1 September 2021

888 Holdings Plc

("888" or "the Group")

Half Year Results for the six months ended 30 June 2021

Record first half revenue and profit, strong strategic progress, increased full year expectations

888 (LSE: 888), one of the world's leading online betting and gaming companies, announces its half-yearly results for the six months ended 30 June 2021 (the "period").

Six months to 30 June	**2021 $m**	2020 $m	Change %	*CC[1] change %*
Revenue	**528.4**	379.1	39%	*29%*
Gross profit	**352.4**	250.9	40%	
Adjusted EBITDA	**97.4**	70.1	39%	
Adjusted profit before tax	**75.2**	50.4	49%	
Profit before tax	**57.9**	50.9	14%	
Adjusted basic earnings per share (cents)	**18.3c**	12.2c	50%	
Basic earnings per share (cents)	**13.7c**	12.4c	11%	
Net cash	**114.4**	77.4	48%	

Financial Highlights

- Group revenue +39% (+29% cc) with double-digit B2C growth in all major regulated markets, demonstrating the continued success of the Group's product-leadership strategy and effective data-driven investments
  - B2C Gaming[2] +35% (+25% cc)
  - B2C Betting[2] +82% (+71% cc)
  - Total B2C +41% (+31% cc)
  - B2B +8% (+1% cc)
- Revenue from regulated and taxed markets represented 75% of Group revenue (H1 2020: 73%), with over 50% growth in regulated markets revenue
- Adjusted EBITDA of $97.4 million (H1 2020: $70.1 million), with the Adjusted EBITDA margin stable at 18.4% (H1 2020: 18.5%)
- Adjusted basic earnings per share of 18.3c (2020: 12.2c), Basic earnings per share of 13.7c (H1 2020: 12.4c)
- Interim regular dividend of 4.5c per share (H1 2020: 3.2c)
- Cash and cash equivalents, net of customer balances, of $114.4 million (H1 2020: $77.4 million)

Operational and Strategic Highlights

- Strong market share trends in key markets:
  - Over 80% growth in Italy, with new customer growth of 11% reflecting the strength of 888's brands and the success of its differentiated products
  - Over 50% growth in UK revenues, reflecting strong acquisition trends and customer activity across all product verticals

- Product-leadership strategy delivering strong results:
  - 888sport platform rolled out across the majority of markets, supporting strong betting revenue growth. Our cutting-edge sportsbook platform enables customers to play and bet with unique products such as *BetFinder, BetFeed* and *BetBuilder* in addition to personalised recommendations
  - Ongoing evolution of 888casino product with the launch of over 435 new games. Section8, 888's in-house game studio, continues to produce high quality games with customers now enjoying more than 140 exclusive titles, which consistently rank among some of the most popular games

- Strategic US partnership with Sports Illustrated provides 888 with a platform for strong US growth:
  - Long-term partnership with iconic American sports brand, providing a high-volume and low-cost customer acquisition opportunity
  - *SI Sportsbook* due to go live in Colorado this month, with further launches planned in the coming months
  - B2B extended into Pennsylvania, supporting the expansion of the WSOP brand and powering the U.S. market's only interstate shared player liquidity poker network

- Data-driven investments driving strong returns:
  - B2C new customer acquisition increased 6% despite the prior year period including the benefit of a structural shift in online usage
  - Increased investment in optimisation tools including improved search tools and AI-powered pre-login game recommendations

- Continued focus on developing and improving safer gambling processes:
  - Continued rollout of the *Control Centre*, giving customers a one-stop-shop for safer gambling tools. The platform provides customers with ground-breaking levels of transparency about their gambling activity in real-time, as well as quick and simple tools to control spend
  - New responsible gaming thresholds implemented, providing heightened levels of player protection

Current trading & outlook

- Revenues throughout July and August increased by mid-single digit percentage relative to the prior year period, with the slowdown in the rate of growth reflecting the impact of retail and leisure venues reopening across international markets, and the previously disclosed expected impact of regulatory and compliance changes
- For the remainder of the year, the Board remains mindful of the tougher comparables in the fourth quarter, a period that enjoyed an exceptionally strong performance in both betting and gaming revenues during 2020. However, with 888's product-leadership strategy, the Board is confident that revenues and Adjusted EBITDA in the full year will be slightly ahead of its prior expectations

Itai Pazner, CEO of 888, commented:

"The strong momentum from 2020 continued into the first half of 2021, with growth driven primarily by regulated markets, where we believe ongoing market share gains continue to reflect our product-leadership strategy, highly effective data-driven marketing, and our excellent content.

We made significant strategic progress in the first half, securing a long-term strategic partnership with Sports Illustrated to strengthen our position in the US. We also continued to execute our product leadership plan, delivering further improvements in the usability and quality of products across sports and gaming, all the while maintaining our persistent focus on delivering our safer gambling priorities.

The Board remains confident that, with 888's advanced technology, products and diversification across markets, the Group remains well positioned to deliver further strategic progress during 2021 and beyond."

Notes

[1] Constant currency ("cc") growth is calculated by retranslating the non-dollar denominated component of H1 2021 revenues at H1 2020 exchange rates

[2] B2C revenues had historically been split out into the component products of Casino, Poker, Sport and Bingo. The Group has now decided to combine Casino, Poker and Bingo revenues under one heading of Gaming, to better reflect how the business is managed and in line with how peer companies present results (no change to Sport, which is now referred to as Betting)

Sell side analyst and investor presentation

Itai Pazner, Chief Executive Officer, and Yariv Dafna, Chief Financial Officer, will host a presentation for sell-side analysts and investors today at 9:30AM (BST).

Live audio webcast link: https://brrmedia.news/nu5zkc

To participate in Q&A please contact 888@hudsonsandler.com or call +44 (0)207 796 4133 for further details.

A replay will be available on our website shortly after: https://corporate.888.com/investor-centre/

Investor Meets Company presentation

888 will provide a live presentation relating to the Half Year Results via the Investor Meet Company platform on Thursday 2 September 2021 at 5:15pm BST.

Questions can be submitted via the Investor Meet Company platform up until 9:00am BST the day before the meeting or at any time during the live presentation.

Investors can sign up to Investor Meets Company for free and add to meet 888 HOLDINGS PLC via the following link: https://www.investormeetcompany.com/888-holdings-plc/register-investor

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About 888 Holdings Plc:

888 Holdings plc (and together with its subsidiaries, "**888**" or the "**Group**") is one of the world's leading online betting and gaming companies. 888's mission is to develop state-of-the-art technology and products that provide fun, fair and safe digital gambling products to players globally. Safer gambling is a core focus for the Group and, at the beginning of 2020, 888 launched its '*Safer. Better. Together'* safer gambling strategy and commitments.

888 has been at the forefront of the online gaming industry since its foundation in 1997, leveraging its proprietary technology to provide players and B2B partners an innovative and world-class online gaming experience.

In 2020, the company was proud to be recognised at the 2020 Gaming Intelligence awards as the winner in the *Casino Operator of the Year* category. In 2020, 888 also won two prestigious awards for its poker platform at the 2020 Poker Listings Operator Awards in the *Most Improved Software* and *Best Beginner Software* categories.

The Group is structured into two lines of business: B2C, under the 888 brands, and B2B, conducted through Dragonfish, which provides partners a leading platform through which to establish an online gaming presence and monetise their own brands in a safe and responsible manner.

888's consumer facing websites offer more than just online betting and gaming. They are entertainment destinations: places where people can enjoy a truly interactive experience and be part of an online community that shares common interests. 888's strong and trusted brands are all accessible through www.888.com.

Find out more about 888 at http://corporate.888.com/.

CEO REPORT

INTRODUCTION

888 achieved a record performance in the first half of the financial year, with 39% growth in both revenue and Adjusted EBITDA. This performance was underpinned by continued success across the Group's key regulated markets, resulting in the proportion of Group revenue generated from regulated and taxed markets increasing to 75% (H1 2020: 73%). 888's continuous investment in product leadership, successful data-driven approach to marketing and customer relationship management ("CRM"), and the Group's highly skilled global team remained the key drivers behind the Group's progress during the Period.

In addition to this strong financial performance, the Group continued to make strong strategic progress during the Period, particularly in the US market. This included the announcement of an exciting long-term partnership with Authentic Brands Group and its iconic American sports brand, Sports Illustrated, towards the end of the Period. The Board believes this combination provides an outstanding brand to match the Group's proven and high-quality products and technology that together provide an exceptional foundation to achieve long-term growth in the developing US market.

PRODUCT AND CONTENT LEADERSHIP

The Group's proprietary technology and steadfast focus on developing market-leading gaming products remains key to 888's continued expansion and growth. 888 continues to focus all product development on the following key principles:

1. **Safety** – All of 888's products must, above all else, keep gambling safe and fun. Meeting regulatory requirements is a bare minimum for 888 and we continually strive to put the same levels of focus on our safer gambling tools, processes and controls as we do on our gaming content.
2. **Usability** – One of the most important principles we apply to all product development is that the products must be quick, simple and intuitive to use. We measure ourselves against the best-of-breed consumer technology products across entertainment, banking, and all other digital services, not just gaming operators.
3. **Content-rich** – Our products must also be content rich, thereby enabling customers to access the different types of games and entertainment they want. Today 888 offers its customers almost 2,000 different casino games, over 100 different poker formats and tables, multiple bingo rooms, and a huge variety of sports events to bet on.
4. **Entertainment** – The range of content and events we offer our customers is just half of the story. We must utilise our analytics capabilities and AI to ensure that we serve and make accessible the most relevant gaming content to each customer.
5. **Scalability** – We have customers in dozens of countries across multiple different brands and languages. We develop new products and deploy these across our brands and multiple territories, all in line with local regulations. This provides 888 with economies of scale and thereby drives superior return on investment.

SAFER GAMBLING

888 firmly believes that providing a safe environment for customers is not only the right thing to do but puts the Group in a stronger position to continue generating long-term value for all stakeholders. During the Period, 888 maintained its focus on safer gambling and delivering progress against the safer gambling priorities set out in the 2020 Annual Report.

A key part of 888's safer gambling approach is an ongoing focus on developing and deploying technologies to help customers stay safe and reduce the potential for gambling-related harm. During the Period, the Group continued to enhance and roll out the *Control Centre*, its proprietary consumer-facing, safer gambling feature. The *Control Centre* provides 888's customers with high levels of transparency and real-time data about their activity, thereby helping those customers make informed decisions about their gambling, with a range of safer gambling tools to help control their spending and manage their activity. Consumer reaction has been positive, with half of users engaging with the feature multiple times, helping to drive a 23% uplift in the usage of safer gambling tools for those who engaged with the *Control Centre.*

888 participated in the Revealing Reality safer gambling project, funded by GambleAware, the findings of which were published during the Period. The project aims to change the way the industry approaches safer gambling. The independent project was developed based on a brief by the Responsible Gambling Strategy Board, with input from the Gambling Commission. 888 was one of five industry operators to participate in the project, conducted over nine months spanning 2019 and 2020.

DATA DRIVEN INVESTMENTS

888’s investments in marketing and product development are underpinned by its sophisticated usage of data. 888 continues to develop leading brands across betting (Sport) and online gaming verticals (Casino, Poker and Bingo) by focusing on providing customers with a safe and enjoyable online gaming entertainment experience. Its investments in efficient and responsible marketing is critical to the development of its brands, and marketing investment increased by 71% in the Period, leveraging 888’s data and analytics to optimise spend across a broad range of marketing channels.

Customer data is also used to support 888’s development of its products and CRM. The Group continued to invest in the 888casino product, which remains important to both attracting new customers and keeping them engaged with the 888 brands. 888 launched over 435 new games on the platform during the Period, and customers are now enjoying more than 140 exclusive games from Section8, 888’s in-house games studio that produces high-quality games, which consistently rank among some of the most popular games with 888 customers.

During the period, 888 continued to roll out its proprietary 888sport platform across most markets, supporting the strong Betting revenue growth. The cutting-edge sportsbook platform offers customers a wide variety of betting markets and unique products such as *BetFinder*, *BetFeed* and *BetBuilder*, as well as personalised recommendations. 888’s investment in the product will continue as the Group develops new products fit for 888’s customers' needs.

EXPANSION IN REGULATED MARKETS

888’s strategic focus is to invest in the most attractive regulated markets, leveraging its data capabilities, strong brand and proprietary products to build strong market share positions. During the Period, the Group delivered revenue growth of 54% across its regulated markets, with regulated and taxed markets representing 75% of revenues (H1 2020: 73%).

The Group continues to focus on appraising new, attractive regulated markets and during the Period the German regulator awarded a sports-betting licence to 888. Whilst the transition to the new regulatory regime in Germany has caused a short-term revenue headwind, it remains an attractive regulated market that presents a long-term growth opportunity for the Group.

OUTLOOK & CURRENT TRADING

Revenues throughout July and August increased by a mid-single digit percentage relative to the prior-year period. Against strong prior year comparatives this is a slowdown in the growth rate, reflecting the impact of retail and leisure venues reopening across international markets and the previously disclosed expected impact of regulatory and compliance changes.

In the second half of the year, 888 expect to move forward on its operational plan for the German market under the new sports-betting licence and to invest in building the 888sport product in the newly regulated market during Q4. The Group is also excited about the upcoming launch of SI Sportsbook in the US market and continuing to build its US footprint.

For the remainder of the year, the Board remains mindful of the tougher comparables in the upcoming fourth quarter, a period that enjoyed an exceptionally strong performance in both betting and gaming revenues during 2020. With continued strong underlying momentum, driven by 888’s product-leadership strategy, the Board is confident that revenues and Adjusted EBITDA in the full year will be slightly ahead of its prior expectations.

CFO REPORT

	Six months ended 30 Jun 2021 US$ million	Six months ended 30 Jun 2020[1] US$ million	Change
Revenue - B2C			
Gaming	428.8	317.2	*35.2%*
Betting	80.3	44.1	*82.3%*
Total B2C	**509.1**	**361.3**	***40.9%***
B2B	**19.3**	**17.8**	*8.3%*
Revenue	**528.4**	**379.1**	***39.4%***
Gaming taxes and duties	(100.5)	(69.6)	
Other cost of sales	(75.5)	(58.6)	
Gross profit	**352.4**	**250.9**	***40.4%***
Marketing expenses	(170.9)	(100.1)	
Operating expenses[2]	(84.1)	(80.7)	
Adjusted EBITDA[3]	**97.4**	**70.1**	**38.9%**
Share benefit charges	(5.7)	(2.3)	
Exceptional items[4]	(11.6)	2.9	
Depreciation and amortisation	(18.1)	(16.7)	
Operating profit	**62.0**	**54.0**	***14.7%***
Finance income and expenses	(4.1)	(3.0)	
Share of equity accounted associate's loss	-	(0.1)	
Profit before tax	**57.9**	**50.9**	***13.8%***
Adjusted profit before tax	75.2	50.4	***49.2%***
Adjusted basic earnings per share	**18.3¢**	**12.2¢**	***50.1%***
Basic earnings per share	**13.7¢**	**12.4¢**	***10.4%***

Alternative Performance Measures ("APMs") used in this document do not have standardised meanings and therefore may not be comparable to similar measures presented by other companies.

Reconciliation of operating profit to Adjusted EBIT, Adjusted profit before tax and adjusted net profit

	Six months ended 30 Jun 2021 US$ million	Six months ended 30 Jun 2020[1] US$ million
Operating profit	**62.0**	**54.0**
Exceptional items[4]	11.6	(2.9)
Share benefit charges	5.7	2.3
Adjusted EBIT[3]	**79.3**	**53.4**
Finance income and expenses	(4.1)	(3.0)
Adjusted profit before tax	**75.2**	**50.4**
Income tax	(7.2)	(5.4)
Adjusted net profit	**68.0**	**45.0**

1 The presentation of the Consolidated Income Statement for the six months ended 30 June 2020 was changed in a manner that allows for further understanding of the underlying financial performance of the Group and in order to be consistent with how Group management and peers analyse the results of online gambling. Further information is provided in note 2.

2 Excluding depreciation of US$7.3 million (H1 2020: US$7.2 million), amortisation of US$10.8 million (H1 2020: US$9.5 million) and share benefit charges of US$5.7 million (H1 2020: US$2.3 million).

3 Adjusted EBITDA and Adjusted EBIT are the main measures the analyst community uses to evaluate the Company and compare it to its peers. The Group presents adjusted measures (including Adjusted profit before tax) which differ from statutory measures due to the exclusion of exceptional items and the application of adjustments. It does so because the Group considers that it allows for further understanding of the underlying financial performance of the Group.

4 Exceptional charges of US$11.6 million (H1 2020: exceptional income of US$2.9 million), as set out in note 3 to the financial statements.

Revenue

Group revenue increased by 39.4% to US$528.4 million (H1 2020: US$379.1 million), driven by a 40.9% increase in B2C revenue. This growth reflects the Group's continued momentum across several regulated markets during the period. Performance was strong across both Gaming and Betting, which recorded revenue growth of 35.2% and 82.3% respectively.

B2B revenue increased by 8.3% to US$19.3 million (H1 2020: US$17.8 million) as a result of good progress across the Group's Bingo B2B network.

In line with the Group's strategic focus, revenue generated from regulated markets increased to 71% (H1 2020: 64%). The proportion of revenue generated from regulated and taxed markets increased to 75% of Group revenue (H1 2020: 73%).

The table below shows the Group's revenue by geographical market:

	H1 2021 US$ million	**H1 2020 US$ million**	**Growth (decline) from previous year**	**% of reported Revenue (H1 2021)**
UK	**222.6**	**142.2**	***57%***	***42%***
EMEA (excluding the UK and Italy)	**165.8**	**151.5**	***9%***	***31%***
Italy	**67.9**	**37.4**	***82%***	***13%***
US and Americas	**65.1**	**40.6**	***60%***	***12%***
Rest of world	**7.0**	**7.4**	***(5%)***	***1%***
Revenue	**528.4**	**379.1**	***39%***	***100%***

UK

UK revenue increased 57% during the period, partly benefiting from favourable foreign exchange movements, but principally reflecting continued solid market share progress in this highly competitive market. This has been driven by a resolute focus on product and content quality. During the period the Group continued to invest in entertaining recreational customers, while remaining committed to ensuring all play is safe and fun, with a series of new safer gambling thresholds implemented.

EMEA (excluding the UK and Italy)

Revenue from EMEA (excl. the UK and Italy) increased 9% during the first half of 2021, with standout performances in Romania (+138%), Ireland (+126%), Portugal (+47%) and Spain (+13%), partially offset by the impact of the new regulatory regime in Germany as previously flagged.

Italy

Italy delivered continued strong revenue growth of 82%, reflecting encouraging performances in both Gaming and Betting with an overall new customer growth of 11% despite the strong comparatives in H1 2020.

US and Americas

In June, the Group announced an exciting long-term partnership with Authentic Brands Group and its iconic American sports brand, Sports Illustrated (SI). The partnership will provide a high-volume and low-cost customer acquisition opportunity for SI-branded betting and gaming products. SI Sportsbook is due to launch this month in Colorado, with additional launches planned over the coming months in addition to further integration across SI's platforms.

Revenue from US and Americas increased by 60% to US$65.1 million (H1 2020: US$40.6 million). US revenue increased 7% to US$10.7 million with growth mainly in Gaming. Betting grew at lower levels than historically as a result of reduced investment in the 888sport brand ahead of the launch of SI Sportsbook.

At the beginning of the year, 888 agreed to a multi-year extension of its exclusive B2B poker partnership with Caesars Interactive Entertainment. The extension will see 888 continue to power the World Series of Poker ("WSOP") brand's online poker rooms and the US market's only interstate shared player liquidity poker network. In July 2021, WSOP, powered by the Group's latest poker platform, was also launched in Pennsylvania.

Gaming taxes and duties

Gaming duties increased by 44.5% to US$100.5 million (H1 2020: US$69.6 million). This is a result of the Group's strong revenue growth in several regulated markets, mainly in UK and Italy. Gaming duties ratio increased slightly from 18.4% in H1 2020 to 19.0% in H1 2021.

Other cost of sales

Other cost of sales increased by 28.9% to US$75.5 million (H1 2020: US$58.6 million) and the ratio of cost of sales from revenue decreased to 14.3% (H1 2020: 15.5%). This is due to scale benefits and the increased use of our in-house sportsbook platform.

Other costs of sale mainly comprise commissions and royalties to third parties, chargebacks, payment service provider ("PSP") commissions and certain costs related to operational risk management and customer due diligence services.

Gross profit

Gross profit increased by 40.4% to US$352.4 million (H1 2020: US$250.9 million) and gross margin increased slightly from 66.2% to 66.7%.

Marketing expenses

One of the key drivers of 888's business is effective and innovative marketing spend. The marketing ratio as a proportion of revenue reached 32.3% (H1 2020: 26.4%), in line with the Group's strategy to build momentum in the business by investing more in growth marketing and long-term brand building. Overall marketing expenses increased by 70.7% to US$170.9 million (H1 2020: US$100.1 million)

Contribution

Contribution, which represents Gross profit less Marketing expenses, increased by 20.3% to US$181.5 million (H1 2020: US$150.8 million), while Contribution margin decreased to 34.4% (H1 2020: 39.8%), reflecting the increased marketing investment during the period to support future growth plans.

Operating expenses

Operating expenses[1] (which mainly comprise employment costs, professional services, development costs, IT services and infrastructure maintenance) amounted to US$84.1 million (H1 2020: US$80.7 million). The increase compared to the previous period reflects the enhanced scale of the business, including continued R&D investment and investing for expansion in the US market.

Operating expenses margin was 15.9% (H1 2020: 21.3%) reflecting the strong revenue growth and the gearing effect driven by the Group's effective cost control throughout the period.

[1] Excluding depreciation of US$7.3 million (H1 2020: US$7.2 million), amortisation of US$10.8 million (H1 2020: US$9.5 million) and share benefit charges of US$5.7 million (H1 2020: US$2.3 million).

Adjusted EBITDA

Adjusted EBITDA for the period increased 38.9% to US$97.4 million (H1 2020: US$70.1 million), resulting in an Adjusted EBITDA margin of 18.4% (H1 2020: 18.5%). Adjusted EBITDA was primarily impacted by the strong increase in Contribution, coupled with the operating expenses gearing, as explained above.

Exceptional items

	H1 2021 US$ million	H1 2020 US$ million
Restructuring costs[1]	**3.1**	**-**
Exceptional legal and professional costs[2]	**1.7**	**-**
Retroactive duties and associated charges[3]	**6.8**	**-**
Provision's reverse - regulatory matters	**-**	**(1.3)**
Gain from sale of equity accounted associate	**-**	**(1.6)**
Total exceptional items	**11.6**	**(2.9)**

(1) Restructuring costs, comprises employee's redundancy costs related to the Group's decision to close its Antigua site that was completed in the period, as well as additional costs from disposal of property, plant and equipment.

(2) The Group incurred legal and professional costs of US$1.7 million associated with non-recurring corporate development efforts.

(3) The Group recorded an exceptional retroactive charge of US$6.8 million following a reassessment of potential gaming duties relating to activity in prior years.

Finance income and expenses

Finance income of US$0.1 million (H1 2020: US$0.1 million) less finance expenses of US$4.2 million (H1 2020: US$3.1 million) resulted in a net expense of US$4.1 million (H1 2020: US$3.0 million).

Finance expenses mainly comprised of US$0.6 million non-cash interest expenses resulting from IFRS 16, US$3.3 million non-cash currency exchange differences and US$0.3 million interest charge.

Profit before tax

Profit before tax increased to US$57.9 million (H1 2020: US$50.9 million) mainly as a result of higher contribution as described above. Adjusted Profit before tax increased 49% to US$75.2 million (H1 2020: US$50.4 million).

Taxation

Taxation for the period was US$7.2 million (H1 2020: US$5.4 million) as a result of the higher profit generated in the period and higher effective tax rate.

Adjusted Profit after tax and Profit after tax

Profit after tax was US$50.7 million (H1 2020: of US$45.5 million). Adjusted profit after tax[1] increased 51% to US$68.0 million (H1 2020: US$45.0 million).

[1] As defined in note 5 to the H1 2021 financial statements.

Earnings per share

Basic earnings per share increased to 13.7¢ (H1 2020: 12.4¢ per share). Adjusted basic earnings per share was 18.3¢ (H1 2020: 12.2¢). Further information on the reconciliation of adjusted basic earnings per share is provided in Note 4 to the H1 2021 financial statements.

Dividend

The Board has declared an interim dividend of 4.5¢ per share in accordance with 888's dividend policy. (H1 2020: 6.0¢ per share, out of which 2.8c one-off). The 40% increase in regular dividend reflects the strong performance of the Group during the first half of the year.

Balance sheet

Total assets as at 30 June 2021 amounted to US$504.9 million (31 December 2020: US$486.7 million).

Current assets as at 30 June 2021 amounted to US$291.3 million (31 December 2020: US$274.6 million) and current liabilities were US$301.9 million (31 December 2020: US$298.9 million).

888's net cash position as at 30 June 2021 was US$192.9 million (31 December 2020: US$190.0 million).

The balance of cash owed to customers as at 30 June 2021 was US$78.5 million (31 December 2020: US$74.0 million).

Cash flow

Net cash generated from operating activities before working capital was US$94.2 million (H1 2020: US$68.6 million).

Net cash generated from operating activities was US$69.4 million (H1 2020: US$94.2 million). During the Period there was a decrease of US$21.2 million in working capital (H1 2020: increase of US$28.9 million). The change in working capital is mainly driven by a US$10.0 million prepayment made in June 2021, while in the previous period working capital was affected by an increase in trade and other payables, reflecting sharp increase in trading activity during Q2-2020.

Net cash used in investing activities was US$17.9 million (H1 2020: US$16.9 million) and mainly includes the acquisition of property, plant and equipment of US$4.5 million and internally generated intangible assets of US$11.7 million.

Net cash used in financing activities was US$49.4 million (H1 2020: US$33.1 million) related mainly to a dividend payment during the period of US$44.5 million (H1 2020: US$11.1 million).

Going concern

Following a review of the Group's forecasts and its access to financing, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Directors continue to adopt the going concern basis in preparing these interim financial statements. Further detail on the considerations of the Directors is given in Note 1.1.

Board changes

- Anne de Kerckhove was appointed Senior Independent Director on 17 March 2021.
- On 1 April 2021, Lord Jon Mendelsohn was appointed Chairman of the Board, replacing Brian Mattingley. On the same date, Limor Ganot joined the Audit Committee and Remuneration Committee replacing Lord Mendelsohn.
- An ESG Committee was established on 15 April 2021, chaired by Lord Mendelsohn.
- Zvika Zivlin stepped down as a Non-executive Director at the Annual General Meeting on 20 May 2021.

Workforce

The Group employees, '8sters', are all committed to 888's shared vision of being a leading betting and gaming operator globally. It is their collaboration, commitment and knowledge sharing that has supported these results during the first half of the year.

Following the partnership with Sports Illustrated, the Group is currently aiming to recruit various roles into a joint team with Sports Illustrated to drive the partnership's long-term success.

PRINCIPAL RISKS AND UNCERTAINTIES

In addition to the risks faced by businesses generally and online businesses in particular, the Group is exposed to specific risks arising from its operations. The following key principal risks and uncertainties remain consistent with those included on pages 22-29 of the 2020 Annual Report and Accounts:

- Regulatory risk
- Information Technology and cyber risks
- Data protection risk
- Taxation risk
- Retention of key personnel and succession risk
- Business disruption due to pandemics such as COVID-19
- Reputational risk
- Partnership risk
- Acquisition risks
- Liquidity risks

The Board has reconsidered and updated the description of the Group's regulatory risk with respect to H1 2021 as follows:

In part as a response to the COVID-19 pandemic, various jurisdictions adopted last year a more stringent approach to player protection, primarily to avoid emergence of problem gambling patterns amongst those sheltering at home, and to curtail excessive spending on gambling during a period of economic downturn. In various jurisdictions, this took the form of advertising restrictions, or the imposition of stricter player protection and responsible gambling measures, either temporarily or on a permanent basis.

The UK Gambling Commission ("**UKGC**") continued to take a strict approach towards compliance, tightening requirements, adopting more stringent policies and regulations, increasing the level of oversight over licensees and penalizing operators for failing to meet regulatory requirements and standards. The primary areas of focus for the UKGC were responsible gambling, affordability, consumer protection, and anti-money laundering. In January 2021, the UKGC published a letter to the industry pertaining to the restrictions imposed in response to COVID-19, setting out that extra operator vigilance is needed due to the renewed national lockdown. In February 2021, the UKGC announced new strict measures aimed at strengthening the protections and controls for players on online slots games, including introducing limits on spin speeds and the permanent ban of features speeding up play or celebrating losses as wins. The new measures are required to be fully implemented by online operators by 31 October 2021. In May 2021, the UKGC published an update on the consultation on remote customer interaction, which covered the issues of potential customer affordability checks, vulnerable person identification mechanisms and increased time management control for customers, which concluded that stronger requirements are needed for operators to identify harm indicators and take early appropriate action. The Group continued to work closely with the UKGC on compliance matters, and to update its policies and procedures to ensure compliance within the business, investing significant resources in regulatory compliance measures. The UKGC assessment, commenced in October 2020, is ongoing and the Group is engaged in dialogue and is working cooperatively with the UKGC to address all concerns raised with regard to the Group's operations.

In Germany, the regulatory landscape underwent the most drastic change in a decade in 2020 with the introduction of federal sports betting licences and the adoption of a temporary toleration regime for online casino gambling (with which 888 is compliant). In 2021 additional changes were made including the introduction of online slots and poker licences under the Interstate Treaty 2021, in the state of Saxony-Anhalt (for which 888 has applied). The Group was awarded a federal sports betting licence in 2021. Compliance with the conditions of the new licensing, toleration regimes and joint guidelines (technical standards) required various modifications and alignments of the group's German offering, which will impact the profitability of its operations in that jurisdiction. 888 has been successful in having certain prohibition orders previously issued against it withdrawn, and having certain others suspended, as it continues to litigate against outstanding prohibition orders in various German states. The emergence of the licensing regime for online casino and the current sports betting licence the Group was awarded may, in the foreseeable future, render these prohibition orders obsolete. During 2021, the Group submitted an application for an online slots and poker licence. Per the consensus reached by the German states and the subsequent regulatory reform that allowed for the online slots and poker licensing, the offering will be subject to certain restrictions (e.g. deposit limits, maximum wagers, advertising restrictions, etc.).

In the Netherlands, where a law was approved in February 2019 to liberalize the market, the local regulator continues to take a proactive and strict approach towards enforcement of existing laws against operators whose operations are conducted in violation of the "prioritization criteria" for enforcement issued by the authorities, and which were updated with additional criteria during 2019. Several operators received significant fines due to the conduct of operations in a manner violating these criteria. Operators fined or overtly targeting the market may also be barred from participating in the liberalized market or have their eligibility for licensing delayed. The Group has been studying these developments closely to ensure its offering is in line with the criteria as updated. On 1 April 2021, the Online Gambling Act entered into force, launching the online gambling licence application process and 888 intend to apply for a licence.

In Sweden, the Group has been operating under a local licence since 2019. The Swedish regulator initially showed itself to be strict and proactive in enforcing regulatory standards, and on occasion informed the industry of its position on compliance by penalizing operators it perceived as non-compliant. 888 continues to ensure that its operations are in line with local requirements.

2021 also saw a continuation of a rising trend of civil litigation claims in Austria against foreign-licensed operators, claiming refunds due to lack of local licensing. This trend is backed by case law amongst the higher Austrian courts. In addition, claim-financing bodies started gathering claims against operators. The Group is dealing with these civil claims with help from its local legal advisors.

In January 2021, the federal Court of Appeals for the First Circuit denied an appeal by the US Department of Justice seeking to uphold a 2019 memo on the scope of the federal Wire Act. By denying the appeal, the Court confirmed the previous opinion from 2011, which concluded that the Act applies only to sports betting. The case may eventually reach the US Supreme Court, depending on the position of the new Biden administration on the issue. If left unchallenged, this development would help serve 888 and the online industry in providing a more legally sound basis for internet gaming activity in the US. More generally, the US continued to move towards increased regulation of various forms of online gambling. The Group was licensed in the Pennsylvania in September 2020 and received a temporary licence in Colorado in December 2020, and continues to seek licensure in other US jurisdictions.

In Canada, during 2021 the province of Ontario began the process of introducing a legal framework for online gambling under a licensing regime for private companies, replacing the current state-run monopoly. In July 2021, ““iGaming Ontario” was established as a subsidiary of the Alcohol and Gaming Commission of Ontario to contract with casino and sports betting operators. It is considered that the licensing requirements will be finalized, and licence applications will begin to become accepted during Q4 of 2021. The Group intend to apply for a licence once the application process is launched.

Condensed Consolidated Income Statement

For the six months ended 30 June 2021

	Note	Six months ended 30 June 2021 US$ million (unaudited)	Six months ended 30 June 2020[1] US$ million
Revenue	2	**528.4**	379.1
Gaming duties		**(100.5)**	(69.6)
Other cost of sales		**(75.5)**	(58.6)
Cost of sales		**(176.0)**	(128.2)
Gross profit		**352.4**	250.9
Marketing expenses		**(170.9)**	(100.1)
Operating expenses		**(107.9)**	(99.7)
Exceptional items	3	**(11.6)**	2.9
Operating profit		**62.0**	54.0
Adjusted EBITDA[2]		**97.4**	70.1
Exceptional items		**(11.6)**	2.9
Share benefit charges		**(5.7)**	(2.3)
Depreciation and amortisation		**(18.1)**	(16.7)
Operating profit		**62.0**	54.0
Finance income		**0.1**	0.1
Finance expenses		**(4.2)**	(3.1)
Share of post-tax loss of equity accounted associates		**-**	(0.1)
Profit before tax		**57.9**	50.9
Taxation		**(7.2)**	(5.4)
Profit after tax for the period attributable to equity holders of the parent		**50.7**	45.5
Earnings per share	4		
Basic		13.7¢	12.4¢
Diluted		13.4¢	12.1¢

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2021

	Six months ended 30 June 2021 US$ million (unaudited)	Six months ended 30 June 2020 US$ million
Profit for the period	**50.7**	45.5
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	**0.8**	0.2
Items that will not be reclassified to profit or loss		
Remeasurement of severance pay liability	**1.8**	-
Total other comprehensive income for the period	**2.6**	0.2
Total comprehensive income for the period attributable to equity holders of the parent	**53.3**	45.7

The notes below form part of these condensed consolidated financial statements.

Condensed Consolidated Balance Sheet

At 30 June 2021

	Note	30 June 2021 US$ million (unaudited)	31 December 2020 US$ million (audited)
Assets			
Non-current assets			
Goodwill and other intangible assets	9	**167.0**	**164.3**
Right-of-use assets		**27.8**	**28.5**
Property, plant and equipment		**15.0**	**15.1**
Non-current receivables		**0.5**	**0.6**
Deferred tax assets		**3.3**	**3.6**
		213.6	**212.1**
Current assets			
Cash and cash equivalents[1]		**192.9**	**190.0**
Trade and other receivables		**98.4**	**84.6**
		291.3	**274.6**
Total assets		**504.9**	**486.7**
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital		**3.3**	**3.3**
Share premium		**3.7**	**3.7**
Foreign currency translation reserve		**(0.5)**	**(1.3)**
Treasury shares		**(1.3)**	**(0.5)**
Retained earnings		**155.8**	**145.2**
Total equity attributable to equity holders of the parent		**161.0**	**150.4**
Non-controlling interests		**0.5**	-
Total shareholders' equity		**161.5**	**150.4**
Liabilities			
Non-current liabilities			
Severance pay liability		**5.9**	**7.4**
Deferred tax liability		**2.8**	**3.3**
Lease liabilities		**26.0**	**26.7**
		34.7	**37.4**
Current liabilities			
Trade and other payables		**176.4**	**177.9**
Provisions	3,5,8	**21.9**	**19.3**
Income tax payable		**25.0**	**20.7**
Lease liabilities		**6.9**	**7.0**
Customer deposits		**78.5**	**74.0**
		308.7	**298.9**
Total equity and liabilities		**504.9**	**486.7**

[1] Cash and cash equivalents excludes restricted short-term deposits of US$4.0 million (31 December 2020: US$3.2 million).

The condensed financial statements herein were approved and authorised for issue by the Board of Directors on 31 August 2021 and were signed on its behalf by:

Itai Pazner
Chief Executive Officer

Yariv Dafna
Chief Financial Officer

The notes below form part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Share capital US$ million	Share premium US$ million	Treasury shares US$ million	Retained earnings US$ million	Foreign currency translation reserve US$ million	Non-controlling interests US$ million	Total US$ million
Balance at 1 January 2020 (audited)	**3.3**	**3.7**	**(0.7)**	**160.5**	**(2.1)**	**-**	**164.7**
Profit after tax for the period attributable to equity holders of the parent	-	-	-	45.5	-	-	45.5
Other comprehensive income for the period	-	-	-	-	0.3	-	0.3
Total comprehensive income	-	-	-	45.5	0.3	-	45.8
Dividend paid	-	-	-	(11.1)	-	-	(11.1)
Equity settled share benefit charges	-	-	-	2.0	-	-	2.0
Acquisition of treasury shares	-	-	(0.2)	-	-	-	(0.2)
Exercise of deferred share bonus plan	-	-	0.4	(0.4)	-	-	-
Balance at 30 June 2020 (unaudited)	**3.3**	**3.7**	**(0.5)**	**196.5**	**(1.8)**	**-**	**201.2**
Balance at 1 January 2021 (audited)	**3.3**	**3.7**	**(0.5)**	**145.2**	**(1.3)**	**-**	**150.4**
Profit after tax for the period attributable to equity holders of the parent	-	-	-	50.7	-	-	50.7
Other comprehensive income for the period	-	-	-	1.8	0.8	-	2.6
Total comprehensive income	-	-	-	52.5	0.8	-	53.3
Dividend paid	-	-	-	(44.5)	-	-	(44.5)
Equity settled share benefit charges	-	-	-	3.4	-	-	3.4
Acquisition of treasury shares	-	-	(1.1)	-	-	-	(1.1)
Exercise of deferred share bonus plan	-	-	0.3	(0.3)	-	-	-
Non-controlling interests	-	-	-	(0.5)	-	0.5	-
Balance at 30 June 2021 (unaudited)	**3.3**	**3.7**	**(1.3)**	**155.8**	**(0.5)**	**0.5**	**161.5**

The following describes the nature and purpose of each reserve within equity.

Share capital - represents the nominal value of shares allotted, called-up and fully paid.
Share premium - represents the amount subscribed for share capital in excess of nominal value.
Treasury shares - represent reacquired own equity instruments. Treasury shares are recognised at cost and deducted from equity.
Retained earnings - represents the cumulative net gains and losses recognised in the consolidated statement of comprehensive income and other transactions with equity holders.
Foreign currency translation reserve – represents exchange differences arising from the translation of all Group entities that have functional currency different from US$.

The notes below form part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	Note	Six months ended 30 June 2021 US$ million (unaudited)	Six months ended 30 June 2020 US$ million
Cash flows from operating activities			
Profit before tax		57.9	50.9
Adjustments for:			
Depreciation		7.3	7.2
Amortisation		10.8	9.5
Interest income		(0.1)	(0.1)
Interest expenses		1.0	1.6
Share of post- tax loss of equity accounted associates		-	0.1
Net gain from sale of investment in equity accounted associate		-	(1.6)
Exceptional items		11.6	(1.3)
Share benefit charges		5.7	2.3
		94.2	68.6
(Increase) in trade receivables		(3.3)	(16.2)
(Increase) decrease in other receivables		(10.4)	1.9
Increase in customer deposits		4.4	9.1
(Decrease) increase in trade and other payables		(14.5)	28.6
Increase in provisions		2.6	5.5
Cash generated from operations		73.0	97.5
Income tax paid		(3.6)	(3.3)
Net cash generated from operating activities		69.4	94.2
Cash flows from investing activities			
Acquisition of property, plant and equipment		(4.5)	(6.6)
Interest received		0.1	0.1
Acquisition of intangible assets		(1.8)	(1.5)
Internally generated intangible assets	9	(11.7)	(8.9)
Net cash used in investing activities		(17.9)	(16.9)
Cash flows from financing activities			
Payment of lease liabilities		(3.5)	(3.0)
Interest paid		(0.3)	(0.8)
Proceeds from loans		-	32.0
Repayment of loans		-	(50.0)
Acquisition of treasury shares		(1.1)	(0.2)
Dividends paid	7	(44.5)	(11.1)
Net cash used in financing activities		(49.4)	(33.1)
Net increase in cash and cash equivalents		2.1	44.2
Net foreign exchange difference		0.8	0.2
Cash and cash equivalents at the beginning of the period		190.0	96.9
Cash and cash equivalents at the end of the period		192.9	141.3

Included in net cash generated from operating activities are amounts paid during the period in respect of exceptional items of US$3.4 million (H1 2020: US$0.1 million).

The notes below form part of these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

1 Basis of preparation and accounting policies

1.1 Basis of preparation

The annual financial statements of the Group will be prepared in accordance with UK adopted IFRSs. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting" and with the Disclosure and Transparency Rules of the Financial Conduct Authority. The interim condensed consolidated financial statements do not include all the information and disclosures required in the Group's annual audited consolidated financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 31 December 2020.

The financial information is presented in US Dollars (US$ million) because that is the currency the Group primarily operates in.

The comparatives for the year ended 31 December 2020 are not the Group's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies in Gibraltar and is also available from the Company's website. The auditor's report on those accounts was unqualified and did not contain statements under Section 257(1) (a) and Section 258(2) of the Gibraltar Companies Act.

The condensed consolidated set of financial statements included in this half-yearly financial report has been reviewed, not audited, and does not constitute statutory accounts.

Further information relating to significant events during the period is provided in the Financial Review section.

The significant accounting policies applied in the consolidated financial statements in the prior year have been applied consistently in these consolidated financial statements, with the exception of the amendments to accounting standards effective for the annual periods beginning on 1 January 2021 and representation of expenses analysis in the income statement. These are described in more detail bellow.

Changes to Consolidated Income Statement presentation

As of 31 December 2020, the Group management decided to change the presentation of the Consolidated Income Statement, in a manner that allows for a further understanding of the underlying financial performance of the Group.

The Consolidated Income Statement were re-organized into four main parts: Gaming duties, Other cost of sales, Marketing expenses and Operating expenses.

- Cost of sales include Gaming duties and Other cost of sales which includes mainly commissions and royalties payable to third parties, chargebacks, payment service providers ("PSPs") commissions and costs related to operational risk management and customer due diligence services which previously presented in Operating expenses. Accordingly, US$52.6 million in prior year's Operating expenses were reclassified to Other cost of sales.
- Marketing expenses relating to B2B arrangements where 888 are considered to be the principal, previously included in marketing expenses, are now included in Other cost of Sales. Accordingly, US$5.1 million of prior year's marketing expenses are now included in Other cost of sales.
- Administrative expenses and Research and development expenses, previously presented in separate lines, are now included in Operating expenses.

	Six months ended 30 June 2020 as reported in the consolidated income statement	Six months ended 30 June 2020 in format previously reported
	US $ million	
Revenue	**379.1**	**379.1**
Gaming duties	(69.6)	(69.6)
Other cost of sales	(58.6)	-
Cost of sales	**(128.2)**	**-**
Gross profit	**250.9**	-

Research and development expenses	-	(18.5)
Marketing expenses	(100.1)	(105.2)
Administrative expenses	-	(23.1)
Operating expenses	(99.7)	(111.6)
Exceptional items	2.9	1.3
Operating profit	**54.0**	**52.4**
Net gain from sale of investment in equity accounted associate	**-**	1.6
Finance income	0.1	0.1
Finance expenses	(3.1)	(3.1)
Share of post-tax loss of equity accounted associates	(0.1)	(0.1)
Profit before tax	**50.9**	**50.9**

Going concern

The Group closely monitors and carefully manages its liquidity risk. Base case cashflow forecasts are regularly produced which indicate that it will continue to have significant liquidity throughout the going concern period until 31 December 2022. Group management have run a downside scenario and sensitivities for different scenarios including the potential risk of a global economic slowdown and market closures. In the downside scenario, Group management have assumed variable cost savings proportional to the revenue reduction.

Trading during the second half of the financial year to date has been in line with board expectations and therefore the Directors consider the downside scenario to be remote. Following consideration of the base case forecast, the downside scenario, the Groups cash position, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the interim financial statements.

1.2 New standards, interpretations and amendments adopted by the Group

The accounting policies and methods of computation adopted in the condensed consolidated half-yearly financial information are consistent with those followed in Group's full financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021.

Several new and amendments to existing International Financial Reporting Standards and interpretations, issued by the IASB and adopted in the UK, were effective from 1 January 2021 and have been adopted by the Group during the period with no significant impact on the consolidated results or financial position of the Group.

1.3 New standards that have not been adopted by the Group as they were not effective for the year:

Several new standards and amendments to existing International Financial Reporting Standards and interpretations, issued by the IASB and adopted, or subject to endorsement, in the UK, will be effective from 1 January 2022 and 2023 and have not been adopted by the Group during the period. At this stage management are still assessing the full impact on the consolidated results or financial position of the Group. None are expected to have a material impact on the consolidated financial statements in the period of initial application.

1.4 Key Judgements and Estimates

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The key sources of estimation, uncertainty and judgement applied in the preparation of the Interim Financial Statements are consistent with those applied in the financial statements of the group for the year ended 31 December 2020, as disclosed in note 2 of those statements.

1.5 Fair value measurements

The Group considers that the book value of the financial assets and liabilities, approximates to their fair value.
There were no changes in valuation techniques or transfers between categories in the period.

2 Segment information

Group continues to report its segmental results in a manner consistent with the internal reporting provided to the chief operating decision maker, being split into B2C and B2B. Whilst B2C revenues had historically been further split out into the component products of Casino, Poker, Sport and Bingo, the internal reporting has been updated to combine Casino, Poker and Bingo revenues under one heading of Gaming and to change the name of Sport to Betting. The combination of revenues into Gaming and the change of name from Sport to Betting better reflects how the business is managed and brings the business in line with peer group of companies presentation. Therefore, this has now been reflected in these results being the first Financial Statements since the change.

The management team continues to assess the performance of operating segments based on revenue and segment result.

	B2C			B2B[1]	Consolidated
	Gaming	Betting	Total B2C		
	US$ million				
Six months ended 30 June 2021	(unaudited)				
Segment revenue	**428.8**	**80.3**	**509.1**	**19.3**	**528.4**
Segment result[2]			173.4	8.1	181.5
Unallocated corporate expenses[3]					(107.9)
Exceptional items					(11.6)
Operating profit					**62.0**
Finance income					0.1
Finance expenses					(4.2)
Taxation					(7.2)
Profit after tax for the period					**50.7**
Adjusted profit after tax for the period[4]					**68.0**
Assets					
Unallocated corporate assets					504.9
Total assets					**504.9**
Liabilities					
Segment liabilities			77.3	1.2	78.5
Unallocated corporate liabilities					264.9
Total liabilities					**343.4**

1 Revenue recognised in accordance with IFRS 15 – Revenue from contracts with customers.
2 Revenue net of chargebacks, payment service providers' commissions, gaming duties, royalties payable to third parties and selling and marketing expenses.
3 Including staff costs, corporate professional expenses, other administrative expenses, depreciation, amortisation and share benefit charges.
4 As defined in note 4.

2 Segment information (continued)

Six months ended 30 June 2020	B2C Gaming	B2C Betting	Total B2C	B2B[1]	Consolidated
	US$ million (unaudited)				
Segment revenue	**317.2**	**44.1**	**361.3**	**17.8**	**379.1**
Segment result[2]			141.4	9.4	150.8
Unallocated corporate expenses[3]					(99.7)
Exceptional items					2.9
Operating profit					**54.0**
Finance income					0.1
Finance expenses					(3.1)
Share of post-tax loss of equity accounted associates					(0.1)
Taxation					(5.4)
Profit after tax for the period					**45.5**
Adjusted profit after tax for the period[4]					**45.0**
Assets					
Unallocated corporate assets					495.6
Total assets					**495.6**
Liabilities					
Segment liabilities			62.7	1.2	63.9
Unallocated corporate liabilities					229.0
Total liabilities					**292.9**

1 Revenue recognised in accordance with IFRS 15 – Revenue from contracts with customers.
2 Revenue net of chargebacks, payment service providers' commissions, gaming duties, royalties payable to third parties and selling and marketing expenses.
3 Including staff costs, corporate professional expenses, other administrative expenses, depreciation, amortisation and share benefit charges.
4 As defined in note 4.

Other than where amounts are allocated specifically to the B2C and B2B segments above, the expenses, assets and liabilities relate jointly to all segments. These amounts are not discretely analysed between the two operating segments as any allocation would be arbitrary.

Geographical information

The Group's performance can also be reviewed by considering the geographical markets and geographical locations within which the Group operates. This information is outlined below:

Revenue by geographical market (based on location of customer)

	Six months ended 30 June 2021 US$ million (unaudited)	**Six months ended 30 June 2020 US$ million**
UK	**222.6**	142.2
EMEA (excluding the UK and Italy)	**165.8**	151.5
Italy	**67.9**	37.4
US and Americas	**65.1**	40.6
Rest of world	**7.0**	7.4
Total Revenue	**528.4**	**379.1**

3 Exceptional items

The Group classifies certain items of income and expense as exceptional, as the Group considers that it allows further understanding of the underlying performance of the Group. The Group considers any non-recurring items of income and expense for classification as exceptional by virtue of their nature and size.

	Six months ended 30 June 2021 US$ million (unaudited)	**Six months ended 30 June 2020 US$ million**
Restructuring costs [1]	**3.1**	**-**
Exceptional legal and professional costs[2]	**1.7**	**-**
Retroactive duties and associated charges[3]	**6.8**	**-**
Provision - regulatory matters[4]	**-**	**(1.3)**
Gain from sale of equity accounted associate[5]	**-**	**(1.6)**
Total exceptional items	**11.6**	**(2.9)**

1. Restructuring costs, comprises of US$2.6 million employees redundancy costs related to the Group's decision to close its Antigua office, additional US$0.5 million relates to the disposal of property, plant and equipment.

2. The Group incurred legal and professional costs of US$1.7 million associated with non-recurring corporate development efforts.

3. The Group recorded an exceptional retroactive charge of US$6.8 million following a reassessment of potential gaming duties relating to activity in prior years.

4. Net change in provision in respect of regulatory matters and legacy customers' activity prior periods.

5. On 22 June 2020, the Company sold its investment in Come2Play Limited, as a result the Company recorded a capital gain of US$1.6 million.

Tax effect of the exceptional items is US$0.3 million (H1 2020: US$0.3 million tax charge)

4 Earnings per share

Basic earnings per share
Basic earnings per share (‘EPS’) has been calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of shares in issue and outstanding during the period.

Diluted earnings per share
The weighted average number of shares for diluted earnings per share takes into account all potentially dilutive equity instruments granted, which are not included in the number of shares for basic earnings per share. Certain equity instruments have been excluded from the calculation of diluted EPS as their conditions of being issued were not deemed to satisfy the performance conditions at the end of the period or it will not be advantageous for holders to exercise them into shares, in the case of options. The number of equity instruments included in the diluted EPS calculation consist of 6,769,594 ordinary shares (H1 2020: 6,567,468).
The number of equity instruments excluded from the diluted EPS calculation is 298,423 (H1 2020: 889,491).

	Six months ended 30 June 2021 (unaudited)	Six months ended 30 June 2020
Profit for the period attributable to equity holders of the parent (US$ million)	**50.7**	**45.5**
Weighted average number of Ordinary Shares in issue	**370,605,903**	**368,467,357**
Effect of dilutive Ordinary Shares and share options	**6,769,594**	**6,567,468**
Weighted average number of dilutive Ordinary Shares	**377,375,497**	**375,034,825**
Basic	**13.7¢**	12.4¢
Diluted	**13.4¢**	12.1¢

Adjusted earnings per share
The Directors believe that EPS excluding exceptional items, share benefit charges and share of post-tax loss of equity accounted associates ("Adjusted EPS") allows for further understanding of the underlying performance of the business and assists in providing a clearer view of the performance of the Group.

Reconciliation of profit to profit excluding exceptional items, share benefit charges and share of post-tax loss of equity accounted associates ("Adjusted profit"):

	Six months ended 30 June 2021 US$ million (unaudited)	Six months ended 30 June 2020 US$ million
Profit for the period attributable to equity holders of the parent	**50.7**	**45.5**
Exceptional items (see note 3)	**11.6**	**(2.9)**
Share benefit charges	**5.7**	**2.3**
Share of post-tax loss of equity accounted associates	**-**	**0.1**
Adjusted profit after tax	**68.0**	**45.0**
Weighted average number of Ordinary Shares in issue	**370,605,903**	**368,467,357**
Weighted average number of dilutive Ordinary Shares	**377,375,497**	**375,034,825**
Adjusted basic earnings per share	**18.3¢**	12.2¢
Adjusted diluted earnings per share	**18.0¢**	12.0¢

5 Provisions, commitments, contingent liabilities and regulatory issues

(a) The Group operates in numerous jurisdictions. Accordingly, the Group files tax returns, provides for and pays all taxes and duties it believes are due based on local tax laws, transfer pricing agreements and tax advice obtained. The Group is also periodically subject to audits and assessments by local taxing authorities. Provisions for uncertain items are made using judgement of the most likely tax expected to be paid and the basis thereon, based on a qualitative assessment of all relevant information. The Board considers that any exposure for additional taxes, if any, that may arise from the final settlement of such assessments is unlikely to result in any further liability.

(b) As part of the Board's ongoing regulatory compliance and operational risk assessment process, it continues to monitor legal and regulatory developments, and their potential impact on the business, and continues to take appropriate advice in respect of these developments.

Given the nature of the legal and regulatory landscape of the industry, from time to time the Group received notices, communications and legal actions from regulatory authorities and other parties in respect of its activities. The Group is furthermore subject to regular compliance assessments of its licensed activities, from time to time. The Group's policy is to engage in dialogue with regulators and address any concerns raised in such assessments, to work cooperatively with the regulator and to take action to address any concerns raised as part of the assessment as soon as possible. The Group has taken legal advice as to the manner in which it should respond and the likelihood of success of such actions. Based on this advice and the nature of the actions, for the majority of these matters the Board is unable to quantify reliably the outflow of funds that may result, if any. For matters where an outflow of funds is probable and can be measured reliably, relevant amounts have been recognised in the financial statements within Provisions. Except for the regulatory matters described in note 8, these amounts are not material at 30 June 2021.

(c) At 30 June 2021, the Group had a commitment for ongoing operational costs associated with the Groups exclusive partnership with Authentic Brands Group, a brand development, marketing and entertainment company and owner of the Sports Illustrated brand. The commitment includes certain licence fees, employment costs and marketing activities during the course of the agreement.

6 Related party transactions

The aggregate amounts payable to key management personnel, considered to be the Directors of the Company, as well as their share benefit charges, are set out below:

	Six months ended 30 June 2021 US$ million (unaudited)	**Six months ended 30 June 2020 US$ million**
Short term benefits	1.3	1.3
Post-employment benefits	0.1	0.1
Share benefit charges – equity settled	0.6	0.5
	2.0	1.9

7 Dividends

	Six months ended 30 June 2021 US $ million (unaudited)	Six months ended 30 June 2020 US $ million
Dividends paid	**44.5**	11.1

2020 final dividend of 10.4¢ per share plus an additional one-off 1.6¢ per share was paid on 24 May 2021 (US$44.5 million).

During 2020, the 2019 final dividend of 3.0¢ per share was paid on 22 May 2020 (US$11.1 million) and the 2020 interim regular dividend of 3.2¢ per share plus an additional one-off 2.8¢ per share was paid on 4 November 2020 (US$22.1 million).

The Board has declared an interim dividend of 4.5¢ per share in accordance with 888's dividend policy. (H1 2020: 6.0¢ per share, out of which 2.8c an one-off) payable on 13 October 2021.

8 Provisions

The Group has recorded a provision in respect of legal and regulatory matters and update it to reflect the Group's revised assessment of these risks in light of developments arising during 2021 including with regard to customer claims and other legal and regulatory risks. This amount represents management's best estimate of probable cash outflows related to these matters, which are closely monitored by the Group. The timing and amount of these outflows is ultimately determined by the settlement reached with the relevant authority but would generally be resolved within 24 months of the balance sheet date.

Movement in the provision during the period is as follows:

	Total US $ million
At 1 January 2021	19.3
Settled during the period	(1.6)
Arising during the period	4.2
At 30 June 2021	**21.9**
Current	21.9
Non-current	-

9 Goodwill and other intangible assets

	Goodwill US $ million	Acquired intangible assets US $ million	Internally generated intangible assets US $ million	Total US $ million
Cost or valuation				
At 1 January 2020	**181.2**	**77.4**	**104.4**	**363.0**
Additions	-	4.7	17.9	22.6
Disposals	-	(2.2)	-	(2.2)
At 31 December 2020	181.2	79.9	122.3	383.4
Additions	-	1.8	11.7	13.5
At 30 June 2021	**181.2**	**81.7**	**134.0**	**396.9**
Amortisation and impairments:				
At 1 January 2020	20.7	29.2	72.7	122.6
Amortisation charge for the year	-	8.7	10.1	18.8
Impairment for the year	79.3		0.6	79.9
Disposals	-	(2.2)	-	(2.2)
At 31 December 2020	**100.0**	**35.7**	**83.4**	**219.1**
Amortisation charge for the period	-	5.1	5.7	10.8
At 30 June 2021	**100.0**	**40.8**	**89.1**	**229.9**
Carrying amounts				
At 30 June 2021	**81.2**	**40.9**	**44.9**	**167.0**
At 31 December 2020	**81.2**	**44.2**	**38.9**	**164.3**

No impairment tests were considered to be required at 30 June 2021 and the carrying value of Goodwill, acquired intangible assets and internally generated intangible assets is considered to be appropriate.

Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge:

- The condensed set of financial statements, which has been prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by the IASB and adopted by the EU, gives a true and fair view of the assets, liabilities, financial position and profit of the company and the undertakings included in the consolidation as a whole.

- The interim management report includes a fair review of the information required by:

  a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

  b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the 2019 Annual Report and Accounts.

The Directors of 888 Holdings plc are as listed in the 888 Holdings plc Annual Report and Accounts for 31 December 2020, with the exception of Brian Mattingley, who stepped down from the Board as Chairman on 31 March 2021, and Zvika Zivlin, who stepped down from the Board as an independent non-executive director with effect from 20 May 2021.

A list of the current Directors is maintained on the 888 Holdings plc website: corporate.888.com.

By order of the Board of 888 Holdings plc.

Itai Pazner
Chief Executive Officer

Yariv Dafna
Chief Financial Officer

Independent Review Report to 888 Holdings plc

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement Cash Flows, and the related notes to the financial statements 1 to 10. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group will be prepared in accordance with UK adopted IFRSs. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, is based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
London, United Kingdom
31 August 2021