indicated nor does it purport to represent the enlarged Group's results expected to be achieved in the future.

The Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of section 434 of the Companies Act 2006. The Unaudited Pro Forma Financial Information has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act, the Prospectus Regulation, or any generally accepted accounting standards. The Parent Guarantor's accountant's report on the Unaudited Pro Forma Financial Information is included elsewhere in this Offering Memorandum.

The Unaudited Pro Forma Financial Information has been derived from the 888 Financial Statements and William Hill's Historical Financial Information, with certain pro forma adjustments made to give effect to the Transactions. The assumptions and estimates underlying the Unaudited Pro Forma Financial Information are described in the accompanying notes thereto, which should be read together with the Unaudited Pro Forma Financial Information. For a detailed description of the basis of presentation with respect to the pro forma financial information of the enlarged Group, see "Presentation of Financial and Other Information" and "Unaudited Pro Forma Financial Information."

The summary pro forma consolidated financial information below includes certain non-IFRS measures that we use to evaluate our economic and financial performance. These measures are not identified as accounting measures under IFRS and therefore should not be considered a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are prepared in accordance with IFRS. See "Presentation of Financial and Other Information—Non-IFRS Financial Metrics and Other Data."

The Unaudited Pro Forma Financial Information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Group," "Management's Discussion and Analysis of Financial Condition and Results of Operations of William Hill," "Selected Historical Financial Data of the Group," "Selected Historical Financial Data of William Hill," "Use of Proceeds," "Capitalization," "Summary—The Acquisition Transactions and the Transactions," the 888 Historical Financial Information and William Hill Historical Financial Information included elsewhere in this Offering Memorandum and incorporated by reference herein.

Unaudited *pro forma* statement of net assets of the enlarged Group as at June 30, 2022

		Adjustments					
	The Group net assets as at June 30 2022	**William Hill net assets as at the 26 weeks ended June 28, 2022**	**Acquisition adjustments**	**Presentation adjustments**	**Total before financing adjustments**	**Debt financing adjustment**	**Unaudited *pro forma* enlarged Group**
GBP millions	**Note 1**	**Note 2**	**Note 3**	**Note 4**		**Note 5**	**Note 6**
Assets							
Non-current assets							
Goodwill and other intangible assets....	92.5	2,046.0	(39.2)		2,099.3	(42.3)	2,057.0
Right-of-use assets..	16.3	-		80.1	96.4		96.4
Property, plant, and equipment	11.3	173.5		(80.1)	104.7		104.7
Interests in associates	-	11.6			11.6		11.6
Investments............	-	1.0			1.0		1.0
Non-current receivables	5.2	-			5.2		5.2
Deferred tax assets..	2.5	12.0			14.5		14.5
	127.8	**2,244.1**	**(39.2)**	**-**	**2,332.7**	**(42.3)**	**2,290.4**
Current assets							
Cash and cash equivalents...........	299.5	164.0	(595.1)		(131.6)	523.0	391.4
Trade and other receivables	63.4	52.6			116.0	2.7	118.7
Income tax receivable.............	-	21.2			21.2		21.2
Assets held for sale.	39.2	0.2			39.4		39.4
	402.1	**238.0**	**(595.1)**	**-**	**45.0**	**525.7**	**570.7**
Total assets	**529.9**	**2,482.1**	**(634.3)**	**-**	**2,377.7**	**483.4**	**2,861.1**
Liabilities							
Non-current liabilities							
Severance pay liability.................	2.2	-			2.2		2.2
Deferred tax liability.................	1.5	93.9			95.4		95.4
Lease liabilities.......	14.4	52.2			66.6		66.6
Interest bearing loans more than one year	-	753.4			753.4	941.7	1,695.1
Provisions..............	-	2.8			2.8		2.8
Liability for contingent consideration.........	-	-	7.6		7.6		7.6
	18.1	**902.3**	**7.6**	**-**	**928.0**	**941.7**	**1,869.7**
Current liabilities							
Trade and other payables	128.3	389.4		(78.5)	439.2		439.2
Provisions..............	8.5	87.8			96.3		96.3
Income tax payable.	2.1	22.9			25.0		25.0
Lease liabilities	4.6	26.5			31.1		31.1
Interest bearing loans less than one year	-	458.3			458.3	(458.3)	-
Customer deposits...	53.1	-		78.5	131.6		131.6
Derivative financial instruments...........	-	3.5			3.5		3.5
Liabilities held for sale.......................	2.6	-			2.6		2.6
	199.2	**988.4**	**-**	**-**	**1,187.6**	**(458.3)**	**729.3**
Total liabilities	**217.3**	**1,890.7**	**7.6**	**-**	**2,115.6**	**483.4**	**2,559.0**
Net assets/(liabilities).	**312.6**	**591.4**	**(651.4)**	**-**	**262.1**	**-**	**262.1**

Notes

1) The net assets of the Group as at June 30, 2022 have been extracted, without material adjustment, from the Group unaudited condensed consolidated financial information as at and for the six months ended June 30, 2022, set out in the 888 Unaudited Interim Financial Statements, included elsewhere in this Offering Memorandum.

Cash and cash equivalents includes restricted cash of GBP 53.1 million relating to customer deposits.

2) The net assets of William Hill as at June 28, 2022 have been extracted from the William Hill unaudited combined carve-out financial statements as at and for 26 weeks ended June 28, 2022, set out in the William Hill Historical Financial Information, included elsewhere in this Offering Memorandum.

Cash and cash equivalents includes restricted cash of GBP 93.4 million relating to customer deposits (GBP 88.8 million) and restricted deposits in respect of Spanish and Italian regulatory requirements (GBP 4.6 million).

William Hill and the Group disclose equivalent balance sheet line items using different terms.

The narrative used is summarised below:

Narrative used by William Hill	**Narrative used by the Group**
Freehold property held for sale	Assets held for sale

3) The Unaudited *Pro Forma* Financial Information has been prepared on the basis that the Acquisition will be treated as a business combination in accordance with IFRS 3 *Business Combinations*. Under IFRS acquisition accounting, it is necessary to fair value the consideration paid and all the assets and liabilities of the acquired business. In the unaudited *pro forma* statement of net assets, no adjustment has been made to the fair values of the identified net assets of William Hill to reflect any re-measurement to fair value that may arise when the purchase price allocation exercise is completed. The fair value adjustments, when finalised, may be material. For the purposes of the Unaudited *Pro Forma* Financial Information the excess of the purchase consideration over the carrying amount of net assets acquired has been attributed to intangible assets. The calculation of the adjustment to intangible assets is set out below:

	GBP millions	**GBP millions**
Cash consideration paid	544.6	
Estimated fair value of contingent consideration	7.6	
Total consideration		552.2
Less carrying value of net liabilities assumed as at June 30, 2022		
William Hill net assets acquired	591.4	
William Hill intangibles derecognised	(1,833.6)	
Pro forma net liabilities assumed		1,242.2
Intangibles on acquisition		1,794.4
Adjustment to Goodwill and other intangible assets		**(39.2)**

The adjustment to cash and cash equivalents comprises of the consideration paid (excluding contingent consideration as explained below) for the acquisition of William Hill including the transaction costs of GBP 50.5 million assumed to have been paid on the date of acquisition.

	GBP millions
Consideration paid	544.6
Transaction costs paid	50.5
	595.1

The adjustment to the liability for contingent consideration comprises of the contingent consideration which forms part of the purchase consideration. Management have made a best estimate of the fair value of the contingent consideration of GBP 7.6 million as at June 30, 2022 by present valuing the estimated contingent consideration of GBP 8.7 million due by April 2024 using the weighted average discount rate of the enlarged Group. The estimation of the fair value of the contingent consideration is aligned to how it will be measured in the future financial statements of the enlarged Group, however it is noted that the fair value estimated may be different to what is actually recorded in the future financial statements of the enlarged Group.

4) The following reclassifications were made to reflect the difference in accounting presentation under William Hill's presentation as opposed to that of the Group:

   i. Right of use assets have been reclassified from Property, Plant and Equipment and have been presented as a separate line item within the statement of net assets.

   ii. Customer deposits have been reclassified from Trade and other payables and have been presented as a separate line item within the statement of net assets.

5) The debt financing adjustment relates to the notes and senior facilities with an aggregate principal amount of GBP 1,684.5 million, net of estimated expenses, raised, less the settlement of existing William Hill debt:

	Debt financing adjustment GBP millions
New loans and debt	1,684.5
Settlement of William Hill existing debt	(1,158.9)
	525.7

The reconciliation of the debt of the enlarged Group is:

	Debt of the enlarged Group before financing adjustment	Difference between carrying value of debt and actual cash paid	Settlement of existing debt	Debt of the enlarged Group before new debt financing raised	New debt financing raised	Settlement of new debt financing raised	Total debt of the enlarged Group
	GBP millions	GBP millions	GBP millions	GBP millions	GBP millions	GBP millions	GBP millions
William Hill 2023 Notes.......................	363.2	(5.3)	(357.9)	-			-
William Hill 2026 Notes.......................	390.2	(40.2)	(339.5)	10.5			10.5
William Hill other existing debt facilities	458.3	3.2	(461.5)	-			-
Closing Date TLB			-		1,063.4	(1,063.4)	-
Senior facilities and notes issued in July 2022					1,684.5	(250.0)	1,434.5
New Tap notes issue...					250.0		250.0
	1,211.7	**(42.3)**	**(1,158.9)**	**10.5**	**2,997.9**	**(1,313.4)**	**1,695.1**

* The senior facilities and notes comprises of a mix between USD, GBP, Euro TLB & TLA Senior debt and the notes issued in July 2022 with a maturity of up to seven years. The EUR/GBP exchange rate used for the EUR denominated loans is 1.16 EUR/GBP and the USD/GBP exchange rate used for the USD denominated loans is 1.14 USD/GBP. At the latest practicable date, the pro forma adjustment has assumed that the maximum margin percentage has been used which has resulted in a weighted average cost of debt of 9%.

The new Tap note issuance comprises of additional euro denominated Senior Secured Floating Rate Notes and euro denominated Senior Secured Fixed Rate Notes hereby offered due to be matured in 2028 and 2027 respectively, between approximately £200 million to £250 million in aggregate. The offering and quantum of these notes has not been finalised. At the latest practicable date, the pro forma adjustment has assumed that the same margin percentage for the applicable series of notes issued in July 2022 has been used

The settlement of existing debt represents the repayment of GBP 363.2 million aggregate principal amount outstanding under the Existing 2023 Notes, the partial repayment of GBP 379.7 million aggregate principal amount outstanding under the Existing 2026 Notes, and the repayment of GBP 458.3 million drawn under certain facilities previously available to William Hill, including a £1,044 million asset sale bridge loan and a £116 million revolving credit facility, both of which were prepaid in full and cancelled on Acquisition Completion Date.

The Euro-denominated first-lien term loan B facility (the "Closing Date TLB") was drawn by the Group on 1 July 2020 for GBP 1,063.4 million to fund the Acquisition, i.e., payment of the consideration and repayment of certain facilities previously available to William Hill, including a £1,044 million asset sale bridge loan and a £116 million revolving credit facility, both of which were prepaid in full and cancelled on Acquisition Completion Date. The Closing Date TLB was repaid and cancelled in full on 19 July 2022 from a combination of certain proceeds of the new senior facilities and notes.

The difference between the carrying amount of loan repaid in William Hill's unaudited combined carve-out financial statements and the cash outflow for the repayment pertains to the fair value uplift on the debt relating to the acquisition of William Hill by Caesars and unamortised debt expenses that is assumed to be adjusted as part of the re-measurement to fair value of the net assets of William Hill on completion of the purchase price allocation exercise and the related financing transactions. This will impact the value of Goodwill and statement of profit or loss.

The adjustment to cash and cash equivalents comprises the net proceeds of the new debt financing, net of the settlement of existing 2023 Unsecured Notes (GBP 363.2 million), partial settlement of existing 2026 Unsecured Notes (GBP 379.7 million), bank facilities (GBP 115.6 million) and asset bridge loan (GBP 342.7 million). Unredeemed 2026 Unsecured Notes are outstanding at GBP 10.5 million in the enlarged Group. The transaction costs which include the Change of Control fees and premiums is assumed to have been paid for on the date of acquisition and is reflected in the total transaction costs paid in Note 3 - Acquisition Adjustments.

The adjustment to trade and other receivables comprises of the prepayment of the undrawn credit facility commitment fees of GBP 2.6 million.

6) No adjustment has been made to reflect the trading results of the Group since June 30, 2022 or William Hill since June 28, 2022.

Unaudited *pro forma* income statement of the enlarged Group for the six months ended June 30, 2022

			Adjustments				
	The Group profit or loss for the six months ended June 30, 2022	**William Hill profit or loss for the 26 weeks ended June 28, 2022**	**Debt Financing adjustment***	**Transaction costs**	**Acquisition adjustment**	**Presentation adjustment**	**Unaudited *pro forma* enlarged Group**
GBP millions	**Note 1**	**Note 2**	**Note 3**	**Note 4**	**Note 5**	**Note 6**	**Note 7**
Revenue	332.1	630.7					962.8
Gaming duties	(62.3)	(99.6)					(161.9)
Other cost of sales	(58.2)	(68.4)					(126.6)
Cost of sales	**(120.5)**	**(168.0)**	**-**	**-**	**-**	**-**	**(288.5)**
Gross profit	**211.6**	**462.7**	**-**	**-**	**-**	**-**	**674.3**
Marketing expenses	(103.9)	(76.8)					(180.7)
Operating expenses	(76.2)	(378.4)				11.7	(442.9)
Other operating income	-	0.7					0.7
Exceptional items	(16.4)			7.4		(11.7)	(20.7)
Operating profit	**15.1**	**8.2**	**-**	**7.4**	**-**	**-**	**30.7**
Finance income	0.1	0.2					0.3
Finance expenses	(0.8)	(21.4)	(57.4)	-	(0.3)		(79.9)
Share of post-tax loss of equity accounted associate	-	(0.1)					(0.1)
Profit before tax	**14.4**	**(13.1)**	**(57.4)**	**7.4**	**(0.3)**	**-**	**(49.0)**
Taxation	(2.4)	0.3	9.6	(1.2)	0.0		5.7
Net profit/(loss) for the period	**12.0**	**(13.4)**	**(47.9)**	**6.2**	**(0.3)**	**-**	**(43.4)**
Attributable to:							
Equity holders of the Parent	12.0	(13.5)	(47.9)	6.2	(0.3)	-	(43.5)
Non-controlling interest	-	0.1					0.1

Notes

1) The income statement of the Group for the six months ended June 30, 2022 has been extracted, without material adjustment, from the Group's unaudited interim condensed consolidated financial information for the six months ended June 30, 2022 set out in the 888 Unaudited Interim Financial Statements included elsewhere in this Offering Memorandum.

2) The income statement of William Hill for 26 weeks ended June 28, 2022 have been extracted from the William Hill unaudited interim combined carve-out financial statements as at and for 26 weeks ended June 28, 2022 set out in the William Hill Historical Financial Information included elsewhere in this Offering Memorandum.

William Hill and the Group disclose equivalent income statement line items using different terms.

The narrative used is summarised below:

Narrative used by William Hill	Narrative used by the Group
(Loss)/profit for the period	Net profit for the year attributable to equity holders of the parent

3) The adjustment to finance expenses reflects:

	GBP millions
William Hill finance expenses removed*	20.0
Finance cost associated with new term loans	(76.5)
Annual revolving credit facility fees	(0.8)
Amortisation of capitalised revolving credit facility fees	(0.2)
	(57.5)

* All finance expenses (with the exception of lease related finance expenses and finance expenses relating to the outstanding Existing 2026 Notes) of William Hill have been removed as it was associated with the debt that was settled on completion of the Acquisition.

The adjustment to finance expenses assumes that the fair value uplift on the debt relating to the acquisition of William Hill by Caesars and unamortised debt expenses relating to the repayment of the 2023 Unsecured Notes, and 2026 Unsecured Notes and other debt facilities of William Hill will be adjusted as part of the re-measurement to fair value of the net assets of William Hill on completion of the purchase price allocation exercise and the related financing transactions. This will impact the value of Goodwill and statement of profit or loss.

The adjustment to taxation reflects the tax charge for the changes in the finance expenses shown above, calculated as GBP 9.6 million at the Group's effective tax rate of 16.7% for the period. For the purpose of the pro forma it was assumed that all transactions are deductible for tax purposes. The effective tax rate is the current rate of corporation tax for the period for Gibraltar, where the Parent Guarantor is incorporated.

These adjustments are expected to have a continuing impact.

4) The adjustment assumes the Acquisition occurred on 1 January 2021 and that the total estimated transaction costs are assumed to be incurred at the beginning of that period as these are typical expenses that are recognised in the historical results shortly after acquisition. In the six months ended June 30, 2022, the Group recorded GBP 7.4 million of transaction costs in the reported balances, and in 26 weeks ended June 28, 2022, William Hill recorded no related transaction costs in the reported balances. The adjustment has been made to reverse the effect of the transaction costs recorded in the reported period as such costs are adjusted in the Unaudited pro forma statement of profit or loss for the year ended December 31, 2021.

The adjustment to taxation reflects the tax charge for the changes in the exceptional transaction costs shown above, calculated as GBP 1.2 million at the Group's effective tax rate of 16.7% for the period. For the purpose of the pro forma it was assumed that all transactions are deductible for tax purposes. The effective tax rate is the current rate of corporation tax for the period for Gibraltar, where the Parent Guarantor is incorporated.

5) The acquisition related adjustment of GBP 0.3 million to the finance costs relates to the fair value movement of the contingent consideration for the six months ended June 30, 2022. For the purpose of this Unaudited pro forma statement of profit or loss, it is assumed that there has not been any change in the estimation of the contingent consideration from 1 Jan 2021.

The adjustment to tax on profit / (loss) on ordinary activities reflects the tax adjustment in relation to the fair value movement on the contingent consideration, calculated as GBP 0.05 million at the Group's effective tax rate of 16.7% for the period. For the purpose of the pro forma statement of profit or loss of the enlarged Group, it was assumed that all transactions are deductible for tax purposes. The effective tax rate is the current rate of corporation tax for the period for Gibraltar, where the Parent Guarantor is incorporated.

6) The following reclassifications were made to reflect the difference in accounting presentation under the Group's presentation as opposed to that of William Hill:

i. William Hill included exceptional items in operating expenses while the Group disclosed these under 'Exceptional items'. Amortisation of acquired intangibles (GBP 38.4 million) is disclosed as an exceptional item in William Hill's exceptional operating expenses, which is correctly classified in operating expenses as per the Group's accounting policies and will therefore not be reclassified to 'Exceptional items'. The remaining exceptional items (GBP 3.1 million) included in operating expenses includes on-sale related costs and regulatory provision & related fees, which will be reclassified to 'Exceptional items'.

7) A reconciliation of pro forma earnings before interest, taxes, depreciation and amortisation ('EBITDA') and exceptional items, share based payments, foreign exchange differences ('Adjusted EBITDA') to pro forma net profit/(loss) for the period determined in accordance with GAAP is provided below:

	GBP millions	
Pro forma net (loss)/profit for the period	(43.4)	
Add: Interest expense, net	79.6	
Less: Taxation	(5.7)	
Add: Depreciation and amortisation	90.0	***a***
EBITDA	**120.5**	
Add: Exceptional Items*	20.7	
Add: Share based payments	2.2	***a***
Add: Foreign exchange differences	4.3	***a***
Add: Share of post-tax loss of equity accounted associate	0.1	
Adjusted EBITDA	**147.8**	

* Exceptional items includes the following:

	The Group GBP millions	**William Hill GBP millions**	***Pro forma* adjustments GBP millions**	**Total GBP millions**
Exceptional legal and professional costs[1]	7.4	-	(7.4)	-
Retroactive duties and associated charges[2]	(2.2)	-	-	(2.2)
Loss on reclassification of Bingo business to Held for sale [3]	11.2	-	-	11.2
Provision - regulatory matters [4]	-	8.9	-	8.9
On-sale related costs [5]	-	2.8	-	2.8
	16.4	11.7	(7.4)	20.7

(1) The Group incurred legal and professional M&A costs of GBP 7.4 million associated with the acquisition of the international (non-US) business of William Hill (refer to note 4 of the Unaudited Interim Financial Statements for the six months ended June 30, 2022 of the Group further details).

(2) The Group recorded an exceptional retroactive charge of GBP 2.2 million following a reassessment of potential gaming duties relating to activity in prior years (refer to note 4 of the Unaudited Interim Financial Statements for the six months ended June 30, 2022 of the Group further details).

(3) The Group announced that it had completed the sale of its entire Bingo business to Saphalata Holdings Ltd., a member of the Broadway Gaming group. As a result, the Group reclassified Bingo assets and liabilities as 'Held for sale' and recognised an impairment loss of GBP 11.2 million (refer to note 4 of the Unaudited Interim Financial Statements for the six months ended June 30, 2022 of the Group further details).

(4) William Hill recorded an exceptional provision relating to any regulatory fine, penalty or settlement and associated costs resulting from the compliance assessment undertaken by the UKGC.

(5) Following the acquisition of William Hill by Caesars on 22 April 2021, the international (non-US) business of William Hill incurred costs associated with the on-sale to the Group and separation of the US segment from William Hill Group. Within the 26 weeks ended June 28, 2022, costs include GBP 2.8 million of technology spending to separate the platform and product so that the US sports book can stand alone from the rest of William Hill Group.

a. The breakup of these balances by party within the enlarged group are as follows:

	The Group GBP millions	**William Hill GBP millions**	**Total GBP millions**
Depreciation and amortisation	12.0	78.0	90.0
Share Based Payments	2.2	-	2.2
Foreign exchange differences	4.3	-	4.3

8) No adjustment has been made to reflect the trading results of the Group since June 30, 2022 or William Hill since June 28, 2022.

Unaudited *pro forma* statement of income of the enlarged Group for year ended December 31, 2021

			Adjustments				Unaudited *pro forma* enlarged Group
	The Group profit or loss for the year ended December 31 2021	William Hill profit or loss for the 52 weeks ended December 28 2021	Debt Financing adjustment *	Transaction costs	Acquisition adjustment	Presentation adjustment	
GBP millions	**Note 1**	**Note 2**	**Note 3**	**Note 4**	**Note 5**	**Note 6**	**Note 7/8**
Revenue	712.5	1,241.4					1,953.9
Gaming duties	(133.8)	(237.1)					(370.9)
Other cost of sales	(115.1)	(126.3)					(241.4)
Cost of sales	**(248.9)**	**(363.4)**	**-**	**-**	**-**	**-**	**(612.3)**
Gross profit	**463.6**	**878.0**	**-**	**-**	**-**	**-**	**1,341.6**
Marketing expenses	(222.8)	(217.4)					(440.2)
Operating expenses	(160.1)	(842.9)				180.6	(822.4)
Other operating income	-	4.3					4.3
Exceptional items	(17.4)	-		(42.3)		(180.6)	(240.3)
Operating profit	**63.3**	**(178.0)**	**-**	**(42.3)**	**-**	**-**	**(157.0)**
Finance income	0.1	1.7					1.8
Finance expenses	(4.2)	(67.6)	(94.4)	(15.6)	(0.5)		(182.3)
Share of post-tax loss of equity accounted associate	-	-					-
Profit before tax	**59.2**	**(243.9)**	**(94.4)**	**(57.9)**	**(0.5)**	**-**	**(337.6)**
Taxation	**(9.0)**	**14.5**	**14.4**	**8.8**	**0.1**		**28.8**
Net profit/(loss) for the period	**50.1**	**(229.4)**	**(80.0)**	**(49.1)**	**(0.4)**	**-**	**(308.8)**
Attributable to:							
Equity holders of the Parent	50.1	(230.1)	(80.0)	(49.1)	(0.4)	-	(309.5)
Non-controlling interest	-	0.7					0.7

Notes

1) The income statement of Group for the year ended December 31, 2021 has been extracted, without material adjustment , from the Group's audited financial information as at and for the year ended December 31, 2021 set out in the Group's Historical Financial Information in this document.

2) The income statement of William Hill for the 52 weeks ended December 28, 2021 have been extracted from the William Hill audited financial statements as at and for the 52 weeks ended December 28, 2021 set out in the William Hill Historical Financial Information included elsewhere in this Offering Memorandum.

   William Hill and the Group disclose equivalent income statement line items using different terms.

   The narrative used is summarised below:

Narrative used by William Hill	Narrative used by the Group
(Loss)/profit for the period	Net profit for the year attributable to equity holders of the parent

3) The adjustment to finance expenses reflects:

	GBP millions
William Hill finance expenses removed*	59.4
Finance cost associated with new term loans	(151.6)
Annual revolving credit facility fees	(1.7)
Amortisation of capitalised revolving credit facility fees	(0.4)
	(94.4)

   * All finance expenses (with the exception of lease related finance expenses and finance expenses relating to the outstanding Existing 2026 Notes) of William Hill have been removed as it was associated with the debt that was settled on completion of the Acquisition.

   The adjustment to finance expenses assumes that the fair value uplift on the debt relating to the acquisition of William Hill by Caesars and unamortised debt expenses relating to the repayment of the 2023 Unsecured Notes, and 2026 Unsecured Notes and other debt facilities of William Hill will be adjusted as part of the re-measurement to fair value of the net assets of William Hill on completion of the Acquisition and the related financing transactions which will impact the value of Goodwill and statement of profit or loss.

   The adjustment to taxation reflects the tax charge for the changes in the finance expenses shown above, calculated as GBP 14.4 million at the Group's effective tax rate of 15.3% for the period. For the purpose of the pro forma it was assumed that all transactions are deductible for tax purposes. The effective tax rate is the current rate of corporation tax for the period for Gibraltar, where the Parent Guarantor is incorporated.

   These adjustments are expected to have a continuing impact.

4) The estimated transaction costs of GBP 42.3 million incurred in connection with the Acquisition are reflected as an exceptional item. The adjustment assumes the Acquisition occurred on 1 January 2021 and that the total estimated transaction costs are assumed to be incurred at the beginning of that period as these are typical expenses that are recognised in the historical results shortly after an acquisition. The adjustment is the total estimated transaction costs less what has actually been incurred in the Group up to and including for the six months ended June 30, 2021. The adjustment for transaction costs is the following and do not include cost recognised in the historical financial statements:

	GBP millions

Total estimated transaction costs (excluding breakage) incurred by the Group	57.4
Total estimated transaction costs incurred by William Hill	6.5
Total estimated transaction costs	63.9
Less transaction cost recorded by the Group in reported balance for the year ended December 31, 2021	(15.1)
Less transaction cost recorded by William Hill in the reported balance for 52 weeks ended December 28, 2021	(6.5)
Transaction cost adjustment	42.3

All costs that relate solely to the Acquisition have been expensed in accordance with IFRS 3 *Business Combinations*.

The transaction costs exclude the following:

	GBP millions
Estimated costs of Placing (netted off with equity)	4.4
Estimated cost of debt (netted off with liabilities)	96.5
Breakage costs (included as a finance expense)	12.5
Interest paid on closing Date TLB (included as a finance expense)	3.1
Costs already recognised in the Group	15.1
Costs already recognised in William Hill	6.5

The adjustment to tax on profit / (loss) on ordinary activities reflects the tax adjustment in relation to the transaction costs and finance costs, calculated as GBP 8.8 million at the Group's effective tax rate of 15.3% for the period. For the purpose of the pro forma statement of profit or loss of the enlarged Group, it was assumed that all transactions are deductible for tax purposes. The effective tax rate is the current rate of corporation tax for the period for Gibraltar, where the Parent Guarantor is incorporated.

5) The acquisition related adjustment of GBP 0.5 million to the finance costs relates to the fair value movement of the contingent consideration for the period ended December 31, 2021. For the purpose of this Unaudited pro forma statement of profit or loss, it is assumed that there has not been any change in the estimation of the contingent consideration from 1 Jan 2021.

   The adjustment to tax on profit/(loss) on ordinary activities reflects the tax adjustment in relation to the fair value movement on the contingent consideration, calculated as GBP 0.1 million at the Group's effective tax rate of 15.3% for the period. For the purpose of the pro forma statement of profit or loss of the enlarged Group, it was assumed that all transactions are deductible for tax purposes. The effective tax rate is the current rate of corporation tax for the period for Gibraltar, where the Parent Guarantor is incorporated.

6) The following reclassifications were made to reflect the difference in accounting presentation under the Group's presentation as opposed to that of William Hill:

   i. William Hill included exceptional items in operating expenses while the Group disclosed these under 'Exceptional items'. Amortisation of acquired intangibles (GBP 55.3 million) is disclosed as an exceptional item in William Hill's exceptional operating expenses, which is correctly classified in operating expenses as per the Group's accounting policies and will therefore not be reclassified to 'Exceptional items'. The remaining exceptional items (GBP 180.6 million) included in operating expenses includes costs relating to the Seller's acquisition and US separation and impairment of Retail segment, which will be reclassified to 'Exceptional items'.

7) A reconciliation of pro forma earnings before interest, taxes, depreciation, and amortisation, ('EBITDA') and exceptional items, share based payments and foreign exchange differences ('Adjusted EBITDA') to pro forma net profit/ (loss) for the year determined in accordance with GAAP is provided below:

	GBP millions	
Pro forma net (loss)/profit for the period	(308.8)	
Add: Interest expense, net	180.5	
Less: Taxation	(28.8)	
Add: Depreciation and amortisation	188.1	***a***
EBITDA	**31.0**	
Add: Exceptional Items*	240.3	
Add: Share based payments	6.1	**a**
Add: Foreign exchange differences	6.8	***a***
Add: Share of post-tax loss of equity accounted associate	-	
Adjusted EBITDA	**284.2**	

* Exceptional items includes the following:

	The Group GBP millions	**William Hill** GBP millions	***Pro forma* adjustments** GBP millions	**Total** GBP millions
Restructuring costs[1]	2.2	-	-	2.2
Exceptional legal and professional costs[2]	10.9	70.5	42.3	123.7
Retroactive duties and associated charges[3]	4.3	-	-	4.3
Provision - regulatory matters[4]	(0.1)	15.2	-	15.1
On-sale related costs[5]	-	24.5	-	24.5
Impairment of goodwill[6]	-	70.4	-	70.4
	17.3	**180.6**	**42.3**	**240.2**

(1) Restructuring costs, comprises of GBP 1.9 million employees redundancy costs related to the Group's decision to close its Antigua office, additional GBP 0.3 million relates to the disposal of property, plant and equipment (refer to note 4 in the 2021 888 Financial Statements for further details).

(2) The Group has incurred legal and professional M&A costs of GBP 10.9 million associated with acquisition of the international (non-US) business of William Hills (refer to note 4 of 2021 888 Financial Statements for further details). William Hills has incurred costs of GBP 70.5 million associated with the transaction with Caesars, with regard to financial, corporate broking, legal and public relation advice (refer to note 3 of William Hills Historical Financial Information for the period ended December 28, 2021 for further details).

(3) The Group recorded an exceptional retroactive charge of GBP 4.3 million following a reassessment of potential gaming duties relating to activity in prior years (refer to note 4 in the 2021 888 Financial Statements for further details).

(4) The Group has recorded an exceptional net change in provisions in respect of regulatory matters and legacy customers' activity prior periods (refer to note 4 in the 2021 888 Financial Statements). William Hills has recorded an exceptional provision of GBP 15.2 million relating to any regulatory fine, penalty or settlement and associated costs resulting from the compliance assessment undertaken by the UKGC (refer to note 3 of William Hills Historical Financial Information for the period ended December 28, 2021 for further details).

(5) Following the acquisition of William Hill by the Seller on April 22, 2021, William Hill has incurred costs associated with the on-sale and separation of the US segment from William Hill Group (refer to note 3 of William Hill's Historical Financial Information for the periods ended December 28, 2021).

(6) William Hill recorded an exceptional charge of GBP 70.4 million goodwill impairment as a result of the reduced consideration for the acquisition of the international (non-US) business of William Hill Group (refer to note 3 of William Hills Historical Financial Information for the periods ended December 28, 2021).

a. The breakup of these balances by party within the enlarged group are as follows:

	The Group	**William Hill**	**Total**
	GBP millions	**GBP millions**	**GBP millions**
Depreciation and amortisation	26.4	161.7	188.1
Share Based Payments	6.1	-	6.1
Foreign exchange differences	6.8	-	6.8

8) No adjustment has been made to reflect the trading results of the Group since December 31, 2021 or William Hill since December 28, 2021.

Unaudited *pro forma* statement of income of the enlarged Group for the six months ended June 30, 2021

			Adjustments				
	The Group profit or loss for the six months ended June 30, 2021	**William Hill profit or loss for the 26 weeks ended June 29, 2021**	**Debt Financing adjustment***	**Transaction costs**	**Acquisition adjustment**	**Presentation adjustment**	**Unaudited *pro forma* enlarged Group**
GBP millions	**Note 1**	**Note 2**	**Note 3**	**Note 4**	**Note 5**	**Note 6**	**Note 7/8**
Revenue	380.9	597.0					977.9
Gaming duties	(72.5)	(120.7)					(193.2)
Other cost of sales	(54.4)	(59.4)					(113.8)
Cost of sales	**(126.9)**	**(180.1)**	**-**	**-**	**-**	**-**	**(307.0)**
Gross profit	**254.0**	**416.9**	**-**	**-**	**-**	**-**	**670.9**
Marketing expenses	(123.1)	(120.9)					(244.0)
Operating expenses	(77.8)	(392.0)				70.2	(399.6)
Other operating income	-	1.9					1.9
Exceptional items	(8.2)			(62.7)		(70.2)	(141.1)
Operating profit	**44.9**	**(94.1)**	**-**	**(62.7)**	**-**	**-**	**(111.9)**
Finance income	0.1	0.8					0.9
Finance expenses	(3.1)	(32.1)	(50.7)	(15.6)	(0.3)		(101.7)
Share of post-tax loss of equity accounted associate	-	(0.6)					(0.6)
Profit/(loss) before tax	**41.9**	**(126.0)**	**(50.7)**	**(78.3)**	**(0.3)**	**-**	**(213.3)**
Taxation	**(5.2)**	**20.6**	**6.3**	**9.7**	**0.0**		**31.4**
Net profit/(loss) for the period	**36.7**	**(105.4)**	**(44.4)**	**(68.6)**	**(0.3)**	**-**	**(181.8)**
Attributable to:							
Equity holders of the Parent	36.7	(105.8)	(44.4)	(68.6)	(0.3)	-	(182.2)
Non-controlling interest	-	0.4					0.4

Notes

1) The income statement of Group for the year ended June 30, 2021 has been extracted, without material adjustment, from the Group's audited financial information as at and for the year ended June 30, 2021 set out in the Group's Historical Financial Information in this document.

2) The income statement of William Hill for the 26 weeks ended June 29, 2021 have been extracted from the William Hill audited financial statements as at and for the 26 weeks ended June 29, 2021 set out in the William Hill Historical Financial Information included elsewhere in this Offering Memorandum.

   William Hill and the Group disclose equivalent income statement line items using different terms.

   The narrative used is summarised below:

Narrative used by William Hill	Narrative used by the Group
(Loss)/profit for the period	Net profit for the year attributable to equity holders of the parent

3) The adjustment to finance expenses reflects:

	GBP millions
William Hill finance expenses removed*	26.1
Finance cost associated with new term loans	(75.8)
Annual revolving credit facility fees	(0.8)
Amortisation of capitalised revolving credit facility fees	(0.2)
	(55.7)

   * All finance expenses (with the exception of lease related finance expenses and finance expenses relating to the outstanding Existing 2026 Notes) of William Hill have been removed as it was associated with the debt that was settled on completion of the Acquisition.

   The adjustment to finance expenses assumes that the fair value uplift on the debt relating to the acquisition of William Hill by Caesars and unamortised debt expenses relating to the repayment of the 2023 Unsecured Notes, and 2026 Unsecured Notes and other debt facilities of William Hill will be adjusted as part of the re-measurement to fair value of the net assets of William Hill on completion of the Acquisition and the related financing transactions which will impact the value of Goodwill and statement of profit or loss.

   The adjustment to taxation reflects the tax charge for the changes in the finance expenses shown above, calculated as GBP 6.3 million at the Group’s effective tax rate of 12.4% for the period. For the purpose of the pro forma it was assumed that all transactions are deductible for tax purposes. The effective tax rate is the current rate of corporation tax for the period for Gibraltar, where the Parent Guarantor is incorporated.

   These adjustments are expected to have a continuing impact.

4) The estimated transaction costs of GBP 62.7 million incurred in connection with the Acquisition are reflected as an exceptional item. The adjustment assumes the Acquisition occurred on 1 January 2021 and that the total estimated transaction costs are assumed to be incurred at the beginning of that period as these are typical expenses that are recognised in the historical results shortly after an acquisition. The adjustment is the total estimated transaction costs less what has actually been incurred in the Group up to and including for the six months ended June 30, 2021. The adjustment for transaction costs is the following and does not include costs recognised in the historical financial statements:

	GBP millions
Total estimated transaction costs (excluding breakage) incurred by the Group	57.4

Total estimated transaction costs incurred by William Hill	6.5
Total estimated transaction costs	63.9
Less transaction cost recorded by the Group in reported balance for the six months ended June 30, 2021	(1.2)
Transaction cost adjustment	62.7

All costs that relate solely to the Acquisition have been expensed in accordance with IFRS 3 *Business Combinations*.

The transaction costs exclude the following:

	GBP millions
Estimated costs of Placing (netted off with equity)	4.4
Estimated cost of debt (netted off with liabilities)	96.5
Breakage costs (included as a finance expense)	12.5
Interest paid on closing Date TLB (included as a finance expense)	3.1
Costs already recognised in the Group	1.2

The adjustment to tax on profit / (loss) on ordinary activities reflects the tax adjustment in relation to the transaction costs and finance costs, calculated as GBP 9.7 million at the Group's effective tax rate of 12.4% for the period. For the purpose of the pro forma statement of profit or loss of the enlarged Group, it was assumed that all transactions are deductible for tax purposes. The effective tax rate is the current rate of corporation tax for the period for Gibraltar, where the Parent Guarantor is incorporated.

5) The acquisition related adjustment of GBP 0.3 million to the finance costs relates to the fair value movement of the contingent consideration for the six months ended June 30, 2021. For the purpose of this Unaudited pro forma statement of profit or loss, it is assumed that there has not been any change in the estimation of the contingent consideration from 1 Jan 2021.

   The adjustment to tax on profit / (loss) on ordinary activities reflects the tax adjustment in relation to the fair value movement on the contingent consideration, calculated as GBP 0.03 million at the Group's effective tax rate of 12.4% for the period. For the purpose of the pro forma statement of profit or loss of the enlarged Group, it was assumed that all transactions are deductible for tax purposes. The effective tax rate is the current rate of corporation tax for the period for Gibraltar, where the Parent Guarantor is incorporated.

6) The following reclassifications were made to reflect the difference in accounting presentation under the Group's presentation as opposed to that of William Hill:

   i. William Hill included exceptional items in operating expenses while the Group disclosed these under 'Exceptional items'. Amortisation of acquired intangibles (GBP 20.5 million) is disclosed as an exceptional item in William Hill's exceptional operating expenses, which is correctly classified in operating expenses as per the Group's accounting policies and will therefore not be reclassified to 'Exceptional items'. The remaining exceptional items (GBP 70.2 million) included in operating expenses includes costs relating to the Caesar acquisition and US separation, which will be reclassified to 'Exceptional items'.

7) A reconciliation of pro forma earnings before interest, taxes, depreciation, and amortisation, ('EBITDA') and exceptional items, share based payments and foreign exchange differences ('Adjusted EBITDA') to pro forma net profit/ (loss) for the year determined in accordance with GAAP is provided below:

	GBP millions
Pro forma net profit/(loss) for the period	(181.8)
Add: Interest expense, net	100.8

Less: Taxation	(31.4)	
Add: Depreciation and amortisation	87.0	*a*
EBITDA	**(25.4)**	
Add: Exceptional Items*	141.1	
Add: Share based payments	4.1	*a*
Add: Share of post-tax loss of equity accounted associate	0.6	
Adjusted EBITDA	**120.4**	

* Exceptional items includes the following:

	The Group	**William Hill**	***Pro forma* adjustments**	**Total**
	GBP millions	**GBP millions**	**GBP millions**	**GBP millions**
Restructuring costs1	2.2	-	-	2.2
Exceptional legal and professional costs2	1.2	69.6	62.7	133.5
Retroactive duties and associated charges3	4.8	-	-	4.8
On-sale related costs4	-	0.6	-	0.6
	8.2	**70.2**	**62.7**	**141.1**

(1) Restructuring costs, comprises of GBP 1.9 million employees redundancy costs related to the Group's decision to close its Antigua office, additional GBP 0.3 million relates to the disposal of property, plant and equipment (refer to note 3 of the Unaudited Interim Financial Statements for the six months ended June 30, 2022 of the Group further details).

(2) The Group has recognised legal and professional M&A costs of GBP 1.2 million associated with the acquisition of the international (non-US) business of William Hill (refer to note 3 of the Unaudited Interim Financial Statements for the six months ended June 30, 2022 of the Group further details). William Hill has incurred costs of GBP 69.6 million associated with the transaction with the Seller (Caesars), with regard to financial, corporate broking, legal and public relation advice.

(3) The Group recorded an exceptional retroactive charge of GBP 4.8 million following a reassessment of potential gaming duties relating to activity in prior years (refer to note 3 of the Unaudited Interim Financial Statements for the six months ended June 30, 2022 of the Group further details).

(4) Following the acquisition of William Hill by Caesars on 22 April 2021, William Hill's carve-out business incurred costs associated with the on-sale to the Group and separation of the US segment from the William Hill Group. Within the 26 weeks ended June 29, 2021, costs include GBP 0.6 million of technology spending to separate the platform and product so that the US sports book can stand alone from the rest of the William Hill Group.

a. The breakup of these balances by party within the enlarged group are as follows:

	The Group	**William Hill**	**Total**
	GBP millions	**GBP millions**	**GBP millions**
Depreciation and amortisation	13.1	73.9	87.0
Share Based Payments	4.1	-	4.1

8) No adjustment has been made to reflect the trading results of the Group since June 30, 2021 or William Hill since June 29, 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF WILLIAM HILL

*The following discussion and analysis is intended to assist in providing an understanding of William Hill's financial condition and results of operations for William Hill FY 2019, William Hill FY 2020 and William Hill FY 2021, the 26-week period ended June 29, 2021 ("**William Hill 6M 2021**") and the 26-week period ended June 28, 2022 ("**William Hill 6M 2022**") and as at the end of each such period.*

The financial information as at and for William Hill FY 2019, William Hill FY 2020, William Hill FY 2021, William Hill 6M 2021 and William Hill 6M 2022 has been derived from William Hill Historical Financial Information and from William Hill Interim Financial Information included elsewhere in this Offering Memorandum and the documents incorporated by reference.

William Hill presented the last six-month figures for the periods ended December 28, 2021, June 29, 2021, December 29, 2020, June 30, 2020 and December 31, 2019 for informational purposes to present its financial results for periods prior to and following the outbreak of the COVID-19 pandemic. This financial information has been derived from the underlying accounting records of William Hill and has not been subject to an audit or review and therefore is unaudited.

Some of the information contained in this "Management's Discussion and Analysis of Financial Condition and Results of Operations of William Hill" contains certain forward looking statements that reflect plans, estimates and belief and that may involve risks and uncertainties. William Hill's actual results may also differ materially from those discussed in these forward looking statements. Factors that could cause or contribute to such risks, uncertainties and/or differences include, but are not limited to, those discussed below and elsewhere in this document and in the documents incorporated by reference, "Risk Factors," "Forward-Looking Statements" and "Presentation of Financial and Other Information."

Overview

888 is one of the world's largest online betting and gaming companies by revenue, with overall revenue of $980.1 million for FY 2021 and *pro forma* revenue of £1,938.8 million for the twelve months ended June 30, 2022 pro forma for the acquisition of William Hill. The Group's mission is to lead the online gambling world in creating the best betting and gaming experiences and developing state-of-the-art technology and products that provide fun, fair and safe online betting and gaming entertainment to customers around the world. The Group has been at the forefront of the online gaming industry since it was founded in 1997, leveraging its proprietary technology to provide players and partners an innovative and world-class online gaming experience.

In connection with the Acquisition, the Group acquired William Hill and believes the enlarged Group is the world's fourth largest publicly listed online gaming company by revenue, with market leading positions in its Betting and Gaming product verticals in the UK and Continental Europe, based on size of combined revenue. William Hill is the number one Casino brand in the UK in terms of awareness, the number two betting brand in the UK in terms of awareness and is a top-three brand by revenue share, in both retail and online sports betting. By combining 888's approximately 2.4 million active customers with William Hill's approximately 3 million active customers, the Group now has more than 5 million annual active customers, with the scale to attract and serve further customers in the market and the opportunity to create revenue synergy opportunities by combining the best of both businesses to improve the customer experience and potentially increase the average revenue per user.

Changes to operating segments

For William Hill Interim Historical Financial Information as of and for William Hill 6M 2022, trading in Ireland has been reclassified from International Online to UK Online, consistent with the updated structure effective January 1, 2022 pursuant to which management of the Irish business was transferred to the UK Online management team. The segmental information for the comparative 26-week periods have been prepared on this basis. William Hill Historical Financial Information has not been restated to reflect this change in operating segment and as such the segmental information presented in this section of the Offering Memorandum is not comparable to the segmental information for William Hill Interim Historical Financial Information.

Key Performance Indicators

William Hill uses certain IFRS financial metrics, such as revenue, gross profit and operating profit to assess its financial performance, as well as certain key performance indicators, such as the number of retail shops, William

Hill Adjusted EBITDA and William Hill Adjusted Operating Profit/(loss) which in its view provide alternative measures with which to monitor its economic, financial and operating performance. These measures have been provided for informational purposes only and are not indicative of historical operating results, nor are they meant to be predictive of future results. These measures are used to monitor its underlying performance and operations. However, certain of these measures are non-IFRS measures and should not be considered as an alternative to similar measures calculated and presented in accordance with IFRS. See "*Presentation of Financial and Other Information*."

Number of Retail Shops

The number of retail shops represents the total number of LBOs operated by William Hill Retail in a given period. The following table shows the total number of retail shops operated by William Hill for the periods indicated:

	Dec. 31, 2019	March 31, 2020	June 30, 2020	Sept. 29, 2020	Dec. 29, 2020	Feb. 23, 2021	March 30, 2021	June 29, 2021	Sept. 28, 2021	Dec. 28, 2021	June 28, 2022
Number of Retail Shops	**1,568**	**1,535**	**1,533**	**1,414**	**1,414**	**1,414**	**1,414**	**1,409**	**1,408**	**1,407**	**1,388**

William Hill Adjusted EBITDA

The following table shows William Hill Adjusted EBITDA for William Hill as a whole and by segment for the periods indicated:

	William Hill FY			**William Hill 6M**	
	2019	**2020**	**2021**	**2021**	**2022**
				(unaudited)	
			(GBP in millions)		
Retail Adjusted EBITDA	141.0	14.6	0.6	(47.5)	49.6
UK Online Adjusted EBITDA	133.0	137.3	157.3	102.5	47.8
International Online Adjusted EBITDA	31.5	37.5	32.6	17.6	18.4
Corporate Adjusted EBITDA	(47.5)	(40.5)	(26.2)	(22.9)	(18.5)
William Hill Adjusted EBITDA	**258.0**	**148.9**	**164.3**	**49.7**	**97.3**

Revenue

The following table shows revenue by segment for the periods indicated:

	William Hill FY			**William Hill 6M**	
	2019	**2020**	**2021**	**2021**	**2022**
				(unaudited)	
			(GBP in millions)		
Retail revenue	717.0	354.2	336.8	87.3	263.5
UK Online revenue	488.3	515.7	643.4	362.4	261.7
International Online revenue	250.0	287.1	261.2	147.3	105.5
Total revenue	**1,455.3**	**1,157.0**	**1,241.4**	**597.0**	**630.7**

The following table shows revenue by segment for the 26-week periods ended December 31, 2019, June 30, 2020, December 29, 2020, June 29, 2021 and December 28, 2021:

	26-weeks ended				
	December 31, 2019	**June 30, 2020**	**December 29, 2020**	**June 29, 2021**	**December 28, 2021**
			(GBP in millions)		
Retail revenue	325.3	146.9	207.3	87.3	249.5
UK Online revenue	239.9	230.5	285.2	362.4	281.0
International Online revenue	131.2	139.0	148.1	147.3	113.9
Total revenue	**696.4**	**516.4**	**640.6**	**597.0**	**644.4**

Online revenue split

The following table shows revenue by product type for the periods indicated for UK Online and International Online:

	William Hill FY			William Hill 6M	
	2019	2020	2021	2021	2022
				(unaudited)	
			(GBP in millions)		
UK Online sportsbook revenue	236.1	252.8	310.9	189.1	122.8
UK Online gaming revenue	252.2	262.9	332.5	173.3	138.9
International Online sportsbook revenue	71.5	67.9	74.5	44.6	29.8
International Online gaming revenue	178.5	219.2	186.7	102.7	75.7
Total William Hill Online revenue	**738.3**	**802.8**	**904.6**	**509.7**	**367.2**

Retail revenue split

The following table shows revenue by product type for the period indicated for William Hill Retail:

	William Hill FY			William Hill 6M	
	2019	2020	2021	2021	2022
				(unaudited)	
			(GBP in millions)		
William Hill Retail sportsbook revenue	400.0	212.7	190.3	51.8	151.9
William Hill Retail gaming revenue	317.0	141.5	146.5	35.5	111.6
Total William Hill Retail revenue	**717.0**	**354.2**	**336.8**	**87.3**	**263.5**

Locally regulated and/or taxed vs. non-locally regulated revenue split

Locally regulated and/or taxed vs. non-locally regulated revenue split refers to the amount of revenue William Hill derived from its locally regulated and/or taxed and non-locally regulated markets, respectively. In locally regulated and/or taxed jurisdictions, gaming duties are imposed on licensed operators. The following table shows William Hill's locally regulated and/or taxed vs. non-locally regulated revenue split for the periods indicated:

	William Hill FY			William Hill 6M	
	2019	2020	2021	2021	2022
				(unaudited)	
			(GBP in millions)		
Revenue from locally regulated and/or taxed markets	1,316.6	993.7	1,127.0	530.8	584.7
Revenue from non-locally regulated markets	138.7	163.3	114.4	66.2	46.0
Total revenue	**1,455.3**	**1,157.0**	**1,241.4**	**597.0**	**630.7**

The following table shows William Hill's locally regulated and/or taxed vs. non-locally regulated revenue split for the 26 week periods ended December 31, 2019, June 30, 2020, December 29, 2020, June 29, 2021 and December 28, 2021:

	26 weeks ended				
	December 31, 2019	June 30, 2020	December 29, 2020	June 29, 2021	December 28, 2021
			(GBP in millions)		
Revenue from locally regulated and/or taxed markets	620.8	434.1	559.6	530.8	596.2
Revenue from non-locally regulated markets	75.6	82.3	81.0	66.2	48.2

	26 weeks ended				
	December 31, 2019	**June 30, 2020**	**December 29, 2020**	**June 29, 2021**	**December 28, 2021**
			(GBP in millions)		
Total revenue	**696.4**	**516.4**	**640.6**	**597.0**	**644.4**

Gross Profit

The following table shows gross profit by segment for the periods indicated.

	William Hill FY			26 weeks ended					
	2019	**2020**	**2021**	**December 31, 2019**	**June 30, 2020**	**December 29, 2020**	**June 29, 2021**	**December 28, 2021**	**June 28, 2022**
					(GBP in millions)				
Retail Gross Profit.................	554.8	278.2	263.9	255.7	115.8	162.4	68.7	195.2	207.9
UK Online Gross Profit.......	353.5	364.5	438.4	173.4	162.9	201.6	247.1	191.3	181.0
International Gross Profit.......	182.5	207.9	175.7	94.7	101.3	106.6	101.1	74.6	73.8
Exceptional Items	—	238.3	—	—	230.3	8.0	—	—	—-
Total Gross Profit	**1,090.8**	**1,088.9**	**878.0**	**523.8**	**610.3**	**478.6**	**416.9**	**461.1**	**462.7**

Operating Profit/(loss)

The following table shows operating profit/(loss) by segment for the periods indicated.

	William Hill FY(1)			26 weeks ended					
	2019	**2020**	**2021**	**December 31, 2019**	**June 30, 2020**	**December 29, 2020**	**June 29, 2021**	**December 28, 2021**	**June 28, 2022**
					(GBP in millions)				
Retail Operating Profit/(loss).......	(11.9)	83.2	(88.0)	42.2	134.4	(51.2)	(74.2)	(13.8)	27.1
UK Online Operating Profit/(loss).......	102.8	103.7	69.2	56.7	46.4	57.3	82.3	(13.1)	6.8
International Online Operating Profit/(loss).......	(2.6)	6.5	(26.6)	(0.1)	3.5	3.0	(0.6)	(26.0)	(1.6)
Corporate Operating Profit/(Loss)......	(70.6)	(63.6)	(132.6)	(42.4)	(22.0)	(41.6)	(102.2)	(30.4)	(24.2)
Total Operating Profit/(loss)......	**17.7**	**129.8**	**(178.0)**	**56.4**	**162.3**	**(32.5)**	**(94.7)**	**(83.3)**	**8.1**

(1) Operating profit and exceptional items and adjustments have been adjusted from the figures previously disclosed in the offering memorandum related to the Existing Notes, in order to allocate amortization of acquired intangibles from the Corporate segment to the trading segments.

Adjusted Operating Profit/(loss)

The following table shows adjusted operating profit/(loss) for William Hill and by segment for the periods indicated.

	William Hill FY			26 weeks ended					
	2019	**2020**	**2021**	**December 31, 2019**	**June 30, 2020**	**December 29, 2020**	**June 29, 2021**	**December 28, 2021**	**June 28, 2022**
					(GBP in millions)				
Retail Adjusted Operating Profit/(loss).....	83.2	(29.5)	(45.7)	41.0	(14.0)	(15.5)	(70.0)	24.3	29.8
UK Online Adjusted Operating Profit/(loss).....	102.8	103.7	128.9	56.7	46.4	57.3	89.8	39.1	37.6

	William Hill FY			26 weeks ended					
	2019	2020	2021	December 31, 2019	June 30, 2020	December 29, 2020	June 29, 2021	December 28, 2021	June 28, 2022
					(GBP in millions)				
International Online Adjusted Operating Profit/(loss).....	16.1	19.0	12.3	7.3	9.6	9.4	8.2	4.1	12.2
Corporate Adjusted Operating Profit/(loss).....	(57.5)	(54.5)	(37.6)	(33.0)	(22.0)	(32.5)	(32.0)	(5.6)	(21.4)
Adjusted Operating Profit/(loss)....	**144.6**	**38.7**	**57.9**	**72.0**	**20.0**	**18.7**	**(4.0)**	**61.9**	**58.2**

Adjusted operating profit/(loss) and the related measures by segment are non-IFRS measures and should not be considered in isolation or as a substitute for analysis of William Hill's operating results as reported under IFRS. Not all companies calculate Adjusted Operating Profit/(loss) measures in an identical manner and therefore it may not be comparable to other similarly titled measures used by other companies and may have limitations as an analytical tool. For a reconciliation from operating profit/(loss) to adjusted operating profit/(loss) by segment, see "*Presentation of Financial and Other Information—Non-IFRS Measures*."

Significant Factors Affecting our Results of Operations

Macroeconomic environment and impact of COVID-19

Similar to the Group, William Hill experienced an impact to its business, financial condition and results of operations as a consequence of COVID-19 and the macroeconomic environment. Many of the factors described in "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Group—Significant Factors Affecting our Results of Operations*" also affected William Hill's business in broadly the same manner as they impact the Group's business. However, certain of these macroeconomic and COVID-19 impacts had a more pronounced and different impact on William Hill's business as a result of its retail operations. Given the LBO portfolio of William Hill Retail, the operations and profitability of the land-based betting and gaming segments of William Hill have been, and may continue to be, impacted by the long-term structural shift away from retail to online gambling. For William Hill FY 2020 and William Hill FY 2021, the shift to online gambling was accelerated as a result of the COVID-19 pandemic due to social distancing restrictions, public gathering restrictions and lockdown restrictions that were introduced in the UK and elsewhere in response to the COVID-19 pandemic. In addition to accelerating the shift toward online gambling, government mandated closures of non-essential stores in response to the COVID-19 pandemic impacted William Hill's results of operations as the William Hill Retail business was unable to produce revenue for significant periods of William Hill FY 2020 and for the first half of William Hill FY 2021, while the fixed cost base, including leases and employee salaries remained. The impact of store closures was partially offset by increased revenues from the Online business, as customers transitioned to online betting due to the temporary closure of retail shops. During FY 2020, the substitution effect in favor of the Online business was less pronounced—as many sporting events were cancelled during this period due to COVID-19 related restrictions; however, the substitution effect from retail to online gambling was more pronounced during William Hill FY 2021, as many sporting events were not cancelled during this period in spite of certain restrictions on non-essential businesses remaining in place in many jurisdictions during portions of the year. The impacts of COVID-19 to William Hill Retail were minimal in the second half of William Hill FY 2021, albeit with some disruption as a result of new masking requirements and reduced foot traffic following the outbreak of the Omicron variant, and William Hill 6M 2022.

In spite of the macroeconomic impact of COVID-19 and related restrictions, William Hill results were resilient. See "*—Key Performance Indicators—William Hill Adjusted EBITDA*" and "*—Key Performance Indicators—Revenue*" above for William Hill Adjusted EBITDA, revenue, gross profit and operating profit by segment for William Hill for the 26-week and 52-week periods, as applicable, indicated and beginning with December 31, 2019, which was the last semi-annual period not impacted by COVID-19. In addition, William Hill's Retail Adjusted EBITDA and revenue for William Hill Retail for William Hill 6M 2021 were £47.5 million loss and £87.3 million, respectively, and William Hill's Retail Adjusted EBITDA and revenue for William Hill Retail for William Hill 6M 2022 were £49.6 million and £263.5 million, respectively. With minimal impacts related to COVID-19 in 2022, the Group believes trading in William Hill 6M 2022 was largely representative of the underlying trading performance of retail shops across a period when LBOs were open with no lockdown restrictions due to COVID-19 and sporting events were being played on a regular basis.

Betting and gaming industry trends and new product offerings

Similar to the Group, William Hill has experienced an impact to its business, financial condition and results of operations as a result of betting and gaming industry trends. The factors described under "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Group—Significant Factors Affecting our Results of Operation—Betting and gaming industry trends and new product offerings*" also affect William Hill's business in broadly the same manner as they impact the Group's business. Since emerging in the mid-1990s, the online gaming industry has continued to grow, bolstered by technological developments, expansion of mobile access and increased penetration of high-speed internet. Regulus Partners estimates that the total revenue in the EMEA online gambling market during 2020 was €31.1 billion, which represents a relatively consistent compound annual growth rate of 19% since 2014. For a further discussion of the online gambling market, see "*Industry*." As with the shift from in-person retail gambling to online gambling in the EMEA, the UK has also seen a gradual shift toward online gambling. In particular, following the Triennial Review, and in light of policies adopted in response to the COVID-19 pandemic, the number of overall betting shops have fallen from a peak of over 9,000 in 2014 to approximately 6,500 as of September 2020. The Group's management believes that shift toward online betting was more pronounced during 2020 and parts of 2021 due to the closure of non-essential shops in response to COVID-19; however, the UK is highly mature in terms of digital adoption and the sustained impact from these pandemic-response policies is anticipated to be limited. According to Regulus Partners, the UK online gambling market is expected to have a compound annual growth rate of 5.2% between 2019-2026 (estimated) demonstrating that the medium term trend will be more limited than during the pandemic impacted years 2020 and 2021.

Changes in gaming and betting regulation, gaming taxes and duties

Similar to the Group, William Hill operates in a complex regulatory environment, in particular with respect to its betting and gaming operations, which is subject to continuous evolution. The general factors described in "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Group—Significant Factors Affecting our Results of Operations—Changes in betting and gaming regulation and gaming taxes and duties*" also affect William Hill's business in broadly the same manner as they impact the Group's business. In addition, William Hill is, and therefore the Group will now be, impacted by certain of the regulations and taxes outlined below.

Regulation

William Hill is regulated by certain authorities and has licensed entities in the UK, Gibraltar and Malta. Additional service functions of William Hill are located in Bulgaria, Poland, Italy, Spain and the Philippines. As a result of the retail and LBO portfolio of William Hill Retail, William Hill is also subject to additional regulations that were not applicable to, or less impactful on, the Group. Changes to such gaming and betting laws and regulations or licensing regimes could require William Hill to make changes in its operations, suspend or limit services in certain jurisdictions and have a material adverse effect on its business, financial condition and results of operations. For example, with effect from April 2019, new regulations were introduced in the UK under the Triennial Review reducing the staking limits on B2 gaming products from £100 to £2. This reduced the revenues within William Hill Retail portfolio and resulted in William Hill permanently closing 713 LBOs during William Hill FY 2019. Coupled with the additional 119 LBOs William Hill chose to permanently close during FY 2020 as a result of the impact of COVID-19, it is estimated that the closure of these LBOs resulted in an approximate £83.0 million impact on William Hill Adjusted EBITDA of William Hill Retail. See also "*Risk Factors—Risks Related to Our Business—Our LBOs subject us to additional regulation*."

In addition, the International Online business has been impacted by regulatory changes, in particular in Germany and to a lesser extent in the Netherlands. During 2021, the International Online business experienced significant negative impact from the regularization of the German and Dutch markets. The German market was regularized late in 2020 and William Hill applied for two new licenses that are still pending to date. Until the licenses are granted, William Hill is unable to launch campaigns, pay bonuses or engage in marketing in the German market which restricts its ability to acquire and retain customers.

The Dutch market became a regulated market on October 1, 2021. William Hill pulled out of the Dutch market until a new license is obtained.

See "*Regulation*" for additional detail on the regulations to which William Hill and the Group are subject.

Taxes

William Hill is subject to various taxes and levies in various jurisdictions, and changes in tax legislation or the application or interpretation of tax legislation may affect its results of operations. In particular, VAT and betting taxes affected its results of operations during the period under review.

In particular, William Hill is subject to significant taxation and levies in the UK, including the following:

- a general betting duty of 15% on gross betting profits (stakes received less winnings paid out) earned in its LBOs in the UK;
- Remote Gaming Duty of 21% (increased from 15% for accounting periods that begin on or after April 1, 2019) on its remote gaming (online and telephone) revenues derived from UK customers;
- Machine Games Duty payable at 20% of the revenue from gaming machines in its LBOs;
- the Horserace Betting Levy, a statutory levy on bets struck in the UK on horse races held in the UK; and
- significant irrevocable VAT, leading to increases in William Hill's cost base.

Explanation of Key Line Items

The following section provides an explanation of the key line items that were included in the William Hill Historical Financial Information and the William Hill Interim Financial Information included elsewhere in this Offering Memorandum.

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 William Hill is in business to provide, net of discounts, marketing inducements and VAT.

From FY 2019 and subsequent periods, after implementation of IFRS 15 '*Revenue from contracts with customers*; and IFRS 9 '*Financial Instruments'*, revenue has been treated as a derivative under IFRS 9 '*Financial Instruments*' and is not treated as revenue under IFRS 15 '*Revenue from Contracts with Customers.*'

In the case of LBOs (including gaming machines), William Hill Online's sportsbook and telebetting and William Hill Online's casino (including games on William Hill Online's arcade and other numbers bets) revenue represents gains and losses from gambling activity in the period. Open positions are carried at fair value, and gains and losses arising on this valuation are recognized in revenue, as well as gains and losses realized on positions that have closed.

Revenue from William Hill Online's 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.

Gaming duties

Gaming duties include the duties and taxes imposed by regulators on licensed operators in jurisdictions in which betting and gaming is regulated.

Other cost of sales

Cost of sales primarily include profit sharing with third-party providers of sports and gaming content. In addition, in connection with the VAT Reclaim (as defined below), the net of the gross refund of VAT from HMRC and the associated third-party costs have been recognized in cost of sales to match where the original charges were recognized.

In May 2020, HMRC confirmed it would not appeal the ruling of the Upper Tier Tribunal in the third-party cases of Rank Group Plc and Done Brothers (Cash Betting) Ltd (trading as Betfred) that VAT was incorrectly applied to revenues earned from certain gaming machines prior to 2013. William Hill submitted a number of claims which were substantially similar, some of which have been settled and resulted in VAT refunds. William Hill continues to engage with HMRC on a number of smaller related claims, which have not been recognized in William Hill Historical Financial Information as they are not virtually certain to be receivable (collectively, the "**VAT Reclaim**"). The refund, net of associated costs, has been classified as an exceptional item as it is both material and one-off in nature. The net of the gross refund of VAT from HMRC and the associated third-party costs have been recognized in cost of sales to match where the original charges were recognized.

Marketing expenses

Marketing expenses primarily include advertising and promotional expenses. William Hill undertakes both "online" and "offline" marketing to promote its brand and products to customers. Offline marketing typically involves television based advertising and online marketing involves a number of internet based marketing methods.

Operating expenses

Operating expenses primarily relate to the costs of operating the business, including staff costs, depreciation, amortization and property related costs, as well as certain exceptional operating expenses. Exceptional operating expenses include the impairment of the retail segment, transaction related costs, portfolio shop closures, amortization of acquired intangibles and other, which includes costs such as dual running costs from moving William Hill's land-based data centers into the cloud, costs related to corporate transaction and integration costs associated with the acquisition of Mr Green in 2019 and transformation restructuring costs.

Other operating income

Other operating income mostly represents rents receivable on properties let by William Hill, bookmaking software licensing income and brand licensing income.

Finance income

Finance income is comprised of interest on cash and cash equivalents, interest on net pension scheme assets or liabilities and finance income in respect of the VAT Reclaim. Interest income is included within finance income and is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Finance expenses

Finance expenses include interest payable and similar charges on bank loans, bonds and overdrafts, the amortization of capitalized borrowing, interest on lease liabilities and exceptional finance expenses related to costs in respect of a refinancing in William Hill FY 2021. Finance expenses include the amortization of fees that are an integral part of the effective finance cost of a financial instrument, including issue costs, and the amortization of any other differences between the amount initially recognized and the redemption price.

Share of post-tax profit/(loss) of equity accounted associate

Share of results of post-tax profit/(loss) of equity accounted associates represents William Hill's share of the results of Sports Information Services (Holdings) Limited, Lucky Choice Limited and 49s Limited (which was disposed in William Hill FY 2020).

At December 28, 2021, William Hill Organization Limited, a principal subsidiary of William Hill, held an investment of 19.5% (December 31, 2019: 19.5%; December 29, 2020: 19.5%) of the ordinary share capital of Sports Information Services (Holdings) Limited, a company incorporated in Great Britain. William Hill uses the equity method of accounting for Sports Information Services (Holdings) Limited.

At December 28, 2021, William Hill Organization Limited held, directly or indirectly, an investment of 33% (December 29, 2020: 33%; December 31, 2019: 33%) of the entire share capital of Lucky Choice Limited. The results of this company are not material to the results of the business and the investment in Lucky Choice Limited has been stated at cost and has not been accounted for under the equity method.

At December 31, 2019, William Hill Organization Limited held 33% of 49s Limited but during the period ending December 29, 2020, William Hill sold its entire shareholding in 49s Limited for proceeds of £2.0 million.

Taxation

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. It is comprised of the UK corporation tax, the overseas tax and adjustments in respect of prior periods. Taxable profit differs from net profit as reported in the 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. William Hill'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.

Net (loss)/profit for the period attributable to net parent investment

Net (loss)/profit for the period attributable to net parent investment is calculated by deducting from the Profit/(loss) for the period the results attributable to non-controlling interest.

Net (loss)/profit for the period attributable to non-controlling interests

Represents share of results attributable to non-controlling interests primarily relating to operations in Latvia and Columbia.

Exceptional items and adjustments

Exceptional items are those items the management considers to be one-off or material in nature that should be brought to the reader's attention in understanding William Hill's financial performance. The classification of exceptional and adjusting items requires significant management judgement after considering the nature and materiality of a transaction. William Hill's definitions of exceptional and adjusting items are outlined within William Hill's accounting policies. Note 3 to William Hill Historical Financial Information further details the exceptional and adjusting items and their adherence to William Hill's policies.

Results of Operations

Comparison of results of operations for William Hill 6M 2021 and William Hill 6M 2022

The following table sets forth certain income statement data for William Hill 6M 2021 and William Hill 6M 2022.

	William Hill 6M 2021	**William Hill 6M 2022**
	(unaudited)	
	(GBP millions)	
Revenue	**597.0**	**630.7**
Gaming duties	(120.7)	(99.6)
Other cost of sales	(59.4)	(68.4)
Total cost of sales	**(180.1)**	**(168.0)**
Which includes exceptional cost of sales of	-	-
Gross Profit	**416.9**	**462.7**
Marketing expenses	(120.9)	(76.8)
Operating expenses	(392.0)	(378.4)
Other operating income	1.9	0.7
Total operating expenses	**(511.0)**	**(454.5)**
Which includes exceptional and adjusting items within operating expenses	(90.7)	(50.1)
Operating profit/(loss)	**(94.1)**	**8.2**
Finance income	0.8	0.2
Finance expense	(32.1)	(21.4)
Which includes exceptional finance income/(expense) of	(2.0)	-
Share of post-tax (loss)/profit of equity accounted associate	(0.6)	(0.1)

	William Hill 6M 2021	William Hill 6M 2022
	(unaudited)	
	(GBP millions)	
Profit/(loss) before tax	**(126.0)**	**(13.1)**
Taxation	20.6	(0.3)
Which includes tax on exceptional and adjusting items of	*4.0*	*4.1*
Net profit/(loss) for the period	**(105.4)**	**(13.4)**
Net profit/(loss) for the period attributable to net parent investment	**(105.8)**	**(13.5)**
Net profit for the period attributable to non-controlling interests	**0.4**	**0.1**

Revenue

During William Hill 6M 2022, William Hill's revenue increased by £33.7 million, or 5.6%, to £630.7 million from £597.0 million for William Hill 6M 2021. This increase was primarily due to the impact of the COVID-19 pandemic in and retail lockdown in 2021.

Gaming duties

During William Hill 6M 2022, William Hill's gaming duties decreased by £21.1 million, or 17.5%, to £99.6 million from £120.7 million for William Hill 6M 2021. This decrease was primarily due to the impact of the COVID-19 pandemic and retail lockdown in 2021.

Other cost of sales

During William Hill 6M 2022, William Hill's other cost of sales increased by £9.0 million, or 15.2%, to a cost of £68.4 million from £59.4 million for William Hill 6M 2021. This increase was primarily due to the increase in revenue and the Online business having a larger marketing spend than the Retail business.

Marketing expenses

During William Hill 6M 2022, William Hill's marketing expenses decreased by £44.1 million, or 36.5%, to £76.8 million from £120.9 million for William Hill 6M 2021. This decrease was primarily due to a reduction in spend across both Online businesses to mitigate regulatory pressures.

Operating expenses

During William Hill 6M 2022, William Hill's operating expenses decreased by £13.6 million, or 3.5%, to £378.4 million from £392.0 million for William Hill 6M 2021. Exceptional operating expenses for William Hill 6M 2022 and William Hill 6M 2021 were £50.1 million and £90.7 million, respectively, and were primarily related to amortization of acquired intangibles and costs related to the sale.

Other operating income

During William Hill 6M 2022, William Hill's other operating income decreased by £1.2 million, or 63.2%, to £0.7 million from £1.9 million for William Hill 6M 2021.

Finance income

During William Hill 6M 2022, William Hill's finance income decreased by £0.6 million, or 75.0%, to £0.2 million from £0.8 million for William Hill 6M 2021.

Finance expenses

During William Hill 6M 2022, William Hill's finance expenses decreased by £10.7 million, or 33.3%, to £21.4 million from £32.1 million for William Hill 6M 2021. This decrease was primarily due to higher levels of debt at acquisition date that was subsequently paid down.

Share of post-tax profit/(loss) of equity accounted associates

During William Hill 6M 2022, William Hill's share of post-tax loss of equity accounted associates decreased by £0.5 million, or 83.3%, to a loss of £0.1 million from a loss of £0.6 million for William Hill 6M 2021. This decrease was primarily due to improved performance from the associates in the period.

Taxation

During William Hill 6M 2022, William Hill's taxes decreased by £20.9 million, to a charge of £0.3 million from a credit of £20.6 million for William Hill 6M 2021. This increase was primarily due to the change in loss before tax balances.

Comparison of results of operations for William Hill FY 2020 and William Hill FY 2021

The following table sets forth certain income statement data for William Hill FY 2020 and William Hill FY 2021.

	William Hill FY 2020	**William Hill FY 2021**
	(GBP millions)	
Revenue	**1,157.0**	**1,241.4**
Gaming duties	(190.9)	(237.1)
Other cost of sales	122.8	(126.3)
Total cost of sales	**(68.1)**	**(363.4)**
Which includes exceptional cost of sales of	238.3	-
Gross Profit	**1,088.9**	**878.0**
Marketing expenses	(196.3)	(217.4)
Operating expenses	(765.8)	(842.9)
Other operating income	3.8	4.3
Total operating expenses	**(958.3)**	**(1,056.0)**
Which includes exceptional and adjusting items within operating expenses	(147.2)	(235.9)
Operating profit/(loss)	**130.6**	**(178.0)**
Finance income	22.5	1.7
Finance expense	(50.5)	(67.6)
Which includes exceptional finance income/(expense) of	18.9	(2.0)
Share of post-tax (loss)/profit of equity accounted associate	(0.8)	–
Profit/(loss) before tax	**101.8**	**(243.9)**
Taxation	(13.6)	14.5
Which includes tax on exceptional and adjusting items of	(24.6)	(8.0)
Net profit/(loss) for the period	**88.2**	**(229.4)**
Net profit/(loss) for the period attributable to net parent investment	**88.0**	**(230.1)**
Net profit for the period attributable to non-controlling interests	**0.2**	**0.7**

Revenue

During William Hill FY 2021, William Hill's revenue increased by £84.4 million, or 7.3%, to £1,241.4 million from £1,157.0 million for William Hill FY 2020. This increase was primarily due to growth in the UK Online business and more sporting events caused by the COVID-19 pandemic cancellations in William Hill FY 2020 which in turn drove bigger Online staking numbers in William Hill FY 2021 than in the corresponding period in William Hill FY 2020.

Gaming duties

During William Hill FY 2021, William Hill's gaming duties increased by £46.2 million, or 24.2%, to £237.1 million from £190.0 million for William Hill FY 2020. This increase was primarily due to increased cost of sales as a result of increased revenue, specifically impacted by the mix of revenue by division with more weighted toward UK Online, which pays higher rates of gaming duties, due to COVID-19.

Other cost of sales

During William Hill FY 2021, William Hill's other cost of sales increased by £249.1 million to a cost of £126.3 million from positive £122.8 million for William Hill FY 2020. This increase was primarily due to exceptional costs of sales of positive £238.3 million related to the VAT Reclaim in William Hill FY 2020. The net gross refund of VAT from HMRC and the associated third-party costs were recognized as cost of sales to match where the original charge was located.

Marketing expenses

During William Hill FY 2021, William Hill's marketing expenses increased by £21.1 million, or 10.7% to £217.4 million from £196.3 million for William Hill FY 2020. This increase was primarily due to increased revenues coupled with major sporting events which took place in William Hill FY 2021 such as Euro 2020 that did not take place in William Hill FY 2020.

Operating expenses

During William Hill FY 2021, William Hill's operating expenses increased by £77.1 million, or 10.1%, to £842.9 million from £765.8 million for William Hill FY 2020, with a broadly consistent cost base year-on-year, excluding exceptional items. Exceptional operating expenses for William Hill FY 2021 and William Hill FY 2020 were £235.9 million and £147.2 million, respectively. In William Hill FY 2021, these exceptional operating expenses were primarily related to £70.5 million of costs related the acquisition of William Hill Limited by the Seller, £24.5 million of costs associated with the on-sale and separation of the William Hill US segment from William Hill to prepare William Hill for sale and £70.4 million related to impairment of goodwill related to the reduction in purchase price to the Base Consideration in connection with the Amendment Deed. See note 12 to William Hill Historical Financial Information included elsewhere in this Offering Memorandum. In William Hill FY 2020, these exceptional operating expenses were primarily related to an impairment of £125.7 million that was recognized in the William Hill Retail segment following the impact of the COVID-19 pandemic, as well as a change in the useful economic life of the Retail licenses intangible asset.

Other operating income

During William Hill FY 2021, William Hill's other operating income increased by £0.5 million, or 13.2%, to £4.3 million from £3.8 million for William Hill FY 2020.

Finance income

During William Hill FY 2021, William Hill's finance income decreased by £20.8 million, or 92.4%, to £1.7 million from £22.5 million for William Hill FY 2020. This decrease was primarily due to finance income in respect of the VAT reclaim of £18.9 million in William Hill FY 2020, which was classified as an exceptional item.

Finance expenses

During William Hill FY 2021, William Hill's finance expenses increased by £17.1 million, or 33.9%, to £67.6 million from £50.5 million for William Hill FY 2020. This increase was primarily due to higher finance expenses on bank loans, bonds and overdrafts in William Hill FY 2021 as compared to William Hill FY 2020. In addition, on April 22 2021, William Hill cancelled certain of its former committed revolving credit facilities as part of the acquisition of William Hill by the Seller. As a result, £2.0 million was charged as an exceptional finance expense, related to accelerated amortization of finance fees associated with the facilities which were being amortized over the lives of each facility.

Share of post-tax profit/(loss) of equity accounted associates

During William Hill FY 2021, William Hill's share of post-tax loss of equity accounted associates decreased by £0.8 million to £nil from a loss of £0.8 million for William Hill FY 2020. This movement was primarily due to no profit or loss by Sports Information Services (Holdings) Limited in William Hill FY 2021 as compared to losses in William Hill FY 2020.

Taxation

During William Hill FY 2021, William Hill's taxes decreased by £28.1 million to a credit of £14.5 million from a charge of £13.6 million for William Hill FY 2020. This decrease was primarily due to a decrease in the tax on the exceptional items described above, with taxes on exceptional items and adjustments decreasing from £24.6 million in William Hill FY 2020 to £8.0 million in William Hill FY 2021.

Profit/(loss) for the period attributable to non-controlling interests

During William Hill FY 2021, profit for the period attributable to non-controlling interests increased £0.5 million to £0.7 million from £0.2 million for William Hill FY 2020 as a result of improved financial performance in Latvia.

Comparison of results of operations for William Hill FY 2020 and William Hill FY 2019

The following table sets forth certain income statement data for William Hill FY 2020 and William Hill FY 2019.

	William Hill FY 2019	**William Hill FY 2020**
	(GBP millions)	
Revenue	**1,455.3**	**1,157.0**
Gaming duties	(214.8)	(190.9)
Other cost of sales	(149.7)	122.8
Total cost of sales	**(364.5)**	**(68.1)**
Which includes exceptional cost of sales of	–	238.3
Gross Profit	**1,090.8**	**1,088.9**
Marketing expenses	(187.2)	(196.3)
Operating expenses	(892.9)	(765.8)
Other operating income	5.5	3.8
Total operating expenses	**(1,074.6)**	**(958.3)**
Which includes exceptional and adjusting items within operating expenses	(126.9)	(147.2)
Operating profit	**16.2**	**130.6**
Finance income	3.0	22.5
Finance expense	(52.7)	(50.5)
Which includes exceptional finance (expense)/income of	–	18.9
Share of post-tax profit / (loss) of equity accounted associate associates	1.5	(0.8)
(Loss)/profit before tax	**(32.0)**	**101.8**
Taxation	8.7	(13.6)
Which includes tax on exceptional adjusting items	11.5	(24.6)
Net (loss)/profit for the period	**(23.3)**	**88.2**
Net (loss)/profit for the period attributable to net parent investment	**(23.3)**	**88.0**
Net (loss)/profit for the period attributable to non-controlling interests	**–**	**0.2**

Revenue

During William Hill FY 2020, William Hill's revenue decreased by £298.3 million, or 20.5%, to £1,157.0 million from £1,455.3 million for William Hill FY 2019. This decrease was primarily due to a decrease of £362.8 million in William Hill Retail revenue to £354.2 million in William Hill FY 2020 from £717.0 million in William Hill FY 2019 driven by the reduction in retail activities as a result of the COVID-19 pandemic. William Hill experienced an increase in UK Online revenue of £27.4 million from £488.3 million in William Hill FY 2019 to £515.7 million in William Hill FY 2020 and an increase in International Online revenue of £37.1 million from £250.0 million in William Hill FY 2019 to £287.1 million in William Hill FY 2020.

Gaming duties

During William Hill FY 2020, William Hill's gaming duties decreased by £23.9 million, or 11.1%, to £190.9 million from £214.8 million for William Hill FY 2019. This decrease was primarily due to decreased revenues partially offset by increases in the UK Remote Gaming Duty to 21% from April 1, 2019.

Other cost of sales

During William Hill FY 2020, William Hill's other cost of sales decreased by £272.5 million to positive £122.8 million from a cost of £149.7 million for William Hill FY 2019. This decrease was primarily due to exceptional costs of sales of positive £238.3 million related to the VAT Reclaim. The net gross refund of VAT from HMRC and the associated third-party costs were recognized as cost of sales to match where the original charge was located.

Marketing expenses

During William Hill FY 2020, William Hill's other marketing expenses increased by £9.1 million, or 4.9%, to £196.3 million from £187.2 million for William Hill FY 2019. This increase was primarily due to increased marketing to drive growth in the International Online business.

Operating expenses

During William Hill FY 2020, William Hill's operating expenses decreased by £127.1 million, or 14.2%, to £765.8 million from £892.9 million for William Hill FY 2019. This decrease was primarily due to shop closures and resizing of the retail estate in William Hill FY 2019 and William Hill FY 2020, including the related reduction of staff and associated costs. Exceptional operating expenses for William Hill FY 2020 and William Hill FY 2019 were £147.2 million and £126.9 million, respectively, and were primarily related to an impairment of William Hill Retail segment following the impact of the COVID-19 pandemic in William Hill FY 2020 and costs related to the closure of 713 shops in William Hill FY William Hill 2019.

Other operating income

During William Hill FY 2020, William Hill's other operating income decreased by £1.7 million, or 30.9%, to £3.8 million from £5.5 million for William Hill FY 2019.

Finance income

During William Hill FY 2020, William Hill's finance income increased by £19.5 million to £22.5 million from £3.0 million for William Hill FY 2019. This increase was primarily due to finance income in respect of the VAT reclaim of £18.9 million recognized in William Hill FY 2020, which was considered exceptional finance income.

Finance expenses

During William Hill FY 2020, William Hill's finance expenses decreased by £2.2 million, or 4.2%, to £50.5 million from £52.7 million for William Hill FY 2019. This decrease was primarily due to slight decreases in finance expenses on bank loans, bonds and overdrafts in William Hill FY 2020.

Share of post-tax profit / (loss) of equity accounted associates

During William Hill FY 2020, William Hill's share of post-tax profit / (loss) of equity accounted associates decreased by £2.3 million to a loss of £0.8 million from a profit of £1.5 million for William Hill FY 2019. This decrease was primarily due to decreased profit due to the impact of the COVID-19 pandemic by Sports Information Services (Holdings) Limited in William Hill FY 2020 as compared to William Hill FY 2019.

Taxation

During William Hill FY 2020, William Hill's taxes increased by £22.3 million to a charge of £13.6 million from a credit of £8.7 million for William Hill FY 2019. This increase was primarily due to an increase in the UK corporation tax from £3.1 million in William Hill FY 2019 to £25.8 million in William Hill FY 2020, which includes a tax charge on exceptional items of £24.6 million in William Hill FY 2020 compared to a tax credit on exceptional items of £11.5 million in William Hill FY 2019, and an increase in the deferred tax credit from £15.1 million in William Hill FY 2019 to a deferred tax credit of £25.7 million in William Hill FY 2020.

Profit/(loss) for the period from discontinued operations

There was no profit or loss from discontinued operations during either William Hill FY 2019 or William Hill FY 2020.

Liquidity, Capital Resources and Funding Structure

William Hill, and in particular William Hill Retail when it is open and trading without restrictions, is highly cash generative, typically converting a high proportion of profits into net cash from operating activities. William Hill's principal sources of funds had historically been cash generated from its operating activities and borrowings under the Existing William Hill 2026 Notes and its other debt instruments. William Hill met its day-to-day working capital requirements from the positive cash flows generated by its trading activities and its available cash resources. The Licensed Entities within William Hill also have the benefit of the Indemnity Deed to apply to certain losses and costs that may arise in the event any of the relevant operating licenses are suspended or are subject to conditions imposed by the UKGC in connection with the ongoing license review. That indemnity became effective from the Acquisition Completion Date. See "*The Transactions—Indemnity Deed between the Seller and the Licensed Entities.*" William Hill held a cash and cash equivalents balance of £164.0 million as at June 28, 2022 (June 29, 2021: £227.8 million). William Hill's principal uses of cash were to fund capital expenditures, working capital and debt service obligations. Following the Acquisition, William Hill's financing requirements are now part of the financing requirements for the Group. For further details, see "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Group—Significant Factors Affecting our Results of Operations*."

The table below sets forth a summary of William Hill's combined carve-out statements of cash flows for the periods indicated:

	William Hill FY			**William Hill 6M**	
	2019	**2020**	**2021**	**2021**	**2022**
				(unaudited)	
			(GBP in millions)		
Net cash from operating activities	105.6	311.6	27.8	(29.2)	34.1
Net cash used in investing activities	(218.6)	(42.3)	(2,921.0)	(2,878.2)	(58.8)
Net cash (used in)/from financing activities	34.0	(53.9)	2,515.3	2,554.0	(16.3)
Net increase/(decrease) in cash and cash equivalents in the period	(79.0)	215.4	(377.9)	(353.4)	(41.0)
Cash and cash equivalents at start of period	447.1	367.7	588.4	588.4	203.7
Changes in foreign exchange rates	–	5.3	(6.8)	(5.7)	1.3
Other (cash transferred to held for sale)	(0.4)	-	-	-	-
Cash and cash equivalents at end of period	**367.7**	**588.4**	**203.7**	**229.3**	**164.0**

Cash flows from operating activities

Net cash flows from operating activities decreased by £283.8 million, or 91.1%, from £311.6 million for William Hill FY 2020 to £27.8 million for William Hill FY 2021. This decrease was primarily attributable to the VAT refund from HMRC received in William Hill FY 2020.

Net cash flows from operating activities increased by £206.0 million from £105.6 million for William Hill FY 2019 to £311.6 million for William Hill FY 2020. This increase was primarily attributable to the VAT refund from HMRC received in William Hill FY 2020.

Net cash flows from operating activities increased by £63.3 million from £29.2 million used for William Hill 6M 2021 to £34.1 million from operating activities for William Hill 6M 2022. This increase was primarily attributable to the impact of the COVID-19 pandemic in and retail lockdown in 2021.

Cash flows used in investing activities

Net cash flows used in investing activities increased by £2,878.7 million from £42.3 million for William Hill FY 2020 to £2,921.0 million for William Hill FY 2021. This increase was primarily attributable to the Seller Acquisition.

Net cash flows used in investing activities decreased by £176.3 million, or 80.6%, from £218.6 million for William Hill FY 2019 to £42.3 million for William Hill FY 2020. This decrease was primarily attributable to the acquisition of Mr Green in William Hill FY 2019.

Net cash flows used in investing activities decreased by £2,819.4 million, or 98.0%, from £2,878.2 million for William Hill 6M 2021 to £58.8 million for William Hill 6M 2022. This decrease was primarily attributable to the Seller Acquisition.

Cash flows (used in)/from financing activities

Net cash flows from/used in financing activities increased by £2,569.2 million from £53.9 million used for William Hill FY 2020 to £2,515.3 million from financing activities for William Hill FY 2021. This increase was primarily attributable to the financing used to fund the Seller Acquisition.

Net cash flows from/used in financing activities decreased by £87.9 million from £34.0 million from financing activities for William Hill FY 2019 to £53.9 million used in financing activities for William Hill FY 2020. This decrease was primarily attributable to the repayment of unsecured notes in 2020, offset by an equity placement.

Net cash flows from/used in financing activities decreased by £2,570.3 million from £2,554.0 million from financing activities for William Hill 6M 2021 to £16.3 million used in financing activities million for William Hill 6M 2022. This decrease is due to the timing of lease payments, in particular in the William Hill Retail estate where certain premiums were paid in the previous period in relation to the negotiation of early termination of leases for previously closed shops.

Capital Expenditure

The following table shows William Hill's capital expenditures, which consist of William Hill's capital additions, for the periods indicated and divided between UK Online, International Online, William Hill Retail and Corporate capital expenditures:

	William Hill FY			William Hill 6M	
	2019	**2020**	**2021**	**2021**	**2022**
				(unaudited)	
			(GBP in millions)		
UK Online	41.6	33.1	41.8	20.4	28.8
International Online	13.2	16.9	10.4	4.8	13.3
William Hill Retail	6.0	4.5	22.6	10.3	12.5
Corporate[(1)]	5.6	1.3	2.5	1.4	1.7
Capital expenditures	**66.4**	**55.8**	**77.3**	**36.9**	**56.3**

(1) Corporate capital expenditures consist of capital expenditures related to head office systems.

Net capital expenditures for William Hill FY 2021 were £77.3 million. The capital expenditures in William Hill FY 2021 were primarily related to investments in the proprietary "Unity" platform. The Unity platform and "MTT" user interface are ongoing developments at William Hill that use modular technology to unify customer data, empower markets to personalize customer experiences and leverage standardized operating procedures for scaling new markets. Unity is a wholly-owned and operated William Hill backend that includes account management, betting engine, and existing trading technology. The MTT user interface further allows William Hill to drive product improvements in days, experiment with new features, access to real-time streams for usage, customer transactions and compliance, and grants back-office for front-end to control CMS integration, bonusing and layout for streamlined operations.

Net capital expenditures for William Hill FY 2020 were £55.8 million. The capital expenditures in William Hill FY 2020 were primarily related to the continued investment in product and technology during the year despite the impact of COVID-19 on the business leading to a reduction in the William Hill Retail business.

Net capital expenditures for William Hill FY 2019 were £66.4 million. The significant capital expenditures in William Hill FY 2019 included investments in new sportsbook front-end and single wallet in Spain.

Net capital expenditures for William Hill 6M 2022 were £56.3 million. The capital expenditures in William Hill 6M 2022 were primarily related to software development included investments in the proprietary 'Unity' platform.

Off Balance Sheet Arrangements and Contingent Liabilities

As of June 28, 2022, William Hill did not have any off balance sheet arrangements.

William Hill has disclosed a contingent liability surrounding legal claims from consumers relating to the provision of gambling services in a number of (primarily continental European) jurisdictions. The claims allege either failure to follow responsible gambling procedures, breach of license conditions or that underlying contracts in question (in which consumers contractually agree to the terms and conditions of play, which are subject to the laws of Gibraltar and Malta) are null and void given local licensing regimes. William Hill also noted a key source of estimation uncertainty in providing an estimate of the financial effect of these claims being a potential outflow of economic benefits of up to £81.0 million, which is a change in estimation compared to December 28, 2021 as the contingent liability is now disclosed gross of tax reclaims. The contingent asset relating to the tax reclaim on the £81.0m contingent liability is valued at £25.0 million (refer to note 4 of the William Hill 6M 2022 carve-out financial statements).

For William Hill 6M 2022, William Hill had a contingent liability reflecting certain payments, including employee retention scheme payments, which were payable upon Completion of the Acquisition.

Qualitative and Quantitative Disclosures About Market Risk

The following section provides an overview of William Hill's qualitative and quantitative disclosures about market risk during the periods included in the William Hill Interim Financial Information and the William Hill Historical Financial Information before the Acquisition. Following the Acquisition, William Hill is part of the Group and its risk management is part of the Group's overall risk management strategy. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Group—Qualitative and Quantitative Disclosures About Market Risk*."

Liquidity risk

Liquidity risk is the risk that William Hill has had insufficient funds available to settle its liabilities as they fell due. William Hill generated strong operating cash flows and aimed to maintain sufficient cash balances to meet its anticipated working capital requirements based on regularly updated cash flow forecasts. Liquidity requirements that could not be met from operational cash flow or existing cash resources would previously have been satisfied by its overdraft facilities and facilities provided by the Seller.

Capital management and financing risk

William Hill sought to maintain an appropriate capital structure which enabled it to continue as a going concern, support its business strategy and take into account the wider economic environment. William Hill's capital comprised net parent investment and debt finance, and these elements were managed to balance the requirements of the business and the interests of debt providers. William Hill managed its capital structure through cash flows from operations and the raising or repayment of debt and the receipt of contributions through net parent investment.

Financing risk is the risk that William Hill would be unable to access sufficient finance to refinance its debt obligations as they fell due. William Hill managed that risk by maintaining a balance between different funding sources, including net parent investment and debt. It sought to mitigate its debt financing risk by diversifying its sources of debt capital. The bank loan and sterling corporate bond markets were used for this purpose. William Hill also sought to mitigate its refinancing risk by having an appropriately balanced debt maturity profile.

Credit risk

William Hill was exposed to credit risk from counterparties defaulting on their obligations, which resulted in financial loss to William Hill. It arose in relation to transactions with commercial counterparties and financial institutions. It also arose from customers who have been granted access to credit facilities.

William Hill managed its counterparty risk by closely monitoring and, where appropriate, limiting the amount that could be deposited or accumulated with any one counterparty. William Hill only deposited funds with pre-approved financial institutions with specified minimum credit ratings or strong balance sheet. William Hill's policy was to mitigate its credit risk with respect to derivative transactions by using a number of different counterparties for material transactions.

Interest rate risk

Interest rate risk arose from William Hill's borrowings. Protecting earnings from rising interest rates were predominantly achieved by fixing the interest costs on a significant proportion of William Hill's debt.

At June 28, 2022, all of William Hill's external borrowings were at fixed rates.

William Hill also earned finance income from deposits placed with certain approved financial institutions. Based on the level of variable interest-bearing deposits and borrowing facilities as at William Hill FY 2021, a 100 basis points change in interest rates would have had the following impact on William Hill financial statements:

	Increase of 100 basis points	**Decrease of 100 basis Points**
	(GBP millions)	
Increase/(decrease) in profit	2.1	(1.7)
Increase/(decrease) in equity reserves	2.1	(1.7)

Currency risk

William Hill earned revenues in foreign currencies other than pound sterling, primarily euros, which exposed it to foreign exchange risk. William Hill mitigated this risk by incurring costs in currencies matching its revenues. Any remaining transactional foreign currency exposure was not considered to be material and was not hedged. Material individual foreign currency transaction exposures were considered for hedging on an ad hoc basis. William Hill did not use derivative financial instruments for speculative purposes.

As at June 28, 2022 and December 28, 2021, William Hill had no derivative contracts for currency hedging purposes (December 29, 2020: £nil; December 31, 2019: £nil). William Hill was also exposed to foreign currency accounting translation risk on the earnings and net assets of its overseas operations which were denominated in foreign currencies. William Hill does not hedge such translation risk.

In William Hill FY 2021, a 5% weakening in the euro would have reduced profit before interest and tax by £0.2 million and net assets by £14.0 million.

Pensions risk

William Hill operated defined benefit and defined contribution pension schemes for its employees. Pensions risk arose with respect to the defined benefit scheme where the cost of funding retirement benefits ultimately fell upon William Hill. The last triennial actuarial valuation as of September 30, 2019 showed a funding surplus on the defined benefit scheme of £23.6 million. William Hill agreed to pay £1.9 million per annum in respect of the costs of insured death benefits, expenses and levies until September 2025.

During the period ended December 28, 2021, William Hill agreed to a buy-in of the scheme's liabilities. On June 28, 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 all benefits to those members covered under the policies.

Through the scheme, following the buy-in, the only risk that William Hill had is counterparty risk with the Insurance company backing the policies.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of William Hill's accounting policies, William Hill was required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be relevant. Actual results may have differed from these estimates.

The estimates and underlying assumptions were reviewed on an on-going basis. Revisions to accounting estimates were recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

Deal perimeter

Certain investments in associates, NeoGames S.à.r.l and Green Jade Games Limited, were excluded from the Acquisition. As these do not represent activities of William Hill, the results for these investments in associates, as well as any loan balances held with these associates, have been excluded from William Hill Historical Financial Information for all reporting periods presented.

Exceptional items and adjustments

William Hill separately reported exceptional items and adjustments in order to calculate adjusted results, as it believed these measures provided additional useful information on underlying performance and trends to management, together with an understanding of the effect of non-recurring or large individual items upon the overall profitability of William Hill.

The classification of exceptional and adjusting items requires significant management judgement after considering the nature and materiality of a transaction. William Hill's definitions of exceptional and adjusting items are outlined within William Hill accounting policies.

Where there are individually material items that have not been presented as exceptional items, the nature and amount of these items have been separately disclosed within William Hill Historical Financial Information where relevant.

IFRS 16 'Leases'

IFRS 16 'Leases' replaced IAS 17 'Leases' in its entirety in the period ended December 31, 2019. Management of William Hill addressed the key judgements, including the assessment of the lease term at the point where the lessee can be reasonably certain of its right to use the underlying asset.

Across the William Hill Retail estate, William Hill recognized a lease liability of £121.3 million at December 31, 2019, £93.9 million at December 29, 2020 and £95.1 million at December 28, 2021. The William Hill Retail estate experienced regulatory change with the implementation of the £2 stake limit on B2 gaming products on April 1, 2019 leading to William Hill deciding to close 713 shops in the third quarter of 2019, followed by the COVID-19 pandemic, which led to William Hill deciding to close a further 119 shops in 2020. Given these closure programs, and the uncertainty surrounding the William Hill Retail estate from both these external shocks to William Hill, management determined the lease term under IFRS 16 across the William Hill Retail estate as the next available break date as this meant William Hill was not 'reasonably certain' that any lease break would not be exercised.

Contingent liabilities

William Hill disclosed a contingent liability surrounding legal claims from consumers relating to the provision of gambling services in a number of European jurisdictions as described in "—*Off Balance Sheet Arrangements and Contingent Liabilities*." The claims alleged either failure to follow responsible gambling procedures, breach of license conditions or that underlying contracts in question (in which consumers contractually agree to the terms and conditions of play, which are subject to the laws of Gibraltar or Malta) were null and void given local licensing regimes.

William Hill assessed and defended individual claims as they were received both on the individual underlying factual basis and also with regard to legal advice received as to whether such jurisdictions and their local licensing regimes were incompatible with European Union law on the free movement of services. Since 2020, William Hill had been subject to a particular acceleration of claims made in Austria following marketing campaigns by litigation funders in that jurisdiction. Claims were received throughout 2021 at a broadly consistent rate with a slight increase in claims early in 2021 but a small decrease across second half of 2021. Claims in 2022 continued as the same rate as the second half of 2021.

William Hill made a critical judgement that these claims, and future claims for services already rendered, are a contingent liability as they are only considered a possible, but not probable, legal obligation based on external legal advice received from William Hill's lawyers (in relation to the compatibility or otherwise of the Austrian licensing regime with EU law, and in relation to other arguments about applicable law). Based on that assessment, as at June 28, 2022, William Hill estimated that, if there were an outflow of economic benefits, it could be up to the value of £81.0 million, which is an increase on the estimation as at June 29, 2021 recognizing the increase in claims trends during 2021. This range was assessed based on (i) the number and individual size of claims received to date and assumptions based on such observations as can be derived from those claims at this comparatively early stage and (ii) the steps that William Hill intended to take to defend those claims (refer to note 4 of the William Hill 6M 2022 carve-out financial statements).

Mr Green valuation of intangibles

William Hill acquired Mr Green on January 28, 2019 for £244.8 million. As part of the purchase price allocation William Hill recognized separately identifiable acquired intangibles comprising brands (£83.9 million); customer relationships (£12.8 million) and platform software (£16.3 million). Goodwill of £153.0 million was recognized on acquisition.

William Hill exercised judgement in determining the intangible assets acquired and their fair value on the Mr Green business combination, with the support of external experts to support the valuation process, where appropriate. The judgements made were based on recognized valuation techniques such as the "relief from royalty" method for brands, recognized industry comparative data and William Hill's industry experience and specialist knowledge.

Valuation of William Hill intangibles

On April 22, 2021, the Seller (and specifically Caesars UK Holdings Limited, which is included within the deal perimeter) acquired William Hill for £2.9 billion. Of this £2.9 billion, a critical accounting judgement has been applied to split the consideration between William Hill that was acquired by the Group pursuant to the Acquisition and included within this perimeter and the previous William Hill US business which will continue to be owned by the Seller following the Acquisition. The consideration has been split based on the Acquisition price by the Group of £2.2 billion (and specifically the £0.8 billion cash consideration received, after repayment of the outstanding debt and other working capital adjustments) as the appropriate valuation of William Hill as at April 22, 2021.

The consideration of £2.2 billion for William Hill has led to the recognition of separately identifiable acquired intangibles as part of the purchase price allocation of brands, customer relationships and an uplift in the value of computer software assets. Goodwill is also recognized on these acquisition.

William Hill exercised judgement in determining the intangible assets acquired and their fair value on William Hill combination, with the support of external experts to support the valuation process where appropriate. The judgements made were based on recognized valuation techniques such as the "relief from royalty" method for brands and developed computer software and William Hill's industry experience and specialist knowledge.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

Impairment of intangible assets with indefinite lives

Determining whether intangible assets with indefinite lives are impaired requires an estimation of the value in use of the cash-generating units to which the intangible assets have been allocated. The value in use calculation requires management 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.

In 2018, William Hill recognized an impairment of £882.8 million in the William Hill Retail segment due to the reduced expected future cash flows as a result of the announcement of the £2 stake limit on B2 gaming products in William Hill Retail business. The £2 stake limit was then implemented from April 1, 2019, which led to William Hill taking the decision to close 713 shops in the third quarter of 2019.

The COVID-19 pandemic had a further sizeable impact on the William Hill Retail business, with shops shut or under restrictions across much of 2020. As such, William Hill recognized impairments totaling £125.7 million in William Hill FY 2020.

As the William Hill Retail division declined gradually over time, the estate has been re-sized twice in recent years, and the industry is naturally moving away from retail space in the UK towards an online/digital presence. These factors led William Hill to the conclusion that the value of a license to operate a LBO / group of LBOs is depreciating over time and is not expected to hold its value indefinitely. William Hill decided to therefore amortize the assets over a 20-year useful economic life ("**UEL**"). This change in UEL is an estimate that management made based on the available information. This change was made prospectively from the 52-week financial period starting December 30, 2020 and is a change in accounting estimate. For the 52-week period ended December 28, 2021, the William Hill Retail licenses asset is now not considered an asset with an indefinite life, but one with a finite life. The impact on these financial statements is an increased amortization charge of £3.3 million until the acquisition by the Seller on April 22, 2021, at which point this balance was subsumed into goodwill.

Retirement benefit costs

The determination of the pension cost and defined benefit obligation of William Hill's defined benefit pension scheme depends on the selection of certain assumptions which include discount rate, inflation rate and mortality assumptions. Differences arising from actual experience or future changes in assumptions are reflected in subsequent periods. During William Hill FY 2021, William Hill performed a pension buy-in, as such, although the gross obligation may fluctuate, this does not change the net position for William Hill. This is therefore not deemed as a key source of estimation uncertainty for William Hill FY 2021.

Dilapidations provisions

As a result of the implementation of the £2 stake limit on B2 gaming products in the William Hill Retail business on April 1, 2019, William Hill took the decision to close 713 shops in the third quarter of 2019. William Hill provided for costs of closure with a remaining provision held at December 31, 2019 of £17.4 million. Within this provision, £12.1 million related to dilapidations and shop strip out cost provisions which were estimated using a best estimate cost per square foot and exit date on each lease. The actual results were expected to differ as lease exits were negotiated with any changes to the amount provided recognized in William Hill Historical Financial Information as part of the portfolio shop closure cost classified as an exceptional item in 2019. Based on management's knowledge and experience and third-party advice at the time, the directors believed the range of reasonably possible values for the dilapidations provisions as at December 31, 2019 to be £7.7 million to £18.6 million. Since 2019 and as dilapidations costs are being settled over time, the provision has reduced to a level management consider not material to be a key source of estimation uncertainty.

Valuation of deferred consideration

The annual impairment test of goodwill performed at December 28 2021 has used fair value less cost of disposal for determining the recoverable amount of each segment (being the level at which goodwill is assessed for impairment), given this is higher than the value in use for each segment. This fair value less cost of disposal has been calculated using the observable transaction price for the acquisition of William Hill by 888 Holdings plc. On April 7, 2022 revised transaction terms were announced with an enterprise value of £1.95 billion to £2.05 billion with up to £100 million deferred consideration payable in 2024, based on the Adjusted EBITDA of the Group in 2023.

The revised transaction terms have led to the recognition of an impairment to goodwill of £70.4 million. Within the calculation of the fair value less cost of disposal, a best estimate was made for the deferred consideration payable based on estimated Adjusted EBITDA figures for the Group in 2023. This best estimate of deferred consideration payable was then discounted using a discount rate of 5.5% to its present value. The methodology for calculating the deferred consideration was a probability weighted set of scenarios based on a distribution of potential outcomes around the expected outcome, which incorporates the FY 2023 EBITDA forecasts for the Group, William Hill, and expected synergies of the combination. A range of assumptions about future performance of the Group were included within this best estimate and actual results are likely to differ from this estimate. The most sensitive assumption is the estimated Adjusted EBITDA for the Group in 2023. If there was an assumption that no deferred consideration would be payable, the impairment of goodwill across William Hill would be greater by £75.4 million. The undiscounted amount of the deferred consideration is £85.1 million.

Combined Carve-out Interim Condensed Financial Information of William Hill
for the 26 weeks ended June 28, 2022

COMBINED CARVE-OUT INTERIM CONDENSED INCOME STATEMENT

for the 26 weeks ended 28 June 2022

	Notes	26 weeks ended 29 June 2021 £ m	26 weeks ended 28 June 2022 £ m
Revenue	1	**597.0**	**630.7**
Gaming duties		(120.7)	(99.6)
Other cost of sales		(59.4)	(68.4)
Cost of sales	1	**(180.1)**	**(168.0)**
Gross profit	1	**416.9**	**462.7**
Marketing expenses		(120.9)	(76.8)
Operating expenses		(392.0)	(378.4)
Other operating income		1.9	0.7
Total operating expenses		**(511.0)**	**(454.5)**
Which includes exceptional and adjusting items within operating expenses of:	2	*(90.7)*	*(50.1)*
Operating (loss)/profit		**(94.1)**	**8.2**
Finance income	1	0.8	0.2
Finance expenses	1	(32.1)	(21.4)
Which includes exceptional finance income/(expense) of:	2	*(2.0)*	-
Share of post-tax profit/(loss) of equity accounted associate	1	(0.6)	(0.1)
Loss before tax	1	**(126.0)**	**(13.1)**
Tax		20.6	(0.3)
Which includes tax on exceptional and adjusting items of:	2	*4.0*	*4.1*
Loss for the period		**(105.4)**	**(13.4)**
Attributable to:			
Net parent investment		(105.8)	(13.5)
Non-controlling interests		0.4	0.1

COMBINED CARVE-OUT INTERIM CONDENSED *STATEMENT OF COMPREHENSIVE INCOME*

for the 26 weeks ended 28 June 2022

	26 weeks ended 29 June 2021 £ m	**26 weeks ended 28 June 2022 £ m**
Loss for the period	(105.4)	(13.4)
Items that may be reclassified subsequently to profit or loss:		
Translation of foreign operations	(8.0)	0.2
Items that will not be reclassified subsequently to profit or loss:		
Actuarial remeasurements in defined benefit pension scheme	1.9	-
Tax on remeasurements in defined benefit pension scheme	(0.5)	-
Other comprehensive(loss)/income for the period	**(6.6)**	**0.2**
Total comprehensive loss for the period	**(112.0)**	**(13.2)**
Attributable to:		
Net parent investment	(112.4)	(13.3)
Non-controlling interests	0.4	0.1

COMBINED CARVE-OUT INTERIM CONDENSED *STATEMENT OF FINANCIAL POSITION*

as at 28 June 2022

	As at 28 December 2021 £ m	As at 28 June 2022 £ m
Assets		
Non-current assets		
Goodwill and other intangible assets	2,039.5	2,046.0
Property, plant and equipment	190.9	173.5
Interests in associates	11.1	11.6
Investments	1.0	1.0
Deferred tax assets	7.6	12.0
	2,250.1	**2,244.1**
Current assets		
Trade and other receivables	55.1	52.6
Cash and cash equivalents	203.7	164.0
Income tax receivable	30.8	21.2
Freehold property held for sale	0.2	0.2
	289.8	**238.0**
Total assets	**2,539.9**	**2,482.1**
Liabilities		
Non-current liabilities		
Interest-bearing loans more than one year	(763.7)	(753.4)
Lease liabilities	(68.6)	(52.2)
Provisions	(2.8)	(2.8)
Deferred tax liabilities	(90.6)	(93.9)
	(925.7)	**(902.3)**
Current liabilities		
Trade and other payables	(402.8)	(389.4)
Provisions	(70.0)	(87.8)
Income tax payable	(33.7)	(22.9)
Lease liabilities	(26.5)	(26.5)
Derivative financial liabilities	(8.8)	(3.5)
Interest-bearing loans less than one year	(455.7)	(458.3)
	(997.5)	**(988.4)**
Total liabilities	**(1,923.2)**	**(1,890.7)**
Total net assets	**616.7**	**591.4**
Net parent investment	615.0	589.6
Non-controlling interests	1.7	1.8
Total net investment	**616.7**	**591.4**

COMBINED CARVE-OUT INTERIM CONDENSED STATEMENT OF CHANGES IN NET PARENT INVESTMENT

for the 26 weeks ended 28 June 2022

	Net parent investment £ m	Non-controlling interests £ m	Total net investment £ m
At 29 December 2020	**349.5**	**1.7**	**351.2**
Loss for the financial period	(105.8)	0.4	(105.4)
Actuarial remeasurements in defined benefit pension scheme	1.9	-	1.9
Tax on remeasurements in defined benefit pension scheme	(0.5)	-	(0.5)
Exchange differences on translation of foreign operations	(8.0)	-	(8.0)
Total comprehensive loss for the period	**(112.4)**	0.4	**(112.0)**
Transfer of own shares to recipients	5.3	-	5.3
Credit recognised in respect of share remuneration	6.5	-	6.5
Tax credit in respect of share remuneration	(0.6)	-	(0.6)
Net parent investment contributions	315.7	-	315.7
Conversion of loan into net parent investment	310.8	-	310.8
Other net movement in parent investment	(76.5)	-	(76.5)
At 29 June 2021	**798.3**	**2.1**	**800.4**

	Net parent investment £ m	Non-controlling interests £ m	Total net investment £ m
At 28 December 2021	**615.0**	**1.7**	**616.7**
(Loss)/profit for the financial period	(13.5)	0.1	(13.4)
Exchange differences on translation of foreign operations	0.2	-	0.2
Total comprehensive (loss)/profit for the period	**(13.3)**	**0.1**	**(13.2)**
Other net movement in parent investment	(12.1)	-	(12.1)
At 28 June 2022	**589.6**	**1.8**	**591.4**

In the 26-week period ending 29 June 2021, the other net movement in parent investment largely reflects the cash payments made by the Business in respect of the US element of the Caesars acquisition.

COMBINED CARVE-OUT INTERIM CONDENSED CASH FLOW STATEMENT

for the 8 weeks ended 22 February 2022

	26 weeks ended 29 June 2021 £m	26 weeks ended 28 June 2022 £ m
Operating (loss)/profit	**(94.1)**	**8.2**
Adjustments for:		
Share of results of associates	0.6	-
Depreciation of property, plant, and equipment	26.0	23.6
Amortisation of intangibles	47.9	54.4
Impairment of Retail segment and right-of-use lease assets	1.0	-
Provision for LBO closures	(1.4)	-
(Gain)/loss on disposal of property, plant and equipment	(0.4)	0.5
Cost charged in respect of equity settled share remuneration	6.5	-
Defined benefit pension cost less cash contributions	(7.7)	-
Fair value movements on derivative financial instruments and ante post	(2.0)	(5.3)
Operating cash flows before movements in working capital	**(23.6)**	**81.4**
(Increase)/decrease in receivables	(2.9)	91.5
Increase/(decrease) increase in payables	41.8	(3.7)
Increase in receivables from related undertakings	(3.4)	(100.7)
Cash generated by operations	**11.9**	**68.5**
Income taxes paid	(3.5)	(2.9)
Interest paid	(35.8)	(30.3)
Interest paid on leases	(1.8)	(1.2)
Cash (used in)/from operating activities	**(29.2)**	**34.1**
Investing activities		
Interest received on cash and cash equivalents	0.4	0.6
Proceeds on disposal of property, plant and equipment	0.4	-
Amounts (drawn down)/repaid on loan facility with related undertakings	1.5	-
Acquisition of William Hill plc	(2,848.3)	-
Acquisition of Live 5 – net of cash acquired	-	(3.5)
Purchases of property, plant and equipment	(3.5)	(5.3)
Expenditure on intangible assets	(28.7)	(50.6)
Net cash used in investing activities	**(2,878.2)**	**(58.8)**
Financing activities		
Net proceeds on net parent investment contributions	315.7	-
Intercompany loans with related parties	1,827.9	-
Proceeds on issue of external financing	1,522.5	-
Repayment of external financing	(1,202.6)	-
Amounts drawn down on Revolving Credit Facilities	114.3	-
Lease liabilities – principal payments	(23.8)	(16.3)
Net cash from/(used in) financing activities	**2,554.0**	**(16.3)**
Net decrease in cash and cash equivalents in the period	**(353.4)**	**(41.0)**
Changes in foreign exchange rates	(5.7)	1.3
Cash and cash equivalents at start of period	588.4	203.7
Cash and cash equivalents at end of period	**229.3**	**164.0**

Nature of the business

The Business is engaged in the business of online sportsbook operations and the operation of Licenced Betting Offices ('LBOs'). In addition to its sportsbook operations, the Business offers online casino games, 'skill games', online bingo and online poker. The Business operates on a global basis from within separate legal entities.

On 30 September 2020, the Boards of William Hill Limited (formerly William Hill PLC) ("William Hill"), Caesars UK Holdings Limited ("Caesars UK Bidco") and Caesars Entertainment, Inc. ("Caesars") announced that they had reached agreement on the terms of a recommended cash acquisition pursuant to which Caesars UK Bidco was to acquire the entire issued and to be issued share capital of William Hill not already owned by or on behalf of the Caesars Group. The legal completion of the acquisition occurred on 22 April 2021 ("Completion").

Subsequent to this, on 8 September 2021, 888 Holdings PLC ("888") announced that it had entered into an agreement with Caesars to acquire the international (non-US) business of William Hill ("WHI" or "The William Hill International Business" or the "Business") at an enterprise value of £2.2 billion, subsequently revised to £2.1 billion (the "Acquisition"). The legal completion of the 888 acquisition occurred on 1 July 2022.The US business of William Hill ("William Hill US") has remained part of the Caesars Group.

This interim condensed financial information has therefore been prepared on a combined and carve-out basis from the consolidated financial information of William Hill for the purpose of presenting the financial position, results of operations and cash flows of the Business as set out within the Basis of Preparation section below. This combined carve-out interim condensed financial information includes every non-US territory in which the Business operates and certain holding companies to facilitate the Acquisition. The entities acquired form the perimeter of the combined carve-out interim condensed financial information and are included in this document.

Pound sterling is the Business's presentational currency. The functional currency is the currency of the primary economic environment in which each entity operates. The functional currencies of Business's companies are primarily pound sterling and euro. The combined carve-out financial information is prepared using uniform accounting policies for all companies in the Business.

Going concern

The interim combined carve-out interim condensed financial information has been prepared using the going concern basis of accounting.

The Business meets its day-to-day working capital requirements, capital expenditures and debt service requirements from the positive cash flows generated by its trading activities and its available cash resources.

The Business's forecasts, based on reasonable assumptions, indicate that it will be able to operate within the level of its currently available and committed facilities and has sufficient cash reserves to enable it to meet its obligations as they fall due, for a period of at least 12 months from the date of signing of this combined carve-out interim condensed financial information. The Business has performed separate reverse stress tests and has identified further actions to conserve cash that would be actioned to mitigate any impact of a reasonably plausible downside scenario occurring.

The Business held a cash and cash equivalents balance (excluding customer balances and restricted cash) of £70.5m as at 28 June 2022 (28 December 2021: £105.1m) and is forecast to continue to generate operating cash flows for at least the next 12 months from date of signing.

Based on the above considerations, the Business has adopted the going concern basis in preparing this combined carve-out interim condensed financial information.

Basis of preparation

The Business has not comprised a separate group of entities for the periods ended 28 June 2022 and 29 June 2021. This combined carve-out interim condensed financial information has been prepared on a basis that combines the results, assets and liabilities for the Business by applying the principles of IFRS 10 'Consolidated Financial Statements' for each of the periods ended 28 June 2022 and 29 June 2021, and as at 28 June 2022 and 28 December 2021, which includes uniform accounting policies, intra-group eliminations that occurred within the combined carved-out reporting entity and the accounting for non-controlling interests. On such basis, this combined carve-out interim condensed financial information sets out the combined carve-out interim condensed statement of financial position as at 28 June 2022 and 28 December 2021 and the results of operations and cash flows for the periods ended 28 June 2022 and 29 June 2021.

This combined carve-out interim condensed financial information has been prepared in accordance with this basis of preparation. This basis of preparation describes how this financial information has been prepared in accordance with UK adopted IAS 34 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority. This combined carve-out interim condensed financial information should be read in conjunction with the Combined Carve-out Historical Financial Information prepared in accordance with International Financial Reporting Standards as adopted by the UK Endorsement Board and the IFRS Interpretation Committee interpretations (together "IFRS") as modified by the Annexure to SIR 2000 "Standards for Investment Reporting applicable to public reporting engagements on historical financial information" issued by the U.K. Auditing Practices Board and in accordance with the Listing Rules and Prospectus Directive Regulation. The principal accounting policies that have been applied in this financial information are consistent with those applied for the 52 week period ended 28 December 2021, and have been applied consistently to all periods unless otherwise stated. There are no new accounting policies or accounting standards adopted in the 26-week period to 28 June 2022 which have a material impact on the financial information.

This combined carve-out interim condensed financial information is presented in millions of pounds ('£m') and is prepared on a going concern basis and a historical cost basis, except where certain assets or liabilities are held at amortised cost or at fair value as described in the accounting policies.

Basis of preparation (continued)

The following summarises the accounting and other principles applied in preparing this combined carve-out interim condensed financial information:

- This combined carve-out interim condensed financial information was prepared at the William Hill Limited level for the period to the Caesars acquisition. Following the Caesars acquisition, from 22 April 2021 this financial information is prepared at the Caesars UK Bidco level.
- This combined carve-out interim condensed financial information was prepared using the Business's historical records of its assets and liabilities, and includes all sales, costs, assets and liabilities directly attributable to the Business. Costs directly associated with the Business are separately identifiable. These amounts have been derived from the underlying financial records of the Business, which also includes recharges by William Hill of indirect central costs and general corporate expenses.
- The Business has not in the past constituted a separate legal group and therefore it is not meaningful to show share capital or an analysis of reserves for the Business. The net assets of the Business (shown as "Net parent investment") are represented by the cumulative investment of William Hill Limited in the Business until 22 April 2021 and represented by the cumulative investment of Caesars UK Bidco from 22 April 2021.
- This combined carve-out interim condensed financial information of the Business excludes amounts due from other related undertakings within the Caesars Group including William Hill US as these were distributed to the parent prior to the Acquisition.
- The results of subsidiaries acquired or disposed of during the period are included in the Combined Carve-Out Interim Condensed Income Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial information of subsidiaries within the Business to bring the accounting policies used into line with those used by the Business. Within the Business, all intra-group transactions, balances, income and expenses are eliminated on consolidation.
- Certain investments in associates, NeoGames S.a.r.l and Green Jade Games Limited, were excluded from the deal perimeter. As these do not represent activities of the Business, the results for these investments in associates, as well as any loan balances held with these associates, have been excluded from this financial information for all reporting periods presented.
- William Hill Limited uses a centralised approach to cash management and financing its operations. Certain transactions between William Hill US and the Business are accounted through net parent investment. For the purpose of the transaction, debt or related interest expense at the corporate level has been assigned to the Business in this financial information, along with cash that is being held by the legal entities being divested by Caesars as part of the transaction.
- Management applies judgement in allocating centrally incurred costs to each reportable segment. These expenses are allocated to the William Hill International Business segments on the basis of direct usage when identifiable. Tax charges/credits in this financial information have been determined based on the tax charges/credits recorded in the legal entities comprising the Business, together with an allocation of the tax charges recorded in William Hill Group associated with the Business transferred. The tax charges recorded in the Combined Carve-Out Interim Condensed Income Statement may not necessarily be representative of the charges that may arise in the future.
- As the combined carve-out interim condensed financial information has been prepared on a combined basis, and there is no legal share capital of the Business, the requirement of IAS 33 'Earnings per Share' to disclose earnings per share is not relevant for this financial information.
- The assets, liabilities, income and expenses that management have determined relate to the Business includes all those that are directly attributable and/ or separately identifiable to the Business, together with an allocation of the items that are not.

This combined carve-out interim condensed financial information has been prepared on a carve-out basis and the results do not necessarily reflect what the results of operations, financial position, or cash flows would have been had the Business been a separate entity or the future results of the Business as it will exist upon completion of the Acquisition. The combined carve-out interim condensed financial information is herein referred to as the "financial information".

Classification of costs related to chargebacks and PSPs

The Business has presented costs related to chargebacks and PSPs within operating expenses, consistent with the historic presentation of William Hill. This treatment is inconsistent with 888, who present these costs within cost of sales. Were the Business to disclose on a consistent basis with 888, the combined carve-out interim condensed income statement would be as follows:

	26 weeks ended 29 June 2021 £ m	26 weeks ended 28 June 2022 £ m
Revenue	**597.0**	**630.7**
Gaming duties	(120.7)	(99.6)
Other cost of sales	(89.7)	(96.1)
Cost of sales	**(210.4)**	**(195.7)**
Gross profit	**386.6**	**435.0**
Marketing expenses	(120.9)	(76.8)
Operating expenses	(361.7)	(350.7)
Other operating income	1.9	0.7
Operating (loss)/profit	**(94.1)**	**8.2**

Seasonality

The Business's overall profitability is primarily sensitive to sporting results, largely in terms of outcome but also in terms of the timing and presence of significant events that attract a large amount of stakes.

Fair values

Assets and liabilities measured at fair value are ante post bets derivative financial instruments.

The valuation of ante post bets is determined with reference to anticipated gross win margins on unsettled bets. Changes in fair value have not had a material impact upon the result for the period.

The valuation of the Good Luck Have Fun Group AB shares is based on an observable market price.

Fair value hierarchy

The hierarchy (as defined in IFRS 13) of the Business's financial instruments carried at fair value was as follows:

	28 December 2021				28 June 2022			
	Level 1 £ m	Level 2 £ m	Level 3 £ m	Total £ m	Level 1 £ m	Level 2 £ m	Level 3 £ m	Total £ m
Assets/(liabilities) held at fair value								
Ante post bet liabilities	-	-	(8.8)	**(8.8)**			(3.5)	**(3.5)**
Total	**-**	**-**	**(8.8)**	**(8.8)**			**(3.5)**	**(3.5)**

Acquisitions

During the 26-week period ended 28 June 2022, the Business acquired all the equity of Live 5 Holdings Limited for an initial consideration of £3.5m, with a further £0.7m deferred consideration (£0.8m undiscounted). Live 5 Holdings Limited is a gaming product development business.

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1. Segment information

The segments disclosed below are aligned with the reports that the William Hill Limited Chief Operating Decision Makers (CODM) review to make strategic decisions.

The Retail segment comprises all activity undertaken in LBOs including gaming machines. The UK 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. The International Online 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. Both UK Online and International Online segments include the results of Mr Green since the Business's acquisition in January 2019. There are no inter-segmental sales within the Business.

For the 26 weeks ended 28 June 2022, trading in Ireland has been reclassified from International Online to UK Online, consistent with updated ownership structure effective 1 January 2022. All comparable periods have been prepared on this basis for comparative purposes.

Assets and liabilities have been allocated by segment based on the information reviewed by the Business's CODM. Corporate assets and liabilities include net borrowings and the net defined benefit pension asset, as well as any assets and liabilities that cannot be allocated to a particular segment other than on an arbitrary basis. The below analysis of total segment assets and liabilities excludes corporation tax and deferred tax-related balances.

Management applies judgement in allocating centrally incurred costs to each reportable segment. These expenses are allocated to the William Hill International Business segments on the basis of direct usage when identifiable.

Capital additions in each table below are stated on an accruals basis.

There are no customers that individually represent more than 10% of the Business's revenue.

Segment performance is shown on an adjusted operating profit basis, with a reconciliation from adjusted operating profit/(loss) before tax to statutory results for clarity.

1. Segment information (continued)

Information for the 26 weeks ended 29 June 2021 is as follows:

	Retail £ m	UK Online £ m	International Online £ m	Corporate £ m	Total £ m
Revenue	**87.3**	**362.4**	**147.3**	**-**	**597.0**
GPT, duty, levies and other costs of sales	(18.6)	(115.3)	(46.2)	-	(180.1)
Gross profit	**68.7**	**247.1**	**101.1**	**-**	**416.9**
Depreciation	(16.7)	(2.7)	(1.7)	(2.6)	(23.7)
Amortisation	(5.8)	(10.0)	(7.7)	(6.5)	(30.0)
Other administrative expenses[1]	(116.2)	(144.6)	(83.5)	(22.3)	(366.6)
Share of results of associates	-	-	-	(0.6)	(0.6)
Adjusted operating (loss)/profit[2]	**(70.0)**	**89.8**	**8.2**	**(32.0)**	**(4.0)**
Operating exceptional items and adjustments					(90.7)
Loss before interest and tax					**(94.7)**
Investment income					0.8
Finance costs					(32.1)
Loss before tax					**(126.0)**

1. Other administrative expenses are a net figure including other operating income.

2. Adjusted operating profit is defined as profit/(loss) before interest and tax, excluding exceptional items and other defined adjustments. Further detail on adjusted measures is provided in note 2.

Statement of financial position information	Retail £ m	UK Online £ m	International Online £ m	Corporate £ m	Total £ m
At 28 December 2021					
Total segment assets	762.7	883.2	760.6	95.0	**2,501.5**
Total segment liabilities	148.2	181.6	162.7	1,306.4	**1,798.9**
Included within segment assets:					
Goodwill	339.6	479.1	424.5	-	**1,243.2**
Interests in associates	-	-	-	11.1	**11.1**
Capital additions	22.6	41.8	10.4	2.5	**77.3**

Information for the 26 weeks ended 28 June 2022 is as follows:

	Retail £ m	UK Online £ m	International Online £ m	Corporate £ m	Total £ m
Revenue	**263.5**	**261.7**	**105.5**	**-**	**630.7**
GPT, duty, levies and other costs of sales	(55.6)	(80.7)	(31.7)	-	(168.0)
Gross profit	**207.9**	**181.0**	**73.8**	**-**	**462.7**
Depreciation	(14.3)	(1.7)	(1.1)	(1.6)	(18.7)
Amortisation	(5.5)	(8.5)	(5.1)	(1.3)	(20.4)
Other administrative expenses[1]	(158.3)	(133.2)	(55.4)	(18.4)	(365.3)
Share of results of associates	-	-	-	(0.1)	(0.1)
Adjusted operating profit/(loss)[2]	**29.8**	**37.6**	**12.2**	**(21.4)**	**58.2**
Operating exceptional items and adjustments					(50.1)
Profit before interest and tax					**8.1**
Investment income					0.2
Finance costs					(21.4)
Loss before tax					**(13.1)**

1. Other administrative expenses are a net figure including other operating income.

2. Adjusted operating profit is defined as profit/(loss) before interest and tax, excluding exceptional items and other defined adjustments. Further detail on adjusted measures is provided in note 2.

Statement of financial position information	Retail £ m	UK Online £ m	Online £ m International	Corporate £ m	Total £ m
At 28 June 2022					
Total segment assets	752.0	946.4	695.1	55.4	**2,448.9**
Total segment liabilities	226.5	201.2	111.3	1,234.9	**1,773.9**
Included within segment assets:					
Goodwill	339.9	481.7	423.3	-	**1,244.9**
Interests in associates	-	-	-	11.6	**11.6**
Capital additions	13.3	28.8	12.5	1.7	**56.3**

1. Segment information (continued)

Revenues and non-current assets by geographical area are as follows:

Revenues

	26 weeks ended 29 June 2021 £ m	26 weeks ended 28 June 2022 £ m
United Kingdom	449.7	525.2
Rest of the World	147.3	105.5

Non-current assets

	As at 28 December 2021 £ m	As at 28 June 2022 £ m
United Kingdom	1,715.2	1,738.5
Rest of the World	527.3	493.6

Revenue information is based on the location of the customer. Non-current asset information is based on physical location (for property, plant and equipment) or primary operating location of the company using the asset (for all other assets).

2. Exceptional items and adjustments

Exceptional items

Exceptional items are those items management consider to be one-off or material in nature that should be brought to the reader's attention in understanding the Business's financial performance.

Adjustments

Adjustments 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. This item is defined as an adjustment as the Directors believe it would impair the visibility of the underlying activities across each segment as it is not closely related to the

Business's or any associated operational cash flows. The amortisation of specific intangible assets recognised in acquisitions is recurring and recognised over their useful life.

Exceptional items and adjustments are as follows:

	26 weeks ended 29 June 2021 £ m	26 weeks ended 28 June 2022 £ m
Operating		
On-sale related costs	(0.6)	(2.8)
Caesars transaction related costs	(69.6)	-
Regulatory provision and related fees	-	(8.9)
Adjustments		
Amortisation of acquired intangibles	(20.5)	(38.4)
Non-operating		
Finance expense		
Costs in respect of refinancing	(2.0)	-
Total exceptional items and adjustments before tax	**(92.7)**	**(50.1)**
Tax on exceptional items and adjustments	4.0	4.1
Total exceptional items and adjustments	**(88.7)**	**(46.0)**

On-sale related costs

Following the acquisition of William Hill by Caesars on 22 April 2021, the Business has incurred costs associated with the on-sale to 888 and separation of the US segment from the Business. Within the 26 weeks ended 28 June 2022, costs include £1.4m (26 weeks ended 29 June 2021: £0.6m) of technology spend to separate the platform and product so that US sports book can stand alone from the rest of the Business, as well as £1.4m ((26 weeks ended 29 June 2021: £nil) of employee incentive costs as part of the on-sale to 888. The costs are recognised within the Corporate segment.

2. Exceptional items and adjustments (continued)

Caesars transaction related costs

In the 26 weeks ended 29 June 2021, the Business incurred costs associated with the transaction with Caesars, which it has aggregated and presented as an exceptional item given their material size and one-off nature. Of these costs, £35.9m inclusive of VAT where applicable relates to amounts paid to financial, corporate broking and legal advice. In addition, the Business incurred £8.7m (net of tax) of retention payments to key employees following the completion of the transaction to Caesars, £14.3m stamp duty charge, £5.0m of share-based payment charges and £5.7m of employee sharesave scheme costs as the Business delisted from the London Stock Exchange on 21 April 2021.

Regulatory provision and related fees

The industry in which the Business 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. Following a periodic compliance assessment undertaken by the UK Gambling Commission ("UKGC") in July and August 2021, the Business is currently addressing action points raised by the UKGC. In that context it made a provision of £15.0m in the second half of 2021 to cover the potential for any regulatory fine, penalty or settlement and associated costs resulting from that compliance assessment as well as a further £0.2m legal fees charged in the period ended 28 December 2021 and £0.3m in the period ended 28 June 2022. In the six months ended 28 June 2022, this provision has been increased based on the most recent correspondence with the UKGC.

3. Related party transactions

Trading transactions

Sports Information Services

During the 26-week period ended 28 June 2022, the Business made purchases of £17.9m (26 weeks ending 29 June 2021: £0.6m) from a subsidiary of the Group's associated undertaking, Sports Information Services (Holdings) Limited.

At 28 June 2022, the amount payable to Sports Information Services Limited by the Business was £nil (28 December 2021: £0.4m).

Remuneration of key management personnel

The remuneration of management, who are the key management personnel of the Business, is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'.

	26 weeks ended 29 June 2021 £ m	26 weeks ended 28 February 2022 £ m
Short-term employee benefits (including salaries)	3.2	1.3
Post-employment benefits (employer's contribution)	-	-
Share-based payments (IFRS 2 charges)	4.2	-
	7.4	**1.3**

The values presented above include share-based payments measured in accordance with IFRS 2. In addition, the above includes bonuses on a paid basis. None of the Share-base payment schemes remained in existence as of 28 June 2022.

4. Contingent liabilities

Legal claims

In common with other businesses in the gambling sector the Business receives claims relating to losses incurred by consumers following the use of the Business's gambling products. 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 (in which consumers contractually agree to the terms and conditions of play, which are subject to the laws of Gibraltar or Malta) are null and void given local licencing regimes.

The Business assesses and defends individual claims as they are received both on the individual underlying factual basis and also with regard to local legal advice received as to whether such jurisdictions and their local licencing regimes are incompatible with European Union law on the free movement of services. The Business provides for such claims where it is determined that the Business has either a present legal or constructive obligation to settle the claim.

Since 2020, the Business has been subject to a particular acceleration of claims made in Austria following marketing campaigns by litigation funders in that jurisdiction. Claims have continued to be received throughout 2021 at a broadly consistent rate with a slight increase in claims early in 2021 but a small decrease across the second half of 2021. Claims in 2022 have further accelerated compared to 2021. Consumers who have obtained judgement against the Business' 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 Business is aware of the existence of on-going challenges to local licencing regimes on the basis of their incompatibility with EU law. The Business continues to contest the compatibility of the Austrian licencing regime with EU law and the applicability of judgements of the Austrian courts which do not properly assess that issue in accordance with the ECJ's guidance. In addition to the outcome of cases relating to the compatibility or otherwise of local licencing regimes with EU law, significant issues remain to be resolved in the context of consumer claims related to (i) the applicable law under which claims in cross border cases should be determined and (ii) the enforceability of disputed judgments obtained in jurisdictions from which the Business does not trade and in which it has no assets or presence. The Business has been advised that there are significant public policy arguments as to why judgements obtained outside of its operating jurisdictions which fail to recognise (i) the choice of governing law made by the parties to the contract; and (ii) the legitimacy of the regulatory regimes and EU law under which the Business provides services to consumers would not be recognised or enforced in those operating jurisdictions.

Taking into account the uncertainty associated with the legal basis for these claims, coupled with the advice that the Directors have received on the strength of the various legal defences that the Business has against such claims, the Directors have concluded that the Business has a possible, but not probable, legal obligation in respect of these claims.

In estimating the size of the potential outflow that might result if a negative judgement is received in Malta or Gibraltar the Directors have assessed (i) the number and individual size of claims received to date and assumptions based on such observations as can be derived from those claims and (ii) the steps that the Business intends to take to defend those claims. Previously the size of the potential outflow was calculated based on the expectation that it would be received net of tax. Management have re-assessed that it is probable as opposed to virtually certain that the tax will be reclaimed and as such the outflow has been presented gross of tax, and separately a contingent asset has been disclosed for the tax reclaim. Based on that assessment the Business estimates that, if there were an outflow of economic benefits, it could be up to the value of £81.0m, which is an increase on the estimation as at 29 June 2021, recognising the increase in claims trends during 2022 and additionally that the contingent liability is presented gross of tax. The contingent asset relating to the tax reclaim on the £81.0m contingent liability is valued at £25.0m.

The timing of any such outflow will be dependent on (i) the timing of cases before the Gibraltar and/or Maltese courts (being the courts of the jurisdictions in which and from which the Business' online businesses operate and the jurisdictions where consumers would need to seek to enforce any contested judgements that they have obtained) and (ii) the rate and number of future claims made by consumers. Given those factors, any outflow will only result after final court hearings on questions of enforcement which are unlikely to take place within the next twelve months, and any outflow would, in any event, then take place over a multi-year period.

Contingent deal related fees

The Business has agreed payment of £12.0m (inclusive of tax) of retention payments to key employees to be paid contingent on completion of the acquisition by 888. As such these have been disclosed as a contingent liability given the 888 Holdings Plc shareholder approval and regulatory clearances still to be obtained.

In addition, the Business has entered into an agreement with a third party for public relations advice in connection to the acquisition with fees of £0.3m (inclusive of VAT) only payable contingent on the completion of the transaction which are disclosed as a contingent liability consistent to the retention payments.

5. Interest-bearing loans

	As at 28 December 2021 £ m	As at 28 June 2022 £ m
Interest-bearing loans at amortised cost		
Bank facilities	116.0	116.0
Less: expenses relating to bank facilities	(1.0)	(0.4)
£350m 4.875% Senior Unsecured Notes due 2023	349.1	349.1
Less: expenses relating to £350m 4.875% Senior Unsecured Notes due 2023	(0.6)	(0.4)
Add: Fair value uplift on acquisition by Caesars (note 11)	28.0	28.0
Less: Amortisation of fair value uplift	(7.8)	(13.5)
£350m 4.75% Senior Unsecured Notes due 2026	350.0	350.0
Less: expenses relating to £350m 4.75% Senior Unsecured Notes due 2026	(1.8)	(1.6)
Add: Fair value uplift on acquisition by Caesars (note 11)	54.0	54.0
Less: Amortisation of fair value uplift	(7.1)	(12.2)
£1,044m Asset Bridge Loan due 2022	343.9	343.9
Less: expenses relating to £1,044m Asset Bridge Loan due 2022	(3.3)	(1.2)
Total Interest-bearing loans	**1,219.4**	**1,211.7**
Less: Interest-bearing loans as due for settlement in 12 months	(455.7)	(458.3)
Total Interest-bearing loans as due for settlement after 12 months	**763.7**	**753.4**

6. Events after the reporting period

On 1 July 2022, the acquisition of the Business by 888 was completed. This has no impact on this combined carve-out interim condensed financial information.