



INTERIM FINANCIAL REPORT AS AT 30 JUNE 2019

CONTENTS

REPORT BY THE MANAGEMENT BOARD	3
REPORT BY THE SUPERVISORY BOARD	7
BET-AT-HOME.COM SHARE	11
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION	17
CONSOLIDATED INTERIM STATEMENT OF INCOME	21
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS	25
INTERIM STATEMENT OF CHANGES IN GROUP EQUITY	29
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS	33
GROUP MANAGEMENT REPORT TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS	69
IMPRINT	81

Imprint

Group Management Report

Notes to the Interim Consolidated Financial Statements

Interim Statement of Changes in Group Equity

Consolidated Interim Statement of Cash Flows

Consolidated Interim Statement of Income

Consolidated Interim Statement of Financial Position

bet-at-home.com Share

Report by the Supervisory Board

Report by the Management Board

REPORT BY THE MANAGEMENT BOARD

Dear Ladies and Gentlemen, dear Shareholders,

after a clearly positive start to the year, bet-at-home.com AG Group continued to build on the previous quarter's successes in the second quarter of 2019 and increased its gross betting and gaming revenues to 71.1 million euros in the first half of 2019, which represents a year-on-year comparison with an increase of 6.7%. In the online sports betting segment, gross betting and gaming revenues are at the same level as in the already strong year-on-year comparison period in which the first half of the Football World Cup in Russia took place. The betting and gaming volumes of our currently more than 5.1 million customers in the first half of 2019 amounted to impressive 1.6 billion euros and were raised by 5.6% compared to the previous year. In the first half of 2019, EBITDA was 21.3 million euros and thus almost doubled compared to the previous year.

In addition to any gains in share price performance, our shareholders are additionally involved in dividend payments to the company's performance. Since the 2011 financial year, we have pursued a continuous dividend policy. The Annual General Meeting on May 22, 2019 approved the proposal of the Management Board and the Supervisory Board to pay a dividend of EUR 6.50 per share.

Further increased awareness through targeted marketing campaigns

Sports sponsoring is still one of the most important elements of the marketing strategy of bet-at-home.com alongside classic advertising in TV, online and print media. It sees itself as an interaction with the audience and as a long-term partnership in the promotion of clubs and grassroots sports. bet-at-home.com is represented among others in the German Bundesliga at FC Schalke 04, in the Austrian Bundesliga at FC Red Bull Salzburg and FK Austria Wien, at the WTA tennis tournament in Linz, and as a long-standing partner in numerous other sports associations. In addition, bet-at-home.com appeared during the summer months of 2019 for the first time as a beach volleyball sponsor at the World Championships in Hamburg as well as at the Major Tournament in Vienna.

Since August 2019, bet-at-home.com has been setting additional marketing priorities in the context of international bonus and media campaigns at the same time as the start of the 2019/20 football season in order to further increase brand awareness in our European core markets. In our internal budget, at the beginning of 2019, we set a marketing budget of 37 million euros for the full 2019 financial year. From today's perspective and based on current forecasts, we are now expecting around 38 million euros for the full 2019 financial year, which means that we will be able to match the marketing expenses of the previous year, including the campaigns for the 2018 Football World Cup.

Expansive growth in online sports betting and online gaming

The global market for online sports betting and online gaming continues to boom and is growing much faster than comparable offers in the offline sector. The sustained growth of the non-cyclical gaming industry – especially in Europe – confirms the strategic direction of bet-at-home.com.

Demographic trends, increasing online affinity of the target group in our core markets and the global penetration of smartphones and tablets favor long-term growth in the online segment. H2 Gaming Capital's most prestigious study on the online sports betting and gaming market forecasts an increase in the online market of 6.5% for the current fiscal year 2019. bet-at-home.com increased its revenue by 6.7% in the first half of 2019, exceeding expectations for the online market. Mobile gaming remains one of the most important growth drivers – meanwhile we generate 57% of our gross betting and gaming revenue via mobile devices, and the trend continues to rise. We are therefore confident that the successful development will continue through further investments in the strong brand presence in our European core markets and the constant optimization of our product offering.

We would like to thank all those who have made the first half of 2019 a success for bet-at-home.com, especially our employees. They have once more contributed significantly to a very positive business development and, through their strong commitment, will ensure a sustainable and successful future for the bet-at-home.com AG Group. We would also like to sincerely thank our business partners and shareholders for the trust they have shown in us. We hope to share our success with you as our partner in the future.

Franz Ömer
CEO

Michael Quatember
CEO

REPORT BY THE SUPERVISORY BOARD

Report by the
Management
Board

**Report by the
Supervisory
Board**

bet-at-home.com
Share

Consolidated In-
terim Statement of
Financial Position

Consolidated
Interim State-
ment of Income

Consolidated
Interim Statement
of Cash Flows

Interim Statement
of Changes in
Group Equity

Notes to the Interim
Consolidated Fi-
nancial Statements

Group
Management
Report

Imprint

Ladies and Gentlemen,

in the first half-year 2019, the business of the bet-at-home.com AG Group again developed successfully. On 22 May 2019, the general meeting of shareholders resolved to distribute a dividend, henceforth EUR 6.50 per share. Its more than 5 million registered customers reflect the success and name recognition of the brand.

The Supervisory Board was involved in this welcome sustainable development of the bet-at-home.com AG Group. It carried out its responsibilities and duties in accordance with the law and the articles of association and regularly monitored the work of bet-at-home.com AG's Management Board, as well as offering advice and support.

The Supervisory Board of bet-at-home.com AG met on 18 March 2019 and on 22 May 2019 in Frankfurt am Main and on 16 July 2019 in Linz, Austria. These meetings focused on discussing the company's strategy with the Management Board. At the Supervisory Board meeting on 18 March 2019 in Frankfurt, the financial statements, the summarised management report, related parties report, the corporate governance report as well as audit procedures and reports were discussed with PKF FASSELLT SCHLAGE Partnerschaft mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft Rechtsanwälte, Duisburg, the auditor appointed by the general meeting of shareholders.

Information and opinions were constantly exchanged among the members of the Supervisory Board. Several decisions were made by written resolution without a meeting. As in the past, there was no need to form committees, as there are only three Supervisory Board members.

During the period under review, the Management Board provided us with regular updates on the Group's strategy, business development, financial situation and significant business matters, such as regulatory developments, tax issues and risks. Discussions were held with the Management Board about the strategic development, the current and forecast figures, the marketing concept, anti-money laundering measures, regulatory developments in the gambling and betting sector and ongoing administrative and legal proceedings. Based on the information we have obtained, we believe that business was conducted appropriately.

We especially thank the Management Board of bet-at-home.com AG and all the Group's staff members. They have contributed significantly to the Group's positive development through their great commitment and excellent work.

Düsseldorf, July 2019

The Supervisory Board

BET-AT-HOME.COM SHARE

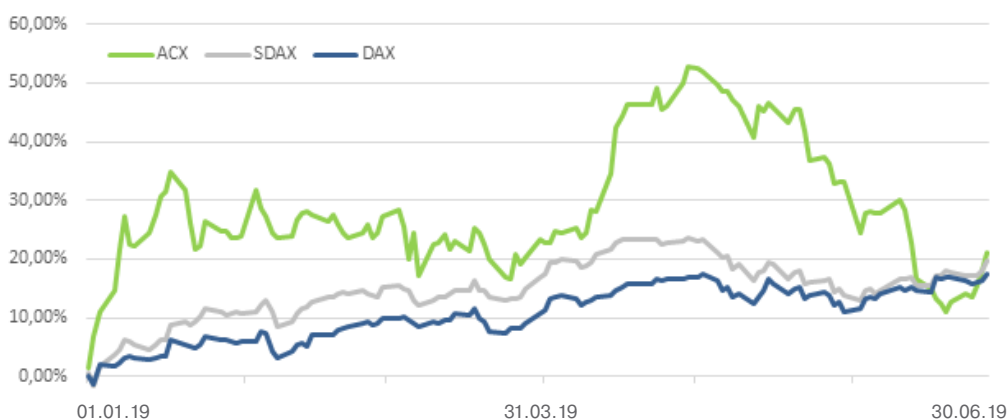
Report by the Management Board	Report by the Supervisory Board	bet-at-home.com Share	Consolidated Interim Statement of Financial Position	Consolidated Interim Statement of Income	Consolidated Interim Statement of Cash Flows	Interim Statement of Changes in Group Equity	Notes to the Interim Consolidated Financial Statements	Group Management Report	Imprint
--------------------------------	---------------------------------	---------------------------------------	--	--	--	--	--	-------------------------	---------

Development of the share in the first half of 2019

As a result of the further expansion of the brand bet-at-home.com as well as the significant increase in all key earnings figures in the first quarter of the financial year 2019, further gains in share price performance were recorded in the first six months of the current financial year.

From the low in the reporting period on 2 January 2019 at 46.46 EUR, the bet-at-home.com AG share reached its highest price in the first half of 2019 at 69.93 EUR on 30 April 2019. The average trading volume of the bet-at-home.com share during the reporting period amounts to EUR 1.0 million per trading day.

The bet-at-home.com AG stock recorded an increase of 20.96% in the first half of 2019, thus achieving a performance of both the DAX (+ 17.42%) SDAX (+ 19.65%) over the period, which includes a dividend payout of 6.50 per share.



Investor Relations

The bet-at-home.com AG is committed to an open and active communication with institutional investors, analysts, financial journalists, private investors and other interested parties, with the aim to convey a true and fair view of the company and to strengthen the long-term confidence in the stock on the capital market. In order to achieve this goal, numerous one-on-one and group discussions were held at numerous roadshows and conferences in the financial centers of Europe and the USA during the first six months of 2019. In this way, the personal contact with the investors and interested parties could be further intensified and maintained. The Management Board and Investor Relations Management mainly presented the quarterly reporting, the strategic goals of the company and the market environment.

Discussions with analysts and investors continued to focus on regulatory and operational performance in individual markets, the continued growth potential of the dynamic online sports betting and online gaming industry, and strategic questions on the future use of cash and cash equivalents and the associated dividend policy of the bet-at-home.com AG Group.

Dividend

In addition to potential gains in share price development, bet-at-home.com AG has pursued a continuous dividend policy since the 2011 financial year to participate in the company's profit through attractive profit distributions.

The Annual General Meeting on May 22, 2019 approved the proposal of the Management Board and the Supervisory Board to pay a dividend of EUR 6.50 per share. The dividend payout therefore amounts to EUR 45,617,000.00. The proposed resolution to the Annual General Meeting comprised a regular dividend of EUR 3.50 and an extraordinary dividend of EUR 3.00 per share. Through the renewed distribution of an extraordinary dividend, the shareholders of bet-at-home.com AG have been adequately involved in the above average overall development of recent years.

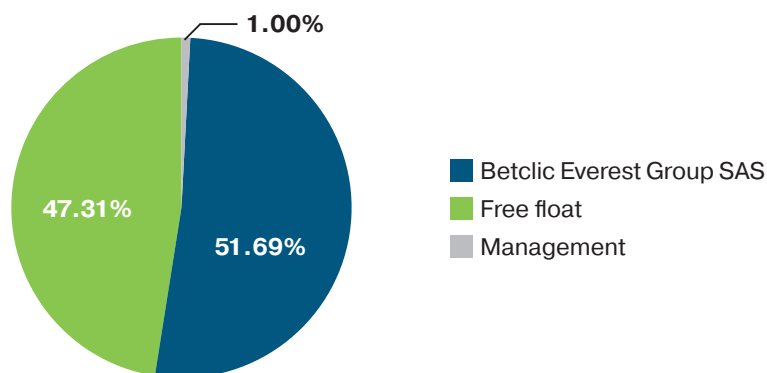
Dividend per share (dividend yield in %)	
FY 2018	EUR 6.50 (14.19%)
FY 2017	EUR 7.50 (7.21%)
FY 2016	EUR 7.50 (9.38%)
FY 2015	EUR 2.25 (4.66%)
FY 2014	EUR 0.60 (2.08%)
FY 2013	EUR 0.40 (2.36%)
FY 2012	EUR 0.30 (2.70%)
FY 2011	EUR 0.30 (2.44%)

Stable shareholder structure

With Betclac Everest Group SAS and its 51.69% stake, the company has a stable core shareholder with its sights set on the long term. Betclac Everest, France, is a European group with shares in online gaming providers based in France that invests in strong brands like bet-at-home.com, Betclac, Everest Poker, Expekt and the Monte Carlo Casino. The company Société des Bains de Mer (SBM), which has its registered office in Monaco (ISIN: MC0000031187), with its broad offering of gaming, hotels and restaurants, and the LOV Group founded by Stéphane Courbit, which focuses on growth companies and deregulation, hold equal interests in the Betclac Everest Group.

The management of bet-at-home.com holds 1.00% of the shares, resulting in a free float of 47.31% as of June 30, 2019. In the course of the first half of 2019, bet-at-home.com AG received a notification of voting rights, according to which BDL Capital Management of Paris held a 4.95% shareholding as of 30 June 2019.

Even though it has a strong core shareholder, bet-at-home.com AG regards itself as a public company. In the past, the Company's investor relations activities always exceeded the transparency and information requirements of Deutsche Börse.



Financial calendar 2019

04/11/2019	10:00 am	Quarterly Statement Q1-Q3 2019
09/03/2020	10:00 am	Full Year Results 2019

Key share data

ISIN	DE000A0DNAY5
Securities identification number	A0DNAY
Ticker symbol	ACX
Trading segment	Regulated market (Prime Standard)
Research coverage	Edison Investment Research (London) Frankfurt Main Research AG (Frankfurt) Hauck & Aufhäuser (Hamburg) Warburg Research (Hamburg)

Fundamentals as at 30 June 2019

Total number of shares	7,018,000
Market capitalisation	EUR 388.8 million
Cash and cash equivalents	EUR 49.8 million
Enterprise value	EUR 339.0 million

Imprint

Group Management Report

Notes to the Interim Consolidated Financial Statements

Interim Statement of Changes in Group Equity

Consolidated Interim Statement of Cash Flows

Consolidated Interim Statement of Income

Consolidated Interim Statement of Financial Position

bet-at-home.com
Share

Report by the Supervisory Board

Report by the Management Board

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

Report by the
Management
Board

Report by the
Supervisory
Board

bet-at-home.com
Share

**Consolidated In-
terim Statement of
Financial Position**

Consolidated
Interim State-
ment of Income

Consolidated
Interim Statement
of Cash Flows

Interim Statement
of Changes in
Group Equity

Notes to the Interim
Consolidated Fi-
nancial Statements

Group
Management
Report

Imprint

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2019**

bet-at-home.com AG, Düsseldorf

ASSETS

		Note	30/06/2019		31/12/2018
		No.	EUR	EUR	EUR
A.	Non-current assets				
1.	Intangible assets		549,295.42		589,494.63
2.	Goodwill	(9)	1,369,320.30		1,369,320.30
3.	Leased office buildings	(10)	3,804,952.27		0.00
4.	Property and equipment	(11)	1,402,899.73		1,446,891.31
			7,126,467.72		3,405,706.24
B.	Current assets				
1.	Receivables from taxes		13,585,423.71		13,139,085.92
2.	Own advance payments	(12)	1,902,599.05		1,533,190.81
3.	Other receivables and assets	(13)	7,387,865.73		6,962,739.91
4.	Short-term fixed deposits	(14)	6,000,000.00		9,524,870.12
5.	Cash and cash equivalents	(15)	43,777,374.42		68,773,842.34
			72,653,262.91		99,933,729.10
Total assets			79,779,730.63		103,339,435.34

EQUITY & LIABILITIES

		Note	30/06/2019		31/12/2018
		No.	EUR	EUR	EUR
A.	Equity				
1.	Share capital	(16)	7,018,000.00		7,018,000.00
2.	Capital reserves	(16)	7,366,000.00		7,366,000.00
3.	Total comprehensive income	(16)	22,062,177.38		54,904,039.24
			36,446,177.38		69,288,039.24
B.	Non-current liabilities				
1.	Provisions for employee benefits	(17)	48,668.36		48,668.36
2.	Lease liabilities	(17)	2,995,959.61		0.00
			3,044,627.97		48,668.36
C.	Current liabilities				
1.	Trade payables	(18)	3,813,431.99		3,302,612.54
2.	Liabilities from taxes	(19)	23,625,899.30		16,534,124.03
3.	Short-term provisions	(20)	1,810,571.03		2,639,356.89
4.	Customer payables	(21)	6,706,708.42		7,704,647.00
5.	Lease liabilities	(22)	833,517.65		0.00
6.	Other liabilities	(23)	3,498,796.89		3,821,987.28
			40,288,925.28		34,002,727.74
Total equity and liabilities			79,779,730.63		103,339,435.34

CONSOLIDATED INTERIM STATEMENT OF INCOME

**CONSOLIDATED INTERIM STATEMENT OF INCOME
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2019**

bet-at-home.com AG, Düsseldorf

	Note	01/01-30/06/2019	01/01-30/06/2018
	No.	EUR	EUR
Gross betting and gaming revenue	(1)	71,090,038.27	66,625,658.31
Betting fees and gambling levies	(1)	-10,214,500.26	-9,926,364.35
VAT on electronic services	(1)	-2,186,584.85	-4,494,221.60
Net betting and gaming revenue		58,688,953.16	52,205,072.36
Other operating income	(2)	693,407.12	279,809.77
Total operating income		59,382,360.28	52,484,882.13
Personnel expenses	(3)	-9,637,697.02	-9,311,484.48
Advertising expenses	(4)	-16,681,952.74	-21,157,980.20
Other operating expenses	(4)	-11,740,645.21	-11,074,152.72
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		21,322,065.31	10,941,264.73
Depreciation and amortisation	(5)	-943,134.46	-633,590.54
Earnings before interest and taxes (EBIT)		20,378,930.85	10,307,674.19
Financial income	(6)	77,769.76	27,837.10
Financial expenses	(6)	-63,341.09	0.00
Earnings before taxes (EBT)		20,393,359.52	10,335,511.29
Taxes on income and earnings	(7)	-7,618,221.38	-4,039,847.99
Consolidated profit for the period		12,775,138.14	6,295,663.30

Earnings per share		
Basic earnings per share	1.820338863	0.89707371
Diluted earnings per share	1.820338863	0.89707371

**IFRS CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2019**

bet-at-home.com AG, Düsseldorf

	01/01-30/06/2019	01/01-30/06/2018
	EUR	EUR
Consolidated profit for the period	12,775,138.14	6,295,663.30
Items that are potentially reclassifiable to profit or loss	0.00	0.00
Items that are not potentially reclassifiable to profit or loss	0.00	0.00
Income tax and other recognised income and expense	0.00	0.00
Other comprehensive income	0.00	0.00
Comprehensive income	12,775,138.14	6,295,663.30

Imprint

Group Management Report

Notes to the Interim Consolidated Financial Statements

Interim Statement of Changes in Group Equity

Consolidated Interim Statement of Cash Flows

Consolidated Interim Statement of Income

Consolidated Interim Statement of Financial Position

bet-at-home.com Share

Report by the Supervisory Board

Report by the Management Board

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2019**

bet-at-home.com AG, Düsseldorf

	Note	30/06/2019	30/06/2018
	No.	EUR'000	EUR'000
Earnings before taxes (EBT)		20,393	10,336
+ Depreciation of non-current assets	(5)	943	634
+/- Increase/decrease in provisions		-829	5,347
-/+ Increase/decrease in trade and other receivables not attributable to investing or financing activities		2,284	-857
+/- Increase/decrease in trade and other payables not attributable to investing or financing activities		10,111	1,386
- Payments for income taxes		-7,618	-4,040
Cash flows from operating activities		25,284	12,805
- Acquisition of assets (excluding investments)		-4,664	-468
+ Proceeds from sale of property, plant and equipment		0	136
= Cash flows from investing activities		-4,664	-332
- Payments to shareholders (dividends)		-45,617	-52,635
= Cash flows from financing activities		-45,617	-52,635
= Net cash from operating, investing and financing activities		-24,996	-40,162
+ Cash and cash equivalents at 1 January		68,774	97,261
= Cash and cash equivalents at 30 June	(15)	43,777	57,099

Imprint

Group Management Report

Notes to the Interim Consolidated Financial Statements

Interim Statement of Changes in Group Equity

Consolidated Interim Statement of Cash Flows

Consolidated Interim Statement of Income

Consolidated Interim Statement of Financial Position

bet-at-home.com Share

Report by the Supervisory Board

Report by the Management Board

INTERIM STATEMENT OF CHANGES IN GROUP EQUITY

**INTERIM STATEMENT OF CHANGES IN GROUP EQUITY
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2019**

bet-at-home.com AG, Düsseldorf

	Share capital	Capital reserves	Total comprehensive income	Total equity
	EUR	EUR	EUR	EUR
As at 01/01/2018	7,018,000.00	7,366,000.00	74,926,781.81	89,310,781.81
Profit for the period	0.00	0.00	6,295,663.30	6,295,663.30
Total recognised gains and losses	0.00	0.00	6,295,663.30	6,295,663.30
Dividend distribution	0.00	0.00	-52,635,000.00	-52,635,000.00
As at 30/06/2018	7,018,000.00	7,366,000.00	28,587,445.11	42,971,445.11

	Share capital	Capital reserves	Total comprehensive income	Total equity
	EUR	EUR	EUR	EUR
As at 01/01/2019	7,018,000.00	7,366,000.00	54,904,039.24	69,288,039.24
Profit for the period	0.00	0.00	12,775,138.14	12,775,138.14
Total recognised gains and losses	0.00	0.00	12,775,138.14	12,775,138.14
Dividend distribution	0.00	0.00	-45,617,000.00	-45,617,000.00
As at 30/06/2019	7,018,000.00	7,366,000.00	22,062,177.38	36,446,177.38

Imprint

Group Management Report

Notes to the Interim Consolidated Financial Statements

Interim Statement of Changes in Group Equity

Consolidated Interim Statement of Cash Flows

Consolidated Interim Statement of Income

Consolidated Interim Statement of Financial Position

bet-at-home.com Share

Report by the Supervisory Board

Report by the Management Board

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019**

bet-at-home.com AG, Düsseldorf

I. GENERAL DISCLOSURES AND ACCOUNTING PRINCIPLES

bet-at-home.com AG, having its registered office at Tersteegenstrasse 30, Düsseldorf, Germany, and registered as a holding company with the trade register of the Düsseldorf District Court under number HRB 52673, has prepared its interim consolidated financial statements for the six-month period ended 30 June 2019 in accordance with international accounting standards.

The consolidated financial statements for the six-month period ended 30 June 2019 of bet-at-home.com AG were prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as applicable in the EU, by taking account of the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The group management report for the six-month period ended 30 June 2019 has been prepared in accordance with the provisions of the German Commercial Code [HGB].

These interim consolidated financial statements were generally prepared using the same accounting policies as applied to the previous year's financial statements as at 31 December 2018.

The following standards and interpretations have already been published, but were not yet mandatory for the consolidated financial statements for the period ended 30 June 2019:

Standard/ Interpretation	Title	Issued in	Date of EU endorse- ment	Mandatory for reporting periods beginning on or after
STANDARDS				
IFRS 17	Insurance Contracts	May 17	t.b.a.	01/01/2021
AMENDMENTS				
IFRS 3	Business combinations	Oct 18	t.b.a.	01/01/2020
Conceptual Framework	Revision of definitions and new guidance on valuation, derecognition, presentation and disclosure	Mar 18	t.b.a.	01/01/2020
IAS 1/IAS 8	Definition of materiality	Oct 18	t.b.a.	01/01/2020

Since 1 January 2019, IFRS 16 must generally be applied to all leases. It regulates the recognition, measurement, reporting of and disclosure obligations for rental and lease agreements in the financial statements of companies that prepare their accounts in accordance with IFRS. A lease within the meaning of the standard exists if the lessor contractually grants the lessee the right to control an identified asset for a specified period of time and the lessee in turn pays the lessor consideration for this permission.

The IFRS 16 accounting model results in lessees having to recognise assets and liabilities from lease/rental agreements in the consolidated statement of financial position. IFRS 16 must be initially applied to reporting periods starting on or after 1 January 2019. The initial application of IFRS 16 in the bet-at-home.com AG Group affects the presentation of lease liabilities for office space.

In the first half of 2019, the Group recognised non-current assets as well as current and non-current liabilities for its operating leases in connection with the office space in Düsseldorf, Linz and Malta over a term of five years and also presented them in the consolidated statement of financial position. The effect from the initial application of IFRS 16 resulted in a EUR 4.2 million increase of total assets as at 1 January 2019. In the income statement, the initial application of IFRS 16 in the first half of 2019 is reflected in amortisation of right-of-use assets as well as interest paid on the lease liabilities.

It is not anticipated that the initial application of the other standards and interpretations stated above will have any significant effect on the future presentation of bet-at-home.com AG's financial position, financial performance and cash flows. The Company chose not to exercise the option of voluntary early application of these standards and interpretations.

The core business of the Company's associates is sports betting and casino and poker games, which is exclusively offered online.

These interim consolidated financial statements are denominated in euros.

The consolidated income statement has been prepared in accordance with the nature of expense method.

Since 5 September 2009, Betclik Everest Group SAS, Paris, France has held a controlling interest in the bet-at-home.com group parent. Betclik Everest SAS Group (company registration no. 501 420 939) prepares consolidated financial statements for the largest circle of group companies that are included in the consolidated financial statements of bet-at-home.com AG.

Totals in amounts and percentages are subject to rounding differences.

II. CONSOLIDATED GROUP

General information

The interim consolidated financial statements include the accounts of bet-at-home.com's Austrian subgroup Entertainment GmbH, which has its registered office in Linz, Austria. These subgroup accounts of bet-at-home.com Entertainment GmbH include five subsidiaries (second-tier subsidiaries of bet-at-home.com AG, Düsseldorf) in which bet-at-home.com Entertainment GmbH holds all direct and indirect voting rights. Bet-at-home.com AG holds all voting rights in bet-at-home.com Entertainment GmbH.

In addition to the group parent, bet-at-home.com AG, the following subsidiaries and/or second-tier subsidiaries were fully consolidated in the reporting period:

- bet-at-home.com Entertainment GmbH, Linz, Austria (100% interest)
- bet-at-home.com Holding Ltd., Portomaso, Malta (100% interest)
- bet-at-home.com Entertainment Ltd., Portomaso, Malta (100% interest)
- bet-at-home.com International Ltd., Portomaso, Malta (100% interest)
- bet-at-home.com Internet Ltd., Portomaso, Malta (100% interest)
- Jonsden Properties Ltd., Gibraltar (100% interest)

bet-at-home.com AG holds 2% each of the shares in the four Maltese companies due to requirements under Maltese company law.

There are no non-controlling interests in group equity. The profit (loss) for the year does not comprise amounts attributable to shareholders of other companies.

Changes in the consolidated group

There were no changes in the consolidation scope as at 30 June 2019.

III. BASIS OF CONSOLIDATION

All interim financial statements included in the interim consolidated financial statements have been prepared in accordance with the same accounting policies. The separate financial statements of consolidated domestic and international entities and the Austrian subgroup accounts were all prepared as at the group reporting date and consolidated in accordance with International Financial Reporting Standards on the basis of a fictitious legal entity. The interim consolidated financial statements for the six-month period ended 30 June 2019 have not been audited.

In accordance with IFRS 3.85 (limited retrospective application), from 1 January 2004 IFRS 3 (Business Combinations) and the revised standards IAS 36 (Impairment of Assets) and IAS 38 (Intangible Assets) were applied early with retrospective effect to the Maltese second-tier subsidiaries, which were included in the Austrian subgroup accounts for the first time in 2004. Capital is consolidated by applying the revaluation method. The investment carrying amounts have been offset against the subsidiaries' proportional revalued equity capital (purchase accounting). The initial consolidation of the Maltese second-tier subsidiaries did not result in any excess or deficit.

In the case of Jonsden Properties Ltd., Gibraltar, which was included in the Austrian subgroup accounts for the first time in 2008, the excess of EUR 2,000 identified upon initial consolidation, due to the cost of acquisition exceeding the fair value of the net identifiable assets acquired, was recognised as goodwill and written down in full as an impairment loss in the same year.

Jonsden Properties Ltd. concluded joint venture agreements with both bet-at-home.com Internet Ltd. and bet-at-home.com Entertainment Ltd. in accordance with IAS 31.3 (Agreement for Shared Conduct of Business), according to which each partner company uses its own assets, carries its own expenses, enters into its own liabilities and procures its own financing while carrying out all economic activities on a joint venture basis.

The Austrian subgroup was consolidated for the first time as at 31 December 2005. All hidden reserves to be recognised were disclosed in the Austrian IFRS subgroup accounts. The subgroup was therefore consolidated based on the subgroup's equity as determined using the acquisition method. The initial consolidation resulted in a surplus of EUR 1,052 thousand. This surplus was recognised as goodwill in the consolidated financial statements. There was no evidence of impairment of the goodwill.

As part of the consolidation of intercompany debts, intercompany trade receivables and loans and other receivables were eliminated against the corresponding payables and provisions. As part of the consolidation of intercompany revenues and expenses, revenues from intercompany trade receivables were eliminated against expenses from intercompany trade payables. Any significant gains and losses on intercompany transactions during the six-month period were eliminated against each other. Any discounts and other entries affecting only profit or loss were eliminated in preparing the interim consolidated financial statements.

IV. SIGNIFICANT ACCOUNTING POLICIES**Use of estimates and assumptions**

The preparation of interim consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures in the notes to the interim consolidated financial statements and in the consolidated income statement. These estimates and related assumptions are based on historical information and other factors deemed appropriate under the circumstances, and which serve as the basis for assessing the carrying amounts of assets and liabilities that cannot be derived from other sources. Actual outcomes may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements made in applying IFRS with a significant effect on the amounts recognised in the consolidated financial statements and estimation uncertainties that may give rise to the risk of having to make material adjustments to recognised assets and liabilities in the coming financial years, were as follows:

- Estimating the likelihood of a positive outcome of pending civil-law and administrative proceedings and changes in the regulatory environment.
- Goodwill, the customer base and software was tested for impairment based on the expected future cash flows and interest rates.

Intangible assets and property, plant and equipment

Acquired intangible assets and office equipment are measured at cost less any accumulated amortisation/depreciation and write-downs.

No internally produced intangible assets are capitalised. The development costs incurred in 2017 and 2018 do not meet the recognition criteria of IAS 38.

Assets subject to wear and tear are written down over their estimated useful lives using the straightline method. The following depreciation and amortisation rates were used for estimating the useful lives of assets:

	Years
Operating and office equipment	3-10
Customer base	2
Software	3

If an asset acquired during the financial year is used for more than six months, the depreciation or amortisation charge recognised for the asset in the subgroup accounts will be the full annual amount; in the case of a shorter period of use, half the annual amount or the monthly amount is used. In the Austrian subgroup, assets acquired at a cost of EUR 400 or less are fully written down in the year of acquisition and immediately recognised as disposals. In Germany, such items are written down on a pro rata temporis basis. Assets acquired at a cost of EUR 150 or less are expensed in full in the year of acquisition.

Intangible assets with finite useful lives and items of property, plant and equipment are tested for impairment. If there is evidence of impairment, the recoverable amounts for the relevant assets are determined. If the recoverable amount of an asset is lower than its carrying amount, an impairment loss is recognised.

Goodwill

Goodwill has an indefinite useful life and is not amortised, but tested annually for impairment instead (so-called “impairment-only” approach). An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. If the recoverable amount of goodwill, which is the higher of its fair value less costs to sell and its value in use, is lower than its carrying amount, an impairment loss is recognised.

Financial assets and liabilities

Financial assets and liabilities are recognised as soon as contractual rights or obligations are incurred. These transactions are recognised as at the measurement date. They are derecognised as soon as control over such contractual rights (including the asset) ceases. This is usually the case when the asset is sold or all cash flows relating to the asset are directly transferred to an independent third party.

Cash and cash equivalents and short-term deposits

bet-at-home.com AG treats cash, demand deposits and time deposits with remaining maturities of up to three months as cash and cash equivalents. Long-term deposits with maturities between three to a maximum of 12 months are stated as short term deposits.

Receivables and other assets

Within the meaning of IFRS 9, receivables and other assets as well as cash and cash equivalents must be allocated to the “at amortised cost” category. This allocation does not affect the Group’s profit (loss) or equity. There is no credit risk which would generally require a risk provision, which must be determined using the so-called simplified recognition method, to be stated during the initial recognition using the expected credit loss method. The debtors are usually financial and similar institutions with excellent credit ratings. No defaults worth mentioning have occurred in the past and are not expected to occur in the future.

Provisions for severance pay (redundancy pay)

Due to historic legal contractual obligations, bet-at-home.com Entertainment GmbH must render a one-off severance payment (redundancy payment) to employees if their contract is terminated or upon retirement. The amount depends on the number of years of service and the relevant salary level at the time of severance (redundancy) or retirement.

A provision is made for such obligations. The calculation in accordance with the provisions of IAS 19 “Employee benefits” was performed by an actuary as at the Group’s reporting date on 31 December 2018 and the figure stated in the expert report recognised accordingly in profit and loss for financial year 2018.

As the anticipated actuarial gains and losses pertain to one employee only, they are also expected to be low in the future. The actuarial gains and losses are therefore stated in personnel expenses. The interest cost and employee service cost remain included in the personnel expenses and are not presented in net finance income (costs).

Other provisions

Other provisions are recognised if it appears likely that legal or actual obligations to third parties due to past events may occur, but have not occurred yet. However, it must be probable that these obligations will result in future cash outflow. Provisions are recognised at the amount that can be determined using best estimates as at 30 June 2019. When a reasonable estimate is not possible, no provision is recognised and this is disclosed in the notes to the consolidated financial statements.

Trade payables

Trade payables are recognised at cost, which is equal to the settlement amount.

Revenue recognition

bet-at-home.com AG Group generates its income from the conclusion and processing of sports bets and the provision of various other online games in the Online Gaming division. In line with the practices in the industry, the net income from bets and/or wagers placed by customers and pay-outs to customers is initially recognised as gross betting and gaming revenue. The net betting and gaming revenue recognised in the consolidated income statement is the amount left after deducting betting fees and gaming levies as well as any VAT on electronic services payable on this income.

All of the bets originally recognised at the Maltese second-tier subsidiary are recognised in relation to dates if the underlying bets have already been decided, subject to the wagers placed until the reporting date. Bets deducted from the customers' clearing accounts before the reporting date where the sport events underlying the bets only take place after the reporting date (pending bets) are recognised as financial liabilities to customers in accordance with IFRS 9.

Income taxes

Deferred taxes are recognised for temporary differences between the carrying amounts of assets and liabilities stated in the consolidated statement of financial position and those for tax purposes. Deferred taxes are determined in accordance with IAS 12 (Income Taxes) using the balance sheet liability method.

Net finance income (costs)

Net finance income (costs) includes all interest and similar income on financial assets. Interest is recognised on an accrual basis.

V. COMMENTS ON INDIVIDUAL ITEMS OF THE CONSOLIDATED INTERIM STATEMENT OF INCOME, CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION, CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS AND THE INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019

The following sections provide information on items of the consolidated interim statement of income, consolidated interim statement of financial position, consolidated interim statement of cash flows and the interim statement of changes in equity for the period ended 30 June 2019. The comparative figures for the previous six-month periods were taken from the IFRS consolidated financial statements of bet-at-home.com AG, Düsseldorf, for the six months ended 30 June 2018 and 31 December 2018 respectively.

V.1. COMMENTS ON INDIVIDUAL ITEMS OF THE CONSOLIDATED INTERIM STATEMENT OF INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2019

The consolidated interim statement of income was prepared in accordance with the nature of expense method.

(1) Betting and gaming revenue and segment reporting

For clarity of presentation of the interim consolidated financial statements, betting and gaming revenue is shown in the consolidated income statement. The composition of the betting and gaming revenue is presented in these notes to the consolidated financial statements for the period ended 30 June 2019.

The Group operates in the product and operating segments online sports betting and online gaming. The online gaming segment comprises casino, poker, games and virtual sports.

These operating segments correspond to the Group's internal organisational and managerial structure and the internal accounting system. The gross betting and gaming revenue was defined as segment income.

Segment reporting in accordance with IFRS 8

30/06/2019	Operating segments		non-allocated segments/ consolidation	Group total
	Online sports betting	Online gaming (casino, poker, games, virtual sports)		
	EUR'000	EUR'000	EUR'000	EUR'000
Betting and gaming volume	261,578	1,326,818	0	1,588,396
Paid out winnings	-232,825	-1,284,482	0	-1,517,306
Gross betting and gaming revenue	28,754	42,336	0	71,090
Betting fees and gaming levies	-5,148	-5,066	0	-10,215
VAT recognised in profit and loss	-108	-2,079	0	-2,187
Net betting and gaming revenue	23,497	35,192	0	58,689
Segment assets	15,331	24,469	39,980	79,780

30/06/2018	Operating segments			Group total
	Online sports betting	Online gaming (casino, poker, games, virtual sports)	non-allocated segments/consolidation	
	EUR'000	EUR'000	EUR'000	EUR'000
Betting and gaming volume	277,219	1,227,098	0	1,504,317
Paid out winnings	-248,458	-1,189,233	0	-1,437,691
Gross betting and gaming revenue	28,761	37,864	0	66,626
Betting fees and gaming levies	-4,954	-4,972	0	-9,926
VAT recognised in profit and loss	-880	-3,615	0	-4,494
Net betting and gaming revenue	22,928	29,277	0	52,205
Segment assets	15,148	16,657	53,237	85,042

The segment assets correspond to the respective total assets of the company operating within the segment.

Segment reporting – supplementary information

Betting and gaming volume can be presented by geographic segment based on player country as follows:

	01/01- 30/06/2019		01/01- 30/06/2018	
	EUR'000	in %	EUR'000	in %
Germany	559,226	35.2%	544,961	36.2%
Eastern Europe	275,919	17.4%	276,680	18.4%
Western Europe (other)	753,251	47.4%	682,675	45.4%
	1,588,396	100.0%	1,504,317	100.0%

(2) Other operating income

	01/01- 30/06/2019	01/01- 30/06/2018
	EUR'000	EUR'000
Exchange rate gains	182	138
Income from the release of provisions	11	65
Other	501	76
	693	280

(3) Personnel expenses

Breakdown of personnel expenses:

	01/01- 30/06/2019	01/01- 30/06/2018
	EUR'000	EUR'000
Salaries	7,598	7,312
Expenses for statutory social contributions and pay-based levies and statutory contributions	1,848	1,811
Expenses for severance payments and company pension plan contributions	105	103
Other social contributions	86	86
	9,638	9,311

Termination benefits and employee pension funds include payments in accordance with the Austrian Staff and Self-Employment Provisions Act [BMSVG “new termination benefits”] totaling EUR 105 thousand (1 January to 30 June 2018: EUR 103 thousand).

Changes in staffing were as follows:

	Reporting date		Average	
	30/06/2019	30/06/2018	01/01- 30/06/2019	01/01- 30/06/2018
Employees	290	299	294	305
Management Board of the parent company and managing directors of bet-at-home.com Entertainment GmbH	2	2	2	2

(4) Advertising and other operating expenses

These expenses include the following items:

	01/01- 30/06/2019	01/01- 30/06/2018
	EUR'000	EUR'000
Advertising expenses		
Advertising costs	8,138	10,456
Bonuses and vouchers	6,066	6,473
Sponsoring	1,638	3,580
Jackpot expenses	839	650
	16,682	21,158

	01/01- 30/06/2019	01/01- 30/06/2018
	EUR'000	EUR'000
Other operating expenses		
Additional transaction costs	4,136	3,554
Software provider expenses	3,482	3,016
Information services and software maintenance	1,158	1,100
Legal, audit and advisory fees	890	1,011
Additions to provisions for impairment losses on receivables, loan losses and claims	345	26
Exchange rate differences and similar expenses	252	86
Costs annual reporting, general meeting of shareholders and stock exchange costs	250	178
Supervisory board remuneration	30	20
Other costs	1,198	2,083
	11,741	11,074

(5) Depreciation and amortisation

	01/01- 30/06/2019	01/01- 30/06/2018
	EUR'000	EUR'000
Amortisation of intangible assets	527	86
Depreciation on property, plant and equipment	413	544
Depreciation on low-value assets	3	4
	943	634

(6) Net finance income (expenses)

	01/01- 30/06/2019	01/01- 30/06/2018
	EUR'000	EUR'000
Finance income		
Interest and similar income	78	28
Interest expense for leases	-63	0
	14	28

In the first half of 2019, interest and similar income exclusively pertained to interest income from fixed deposits and other interest receivable amounting to EUR 78 thousand (1 January to 30 June 2018: EUR 28 thousand). The initial application of IFRS 16 incurred interest expenses of EUR 63 thousand in the first half of 2019.

(7) Income tax expense

This item can be presented as follows:

	01/01- 30/06/2019	01/01- 30/06/2018
	EUR'000	EUR'000
Current income taxes	7,611	4,104
Tax previous years	2	-64
Deffered Tax	5	0
	7,618	4,040

The initial application of operating leases in accordance with IFRS 16 in the reporting period resulted in temporary differences between the figures in the consolidated statement of financial position for the period ended 30 June 2019 and the figures in the tax balance sheet, resulting in deferred tax liabilities in the amount of EUR 5 thousand.

(8) Consolidated net profit for the period

The consolidated net profit for the period of EUR 22,062 thousand (1 January to 30 June 2018: EUR 28,587 thousand) is exclusively attributable to the shareholders of the parent company.

V.2. COMMENTS ON ITEMS OF THE CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 JUNE 2019

(9) to (11) Non-current assets

A breakdown of non-current assets and changes in these assets during the first half of 2019 is presented in the consolidated statement of changes in non-current assets (appendix to the notes).

(9) Goodwill

Composition

	30/06/2019	31/12/2018
	EUR'000	EUR'000
Acquisition of Wetten-Schwechat business unit	155	155
Acquisition of the Starbet International Ltd. business unit	162	162
Acquisition of bet-at-home.com Entertainment GmbH, Linz (Austria)	1,052	1,052
	1,369	1,369

Acquisition of the "Wetten-Schwechat" business unit

The goodwill remaining after the purchase price allocation in accordance with IFRS 3 amounted to EUR 155 thousand. Pursuant to IFRS 3, this goodwill is not subject to systematic amortisation; it is tested for impairment annually instead. There was no objective evidence of impairment.

Acquisition of the Starbet International Ltd. business unit

In accordance with IFRS 3, this asset deal must be treated in the same way as a share deal. Therefore, initial consolidation was carried out at the date of acquisition pursuant to IFRS 3. Once the disclosed difference had been allocated to identifiable assets, the remainder (EUR 162 thousand) was recognised as goodwill. There was no objective evidence of impairment.

Acquisition of bet-at-home.com Entertainment GmbH, Linz (Austria)

As at 31 December 2005, the subsidiary bet-at-home.com Entertainment GmbH, including its subgroup, was included and consolidated for the first time. All hidden reserves to be recognised were disclosed in the Austrian IFRS subgroup accounts. The subgroup was therefore consolidated based on the subgroup's equity as determined using the acquisition method. The initial consolidation resulted in a surplus of EUR 1,052 thousand. This surplus was recognised as goodwill in the consolidated financial statements. There was no evidence of impairment of the goodwill.

(10) Leased office buildings

The initial application of IFRS 16 as at 1 January 2019 resulted in right-of-use assets from existing rental and lease agreements being capitalised for the office space in Düsseldorf, Linz and Malta within bet-at-home.com AG Group.

(11) Property, plant and equipment

A breakdown of property, plant and equipment and changes in these items during the first half of 2019 is presented in the consolidated statement of changes in non-current assets (appendix to the notes).

(12) Own prepayments

Own prepayments pertain to prepayments under advertising, sponsoring and maintenance agreements.

(13) Other receivables and assets

All receivables and other assets have residual maturities of up to one year and comprise the following:

	30/06/2019	31/12/2018
	EUR'000	EUR'000
Receivables from payment service providers	6,989	6,523
Receivables from associated companies	0	64
Other receivables	399	375
	7,388	6,963

(14) Short-term fixed deposits

	30/06/2019	31/12/2018
	EUR'000	EUR'000
Cash at bank (maturities > 3 months)	6,000	9,525

(15) Cash and cash equivalents

	30/06/2019	31/12/2018
	EUR'000	EUR'000
Cash at bank (maturities < 3 months) and in hand	43,777	68,774

(16) Group equity

Breakdown of the Group's equity:

	30/06/2019	31/12/2018
	EUR'000	EUR'000
Share capital	7,018	7,018
Capital reserves	7,366	7,366
Consolidated net profit for the period	22,062	54,904
	36,446	69,288

For more information on group equity, please also refer to the consolidated statement of changes in equity included in the interim consolidated financial statements.

The Group's share capital is divided into 7,018,000 no par value shares.

The general meeting of shareholders on 18 May 2016 resolved to increase the share capital of the issuer by EUR 3,509,000.00 to EUR 7,018,000.00 through a capital increase from the Company's own funds by issuing 3,509,000 new shares. As announced in the Federal Gazette [Bundesanzeiger] on 15 June 2016, following the capital increase from the Company's own funds, all shareholders were entitled to bonus shares at a ratio of 1:1 to their shareholdings at the close of the stock market on 20 June 2016. These bonus shares were registered on 21 June 2016 (share split). The shareholders' shareholdings did not change as a result of this capital measure.

The reserves are the result of a capital increase in 2005 by 290,000 shares at an issue price of EUR 11.00 per share (totalling EUR 2,900 thousand) and a further capital increase in 2006 by 319,000 shares at an issue price of EUR 26.00 per share (totalling EUR 7,975 thousand). The decrease in 2016 of EUR 3,509 thousand resulted from the conversion for the implementation of the capital increase from the Company's own funds.

Pursuant to the resolution adopted at the general meeting of shareholders on 13 May 2013, the Management Board was entitled, with the Supervisory Board's consent, to increase the company's share capital by 12 May 2018 by issuing new bearer shares (non-par value shares) for cash or non-cash contributions, once or several times, up to a maximum amount of EUR 1,754,500.00. The authorised capital was revoked by shareholder resolution of 18 May 2016.

The general meeting of shareholders on 18 May 2016 resolved to authorise the Management Board, with the Supervisory Board's consent, to increase the Company's share capital by 17 May 2021 by issuing up to 3,509,000 new non-par value bearer shares for cash or non-cash contributions, once or several times, up to an amount of EUR 3,509,000.00.

(17) Non-current liabilities

	30/06/2019	31/12/2018
	EUR'000	EUR'000
Provisions for employee benefits	49	49
Lease liabilities	2,996	0
	3,045	49

In order to calculate the provisions for severance pay (redundancy pay) in accordance with IAS 19 by applying the projected unit credit method, an actuary's opinion was obtained as of 31 December 2018, which is based on an actuarial interest rate of 1.85% (previous year: 1.69%) and an annual growth rate of 2.5%.

As at 30 June 2019, the initial application of IFRS 16 resulted in a non-current share in liabilities from the capitalised right-of-use assets from lease agreements (with terms of more than 12 months) in the amount of EUR 2,996 thousand.

(18) to (23) Current liabilities

Current liabilities include the following items:

	30/06/2019	31/12/2018
	EUR'000	EUR'000
Trade payables	3,813	3,303
Liabilities from taxes	23,626	16,534
Short-term provisions	1,811	2,639
Customer payables	6,707	7,705
Lease liabilities	834	0
Other liabilities	3,499	3,822
	40,289	34,003

Customers payables contain pending bets (in accordance with IFRS 9) in the amount of EUR 318 thousand (31 December 2018: EUR 474 thousand) and customer balances (in accordance with IFRS 15) in the amount of EUR 6,389 thousand (31 December 2018: EUR 7,231 thousand).

Liabilities from taxes pertain to corporation tax payable in the amount of EUR 20,556 thousand (31 December 2018: EUR 12,940 thousand), betting fees and gaming levies, and VAT on electronic services in the amount of EUR 2,977 thousand (31 December 2018: EUR 3,359 thousand) as well as other taxes in the amount of EUR 93 thousand (31 December 2018: EUR 235 thousand).

As at 30 June 2019, the initial application of IFRS 16 resulted in a current share in liabilities from the capitalised right-of-use assets from lease agreements (with terms of less than 12 months) in the amount of EUR 834 thousand.

Other current liabilities include the following items:

	30/06/2019	31/12/2018
	EUR'000	EUR'000
Liabilities to employees	1,568	1,857
Social liabilities	698	411
Other liabilities	1,232	1,554
	3,499	3,822

Liabilities to employees comprise outstanding holiday entitlements and overtime and/or bonuses.

Changes in current provisions until 30 June 2019 (in thousands of euro):

	Balance at 31/12/2018	Utilisation	Release	Addition	Balance at 30/06/2019
Audit and advisory	252	233	11	181	190
Affiliate program	1,447	0	0	173	1,621
Other	940	940	0	0	0
	2,639	1,173	11	355	1,811

Due to the high amount of cash and cash equivalents within bet-at-home-com AG Group, liabilities to customers and all other liabilities were sufficiently covered in the first half of 2019.

V.3. COMMENTS ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

Liquid funds recognised in the statement of cash flows exclusively refers to the “cash and cash equivalents” item in the statement of financial position.

V.4. COMMENTS ON THE PRESENTATION OF CHANGES IN GROUP EQUITY

Changes in group equity are presented in the consolidated statement of changes in equity.

VI. OTHER DISCLOSURES

VI.1. FINANCIAL INSTRUMENTS

For further details on non-derivative financial instruments, see the consolidated statement of financial position for the period ended 30 June 2019. In accordance with IFRS 9, pending bets are recognised as financial liabilities (derivatives). Apart from that, the Group does not deal in

any derivative instruments and exclusively holds bank balances, cash and short-term time deposits. The Group also has receivables from payment providers.

Fair value risk management

The financial instruments at fair value are classified according to the levels in the fair value hierarchy, which are defined as follows:

- Level 1: Quoted prices in active markets for identical assets and liabilities.
- Level 2: Inputs that are observable either directly (such as prices) or indirectly (unlisted prices) are used as the basis for calculating assets or liabilities.
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. prices), such as internal models or other valuation techniques.

As at the reporting date, 30 June 2019, pending bets were recognised as financial liabilities in accordance with IFRS 9 (fair value measurement according to level 3) and stated in liabilities to customers. Taking into consideration the fact that these are bets that were placed shortly before the reporting date, the Management Board assumes that the fair value as at the reporting date on 30 June 2019 corresponds to the acquisition costs (market value on the date the bet was placed).

There are no other financial instruments that are measured at fair value.

The risks arising from potential financial instruments (IFRS 7.31, 33(b)) are disclosed in the risk report below.

VI.2. RISK REPORT

The risk report discloses material internal and external risks which may have an effect on the financial position, financial performance and cash flows of bet-at-home.com AG Group. Within the scope of the Group’s risk management system, potential risks are identified on the basis of qualitative criteria, their probability of occurrence is determined and their potential effects are explained.

The group parent’s Management Board is responsible for establishing risk management policies. Compliance with these policies is monitored by the managing directors and department heads of the subsidiaries. Among the basic components of risk management are general principles for risk prevention, such as the segregation of duties and applying the four eyes principle for important internal controls.

The Management Board is also responsible for identifying negative developments in good time by employing cross-departmental monitoring systems. For example, IT risks are monitored and reported through the voluntary appointment of external certification bodies (such as eCogra), operational risks through automated plausibility checks during the preparation of offers and financial risks through the ongoing analysis of key financial performance indicators.

Also part of this risk management system are provisions on the use of financial instruments. The Group does not hold any derivative financial instruments. Nor does the Management Board intend to use such financial instruments in the future.

VI.2.1. Tax law and regulatory risks

In some European countries, betting and gaming providers remain targeted by legislative interventions aiming to terminate the offering and operation of their activities, based in particular on regulations enforcing state monopolies on gambling. Based on various rulings by the European Court of Justice, the Management Board assumes that the online sport betting and online gaming market in the EU will continue to be deregulated in the long term. However, a large number of national laws and draft laws for foreign providers contain discriminatory provisions that aim to further seal off the market for national providers/monopolists.

The Management Board will continue to closely monitor future developments and strive to obtain online sport betting and online gaming licences in countries facilitating fair market access, in an effort to enhance legal certainty. However, there is the risk that individual countries could exclude customers from private foreign gaming offerings by imposing internet provider blocking and payment provider blocking measures, even though there are no legal grounds for such measures. This risk has only increased now that a number of new statutory provisions explicitly provide for such measures, in violation of EU law.

Regulatory environment and risks from existing legal uncertainties

Apart from in individual countries whose governments issue their own licenses, bet-at-home.com AG Group bases its activities on online gaming and online sports betting licenses issued in Malta. In the legal opinion of bet-at-home.com AG Group, these are effective in all EU member countries due to the freedom of movement within the EU, as long as the regulations regarding online gaming and online sports betting continue to violate EU law in the respective member country. bet-at-home.com AG Group also aims to obtain additional national licenses in the individual EU member countries in which it operates.

Individual member countries' decisions to implement discriminatory regulatory measures which have a worse impact on private online betting and gaming providers than government providers and are therefore prohibited in accordance with EU law may prevent bet-at-home.com AG Group from obtaining comprehensive legal protection against such measures within the time required. A temporary exclusion from individual markets may result in bet-at-home.com AG Group incurring unsustainable losses due to the collapse of income, even should the measures subsequently be proven to be illegal.

Individual countries have further implemented internet service provider blocking and/or payment provider blocking measures so as to stamp down on betting and gaming products, in other words potential customers can no longer access the websites of bet-at-home.com AG Group in these countries and/or cash flows are impaired. Such measures have the potential to damage the Group, even in the very short term, and possible quicker than it takes to defend the Group against such measures through the legal channels.

In the first half of 2019, regulatory developments remained marked by further efforts to regulate the online sports betting and online gaming sector and establish a licensing system for private providers. Developments in the first half of 2019:

- In Germany, bet-at-home.com Internet Ltd. successfully applied for one of the 20 sports betting licenses issued after the effective date of the Revised Interstate Gambling Treaty on 1 July 2012. The authorities informed the company as early as September 2014 that it will be issued with a license. In the meantime, the tendering procedure was stopped by the supreme court in response to an appeal filed by the losing bidders, meaning that it has been impossible until now to issue a license. In March 2019, the German Minister Presidents agreed to a transitional arrangement, which are to come into effect on 1 January 2020 and apply until the expiry of the Revised Interstate Gambling Treaty at the end of June 2021. The resolution provides for a new licensing process for providers. The licenses whose restriction to 20 was repealed, are to be issued at the beginning of 2020 for the by then rather short term of the Revised Interstate Gambling Treaty. The material constraints of the Revised Interstate Gambling Treaty remain in force. These include a limit on betting volume, respectively betting losses and losses incurred by customers, and also, in particular, the discontinuation of non-approvable offers. As from mid-2021, entirely new regulations are to come into effect for the German gambling sector and some of the federal states, led by North-Rhine Westphalia, have plans to open up the online casino market. Whether or not all of the federal states will come to an agreement regarding this topic remains to be seen. From today's perspective, the most likely scenario is a licensing model for online sports betting as well as online casino, at least in some of the federal states, as early as from mid-2021. The Management Board is optimistic that it will continue to be able to maintain its entire product portfolio.

The Federal State of Schleswig-Holstein went down a different route and issued licenses for sports betting and casino as early as 2012, including to bet-at-home.com Internet Ltd. These licenses expired in the summer and at the end of 2018 and could not be extended due to Schleswig-Holstein becoming a party to the Revised Interstate Gambling Treaty. The Group therefore resolved to discontinue the casino products in this federal state for the meantime. It is possible to obtain a transitory license for sports bets until the effective date of a new government regulation. bet-at-home.com Internet Ltd. submitted a corresponding application in the first quarter of 2019. In March 2019, the Minister Presidents authorised the Federal State of Schleswig-Holstein to extend its existing casino licenses until a new national regulation comes into

effect. The Group is currently implementing the licensing conditions and plans to commence the casino offers in this federal state again no later than in the first quarter of 2020.

- At the end of February 2018, the Austrian Federal Ministry of Finance published a draft bill on the amendment of the Austrian gambling laws according to which online gaming providers without an Austrian license are to be blocked by internet service providers as from 1 October 2018. However, the draft was quickly withdrawn again and no new draft had been submitted by the end of financial year 2018.
- On 1 April 2017, an amendment to the gambling laws of Poland became effective. It generally enables private providers to apply for a sports betting license. One single online casino license was issued to the government provider, which constitutes illegal discrimination against foreign providers under EU law. The sports betting policy also contains unattractive general economic conditions as well as illegal provisions under EU law. Since July 2017, the Group has been subject to enforcement measures by the authorities such as IP blocking and payment blocking. The Group therefore decided to maintain its offer, not to apply for a license for now and to take legal action against the discriminatory regulations. The main objective of the initiated legal steps is to affect a request of remittance to the European Court of Justice which should review the provisions of European law regarding the Polish gambling laws and determine that these violate EU law. The Group will continue to closely monitor the political and legal developments and adjust its strategy accordingly.
- On 1 January 2019, an amendment to the Swiss gambling laws came into effect which permits Swiss providers only to provide online sports betting and gambling services. Plans are to stop foreign providers from entering the Swiss market in the future. In accordance with this gambling law, the implementation regulations for blocking the IPs of non-licensed providers should come into effect on 1 July 2019. Following comprehensive reviews, no options were found for a cooperation with the brick-and-mortar casinos that is exclusively available to software providers. The Group is considering taking legal action against the discriminating market access restrictions as from the time of the implementation of blocking measures and to further maintain the Swiss market.

As far back as June 2016, the Swiss financial authorities requested for the Maltese company to register with the national VAT register. Following a comprehensive legal review and repeated correspondence with the authorities, bet-at-home.com Entertainment Ltd. was registered in September 2018. The Company paid VAT on its revenue from the casino business with retrospective effect as from 1 January 2017. At the end of the first half of 2019, different legal opinions prevailed regarding the exact date on which the tax obligation was created as well as a potential obligation of bet-at-home.com Internet Ltd. regarding sports betting activities. The Group is aiming to still reach an amicable solution with the Swiss financial authorities during the 2019 financial year.

In spite of continuing regulatory efforts, betting and gaming providers continue to be targeted by legislative interventions aiming to terminate the offering and advertising of their activities, based in particular on regulations enforcing bans in the gambling sector. The companies of the bet-at-home.com AG Group were affected by the following legal proceedings in the first half of 2019:

- At the beginning of 2015, the Federal State of Berlin already issued an injunction against bet-at-home.com Entertainment Ltd. to refrain from advertising and offering casino products, which has now been approved by the Higher Administrative Court in Berlin-Brandenburg during summary proceedings. The affected companies appealed against this decision and the related penalties. A legally binding ruling is expected until the end of 2019. The Group will continue to offer its casino products in Berlin in the meantime.
- In mid-2017, the Federal State of Hesse issued an injunction against bet-at-home.com Entertainment Ltd. prohibiting the company from offering casino products. This injunction demands the discontinuation of the gaming products, with the exception of sports bets on real events, and threatens the issuance of penalties for any violations. Action was taken against this injunction before the Darmstadt Administrative Court. The Regional Authority had previously agreed to suspend the immediate execution of the notice until the main ruling has been made by the Administrative Court. The penalty may therefore be imposed until the conclusion of the action before the first instance, which may take until the end of 2019.
- In June 2018, the Dutch gaming regulators issued fines in the amount of EUR 410,000 against two Maltese Group companies. The companies are accused of having illegitimately addressed Dutch citizens, particularly through the use of the Dutch language and/or corresponding bonus offer. Comprehensive legal measures have already been implemented against these penalties. A legally binding ruling in the highest instance is not to be expected before the end of 2020

In October 2017, the Federal Administrative Court in Leipzig decided that the ban on operating or brokering casino and poker games online complies with the Germany constitution and EU law, even after the partial deregulation of the 'online' sales channel. This decision was made during proceedings against another competitor. The Federal Administrative Court further emphasised the legality of an online sports betting ban if the provider does not hold the required license and also has not applied for one because the licensing requirement complies with the German constitution and EU law. Overall, the case law regarding the standardisation of German gambling law remains inconsistent. Final clarification by the Federal Constitutional Court and/or the European Court of Justice is still pending.

The risks of negative effects resulting from the regulatory environment and existing legal risks remain medium in a year-on-year comparison. Should such risk occur, the impact on the financial position, financial performance and cash flows would be high.

Risks relating to the continuing deregulation

At the political level, the European Parliament already adopted a legislative initiative in support of a proposal by the EU Commission in 2011 targeted at harmonising national sports betting and gambling laws. The first step will be to largely harmonise gambler and data protection regulations as well as control mechanisms. Due to diverging interests among member states and national tax authorities, substantial further harmonisation of relevant national sports betting and gambling regulations is not anticipated in the foreseeable future. However, the member countries primarily aim to regulate the online sports betting and gaming sector and to establish a licensing system at national level, even if this does not always comply with the provisions of EU law.

The risk of negative developments within the scope of the continuing deregulation remains medium when compared with the previous year. Should such risk occur, the impact on the financial position, financial performance and cash flows would be high.

After several years' delay, the Dutch Parliament resolved in February 2019 to permit license applications from private sports betting and casino providers as from July 2020. Providers that are already active in the Dutch market are to be given a two-year application ban. It remains unclear today which companies will be affected by this. Overall, the Group believes it to be unlikely that it will be able to submit license applications as early as next year and will continue to monitor further developments closely.

In May 2018, the US Supreme Court resolved that the federal states will be able to freely regulate sports betting, both in shops and online. Following this decision, New Jersey, Delaware, Pennsylvania and Rhode Island opened the sports betting market to private providers as well. The Group continuously monitors regulatory developments and options for cooperations with national providers and, in particular, is interested in participating in the markets of the large federal states, such as New York and California.

Increase of the taxes on betting fees and gambling levies/introduction of new taxes

The countries in which bet-at-home.com AG Group operates raise higher taxes on sports betting and gaming products based on varying measurement bases as well as VAT on electronic services. It cannot be ruled out that the taxes and levies in individual countries will increase to levels that would render the business of bet-at-home.com AG Group wholly or largely unprofitable, either due to the tax rate or selection of measurement base.

Since the introduction of the respective taxes and levies, the tax and levy rates have neither been increased nor decreased. As a result, the risk is to be classed as unchanged year-on-year from today's perspective. Should such risk occur, the impact on the financial position, financial performance and cash flows would be high.

Customer compensation claims and/or reimbursement of gaming losses

bet-at-home.com has implemented numerous measures to encourage its customers to gamble responsibly and for many years has been cooperating with organisations such as the Institute for Gambling and Dependence [Institut für Glücksspiel und Abhängigkeit] in Salzburg, Austria. These measures are complemented by voluntary annual compliance checks by eCogra, the industry testing organisation.

Individual risks nevertheless exist, such as the possibility of customers who have incurred betting and/or gambling losses attempting, or continuing to attempt, to claim compensation for such losses from bet-at-home.com AG Group on the grounds of having been offered betting or gaming products that are banned under regulatory law. It is also conceivable that customers claim compensation for losses from the Group on the grounds of a gambling addiction, meaning that they were in an unfit condition to enter into a business transaction when concluding the bet and/or playing the game, or that gamer protection mechanisms (particularly blocks) were implemented not at all or too late to protect them.

Since October 2018, proceedings against an Austrian customer have been pending. he is claiming back EUR 627,000 in gaming losses before the court. At the hearing in May 2019, an expert was engaged with assessing the customer’s legal capacity.

The risk of customer compensation claims for the reimbursement of gaming losses remains medium compared to the previous year. Should such risk occur, the impact on the financial position, financial performance and cash flows would be medium.

Risk of loss or revocation of licenses (compliance risk)

bet-at-home.com AG Group bases its products on Maltese licenses which entitle the bearer to nondiscriminatory access to the markets in the EU member countries as well as licenses issued by individual member countries. If a member country were to revoke its national license, bet-at-home.com AG Group would possibly be able to continue providing its services under the Maltese license. However, if the Maltese license were to be revoked, the Group would either have to use an alternative license or lose access to markets in which it does not hold a license.

The respective Maltese licenses are issued by the Malta Gaming Authority (MGA) subject to a compulsory ongoing system audit during which the MGA audits the technical equipment of the licensee, particularly in terms of its functionality and IT security.

The Malta Gaming Authority can issue covenants or revoke a license if deficiencies are found during the audit if

- the licensee does not comply with the terms and conditions of the license
- customer requirements are not met
- the licensee becomes insolvent
- the license was obtained under false pretences
- the licensee violates anti-money laundering regulations
- the licensee fails to pay taxes or levies on time
- at the sole discretion of the licensing authority, there are sufficient reasons for revoking the license or the authority assumes that the licensee is damaging the reputation of the Maltese betting business.

The bet-at-home.com AG Group companies have always met the terms and conditions of the license and successfully concluded all system audits, which is why the risk of a revocation of licenses remains low. Should such risk occur, the impact on the financial position, financial performance and cash flows would be high.

VI.2.2. Risks from operating activities

Odds management and bookmaker risk

Inaccurately estimated odds or manual errors made by bookmakers may result in higher customer payouts and therefore a decrease in income. This risk is minimised by a multitude of backup systems and by continuous monitoring of betting odds through market comparison. The IT project team continues to develop all the software required to provide a competitive product in the betting market. All required measures, such as automated algorithms for the prevention of manually estimated inaccurate odds for the minimisation of risks, were implemented so that the respective risks and impact on the financial position, financial performance and cash flows would be low.

As bet-at-home.com AG Group does not broker sports bets, but acts as a counterparty of its customers, the Group incurs a contractual risk for every bet. This risk is reduced by the highest possible number of customers participating in a bet with different expectations regarding the outcome so that the customers' betting positions balance each other out as much as possible. bet-at-home.com AG Group also determines betting odds, based on customers' expectations regarding the outcome of bets, and continuously adjusts them until the bet has been closed. To be able to provide customers with products in line with the market, the odds of competitors, and therefore the entire market, are also taken into consideration in addition to the betting odds that can be offered on the basis of the positioning of the Group's own customers.

Technical risks

The products and services offered by the Group depend on the reliable functioning of numerous technical systems. Any serious disruption of the IT systems, particularly through adverse external influences such as hacker attacks, DDos attacks, etc., could negatively affect the Group's financial position, financial performance and cash flows. Another steep rise in business volume will place increasing demands on the accounting and controlling systems of group companies.

To minimise the IT risks, personnel structures in the form of an IT Security Officer (CISO) and related IT Security Engineers were created in 2013. These employees implement individual security measures to ensure IT security during ongoing operations, investigate potential security-related incidents, are responsible for establishing the information security policy by providing awareness training, and focus their activities on measures such as the ones stated below within bet-at-home.com AG Group:

- Preparing guidelines and processes within the scope of the information security management system (ISMS)
- Security monitoring (identifying weaknesses and potential threats to hardware and software)
- Risk management and awareness employee training
- Encryption of confidential data (particularly credit card data and passwords)
- Security of the connections to the user interface of the customers via HTTPS encryption
- Protecting the productive environment with IDS/IPS firewall systems
- Operating a centrally managed anti-virus software
- Annual penetration tests within the scope of system audits
- Monitoring log files using a SIEM (Security Information Event Management)
- ISO 27001 certified data centre provider.

The Management Board assumes that these are extensive measures for minimising IT risks, meaning that these risks are medium. Should such risk occur, the impact on the financial position, financial performance and cash flows would be high.

Personnel and employee risk

The economic success of bet-at-home.com AG Group will continue to primarily rely on the performance of all employees and executives. The growing competition in the gaming and betting products market brings with it an increased risk of qualified employees being enticed away by competing companies and of not being able to hire a sufficient number of suitable new employees. The personnel and employee risk is to be successively reduced by implementing attractive general conditions and sufficient prospects for committed employees as well as ongoing employee training.

The respective risks and effects on the financial position, financial performance and cash flows are low.

Deficient performance of external service providers

bet-at-home.com AG Group depends on cooperations with external service providers with corresponding specialist knowledge and technologies for its operations. This primarily pertains to all software products for the Casino, Live-Casino, Poker, Vegas Games and Virtual Sports segments, such as data and voice communication, procurement, installation, development, care and maintenance of hardware and software as well as payment processes. There is a possibility that one or several external service providers provide their services not at all, not on time or incorrectly.

bet-at-home.com AG Group may therefore find itself in a position of being unable to fulfil its own obligations as required or on time due to errors or failures to perform of the external service providers engaged. This may also go hand in hand with a limitation of the Group's products, right up to the incorrect invoicing of winnings, which may have a negative impact on the Group's cash flows.

The Management Board assumes that regular system audits, internal reviews and training as well as ongoing monitoring by the Product Management and Controlling department are sufficient to minimise these external risks. These risks are therefore regarded as constant compared with the previous year. Should such risk occur, the impact on the financial position, financial performance and cash flows would be medium.

Risks relating to sponsoring agreements

Sports sponsoring has always been crucial for the advertising strategy of bet-at-home.com AG Group. Sponsoring of national sports clubs increases the popularity of the bet-at-home.com brand. In addition, primarily persons with an interest in sports, who are the key target group for the products of bet-at-home.com AG Group, are made aware of the brand in this environment. Advertising materials can therefore be used particularly efficiently in the sports sponsoring sector, at least on the current cost level. The sponsoring of renowned sports clubs also results

in their reputation and credibility having a positive effect on how the bet-at-home.com brand is perceived, also because sports events are highly regarded within society. Reputation and credibility are key success factors for bet-at-home.com AG Group.

Should bet-at-home.com AG Group be forced to reduce or discontinue its sponsoring activities in the future due to price increases in the sponsoring business or a revaluation of online betting and gaming products by the sponsoring partners or changes to the general legal conditions, this would reduce the popularity of the bet-at-home.com brand and could therefore have a negative impact on the revenue and income situation of bet-at-home.com AG Group. This risk remains low, like in the previous year’s comparable period. Should such risk occur, the impact on the financial position, financial performance and cash flows would be low.

VI.2.3. Financial risks

Cash and cash equivalents and liquidity risk

Liquidity exposure reflects the risk that the Group will have insufficient resources to meet its financial obligations as they fall due. Based on the cash and cash equivalents currently available to the Group, the liquidity risk remains low, like in the previous year. Should such risk occur, the impact on the financial position, financial performance and cash flows would be low.

Interest rate, currency and exchange rate risks

The interest rate risk associated with investments is considered insignificant. The interest rates on the bank balances depend on the market interest rates, which depend on the maturities. The effect of a change in the current low interest rate by 0.5 percentage points would amount to EUR 249 thousand (31 December 2018: EUR 391 thousand).

Currency risk relates to exchange rate differences. Despite the Group’s international orientation, most cash flows are denominated in the group’s functional currency (the euro). In the first half of 2019, material currency risks arose from transactions denominated in Polish zloty, while transactions denominated in other currencies were of minor importance. The Group does not hedge its currency risk. A 10% appreciation (depreciation) in the Polish zloty would have decreased (increased) the profit for the period (and the balance of equity) by around EUR 630 thousand (31 December 2018: EUR 367 thousand). Changes in these risk variables were assessed in relation to the potential for risks inherent in each financial instrument portfolio as at the reporting date.

The Group’s interest rate, currency and exchange rate risks remain low, like in the previous year. Should such risk occur, the impact on the financial position, financial performance and cash flows would be low.

Counterparty default (credit risk)

Credit risk is the risk of payment delays or defaults by counterparties. As there are no netting agreements, the amounts stated on the assets side (receivables and other assets) represent the maximum exposure to credit and default risk. Provisions have been made for anticipated reversals due to credit card refunds. Default risk relating to bank balances must be considered minor as the lending institutions concerned are A-rated banks. Should such risk occur, the impact on the financial position, financial performance and cash flows would be low.

VI.3. RELATED PARTY TRANSACTIONS

In the first half 2019, the Management Board of bet-at-home.com AG, Düsseldorf, had the following members:

- Franz Ömer, graduate engineer, Ansfelden, Austria
- Michael Quatember, Master's degree, Linz, Austria

In the first half of 2019, the remuneration of the members of the Management Board of the parent company amounted to EUR 690 thousand (1 January to 30 June 2018: EUR 536 thousand). In addition, a provision of EUR 495 thousand was recognised for a potential management bonus.

Members of the Supervisory Board of bet-at-home.com AG, Düsseldorf, in the first half of 2019:

- Martin Arendts, MBL-HSG, lawyer, Grünwald (Chairman)
- Jean-Laurent Nabet, Director, Paris, France
- Isabelle Andres, Director, Paris, France

In the first half of 2019, the Chairman of the Supervisory Board received fixed remuneration of EUR 20 thousand (1 January to 30 June 2018: EUR 20 thousand). In the first half of 2019, Ms Andres received fixed remuneration of EUR 10 thousand (1 January to 30 June 2018: EUR 0 thousand). Necessary expenses were also reimbursed. Mr Nabet waived his entitlement to compensation in the first half of 2019, as in the previous reporting period.

No material transactions were concluded with related parties in the first half of 2019.

VI.4. NOTE REGARDING THE CORPORATE GOVERNANCE STATEMENT OF BET-AT-HOME.COM AG IN ACCORDANCE WITH SECTION 289F HGB AND THE GROUP IN ACCORDANCE WITH SECTION 315D HGB AND REGARDING THE CORPORATE GOVERNANCE REPORT

the current corporate governance statement can be accessed on the website of bet-at-home.com AG at <https://www.bet-at-home.ag/de/corporategovernance>. The corporate governance report is also published there.

VI.5. MATERIAL SUBSEQUENT EVENTS

In the period between 30 June 2019 and the preparation of the interim consolidated financial statements, no events occurred that could materially affect the Group's business development or financial position.

VI.6. RESPONSIBILITY STATEMENT

We assure that to the best of our knowledge, the interim consolidated financial statements for the period from 1 January to 30 June 2019 give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with the applicable interim reporting standards, and that the group management report for the period then ended gives a true and fair view of the business development including the business performance and position of the Group and appropriately presents the significant opportunities and risks of the Group's anticipated development in the remaining part of the financial year.

Düsseldorf, 26 July 2019

Franz Ömer

Michael Quatember

Financial Statements

APPENDIX TO THE NOTES

CHANGES IN NON-CURRENT ASSETS FOR THE GROUP AS AT 30 JUNE 2019

bet-at-home.com AG, Düsseldorf

	At cost				Accumulated depreciation				Carrying amount 31/12/2018	
	Balance at 01/01/2019	Additions	Disposals	Balance at 30/06/2019	Balance at 01/01/2019	Additions	Disposals	Balance at 30/06/2019		
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR		
I.	Intangible assets	4,556,711.75	4,291,403.57	178,556.57	8,669,558.75	2,597,896.82	526,650.34	178,556.40	2,945,990.76	1,958,814.93
	1. Software, internet domains and similar rights and benefits and licenses derived therefrom	3,187,391.45	51,182.76	178,556.57	3,060,017.64	2,597,896.82	91,381.80	178,556.40	2,510,722.22	549,295.42
	2. Goodwill	1,369,320.30	0.00	0.00	1,369,320.30	0.00	0.00	0.00	0.00	1,369,320.30
	3. Leased office buildings	0.00	4,240,220.81	0.00	4,240,220.81	0.00	435,268.54	0.00	435,268.54	3,804,952.27
II.	Property and equipment	6,826,736.87	372,493.75	720,456.59	6,478,774.03	5,379,845.56	416,484.12	720,455.38	5,075,874.30	1,446,891.31
	1. Furniture and fixtures, office equipment	6,826,736.87	372,493.75	720,456.59	6,478,774.03	5,379,845.56	416,484.12	720,455.38	5,075,874.30	1,446,891.31
		11,383,448.62	4,663,897.32	899,013.16	15,148,332.78	7,977,742.38	943,134.46	899,011.78	8,021,865.06	7,126,467.72
										3,405,706.24

CHANGES IN NON-CURRENT ASSETS FOR THE GROUP AS AT 30 JUNE 2018
bet-at-home.com AG, Düsseldorf

	At cost				Accumulated depreciation				Carrying amount 31/12/2017		
	Balance at 01/01/2018	Additions	Disposals	Reclassifications	Balance at 30/06/2018	Balance at 01/01/2018	Additions	Disposals		Balance at 30/06/2018	
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR		EUR	
I.	4,422,277.05	1,575.00	450.00	79,030.00	4,502,432.05	2,421,317.74	86,533.36	450.00	2,507,401.10	1,995,030.95	2,000,959.31
1.											
	3,052,956.75	1,575.00	450.00	79,030.00	3,133,111.75	2,421,317.74	86,533.36	450.00	2,507,401.10	625,710.65	631,639.01
2.	1,369,320.30	0.00	0.00	0.00	1,369,320.30	0.00	0.00	0.00	0.00	1,369,320.30	1,369,320.30
II.	6,431,397.25	466,914.84	124,939.74	-79,030.00	6,694,342.35	4,396,332.45	547,057.18	108,509.61	4,834,880.02	1,859,462.33	2,035,064.80
1.	6,306,397.25	34,062.84	108,509.74	403,125.00	6,635,075.35	4,396,332.45	547,057.18	108,509.61	4,834,880.02	1,800,195.33	1,910,064.80
2.	125,000.00	432,852.00	16,430.00	-482,155.00	59,267.00	0.00	0.00	0.00	0.00	59,267.00	125,000.00
	10,853,674.30	468,489.84	125,389.74	0.00	11,196,774.40	6,817,650.19	633,590.54	108,959.61	7,342,281.12	3,854,493.28	4,036,024.11

GROUP MANAGEMENT REPORT TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Imprint

**Group
Management
Report**

Notes to the Interim
Consolidated Fi-
nancial Statements

Interim Statement
of Changes in
Group Equity

Consolidated
Interim Statement
of Cash Flows

Consolidated
Interim State-
ment of Income

Consolidated In-
terim Statement of
Financial Position

bet-at-home.com
Share

Report by the
Supervisory
Board

Report by the
Management
Board

GROUP MANAGEMENT REPORT FOR PERIOD ENDED 30 JUNE 2019**bet-at-home.com AG, Düsseldorf****A. ECONOMIC STATUS OF THE GROUP****A.1. BUSINESS MODEL**

bet-at-home.com AG group is an online sports betting and online gaming company. With more than 5.1 million registered customers, the Group is one of the most successful providers in Europe.

The wide-ranging offerings on www.bet-at-home.com include sports betting, casino, poker, games, and virtual sports. In the sports betting segment alone, bet-at-home.com offered bets on more than 234,000 events in over 80 types of sports in the first half of 2019. bet-at-home.com has companies in Germany, Austria, Malta and Gibraltar. The success of the group is partly attributable to our employees; as at 30 June 2019, the group employed 290 staff members.

In addition to several countries in Eastern Europe, particularly the German-speaking region and individual countries in Western Europe are key markets.

The Group holds various licences via its Maltese companies for online sports betting and online gaming. These licences allow the Group to organise and market online sports betting and online gaming in its sales markets in Germany, other Western European countries and Eastern Europe.

bet-at-home.com AG Group structure in detail

The parent company, bet-at-home.com AG, Düsseldorf, was listed on the regulated market of the Frankfurt Stock Exchange in the Prime Standard section. All operating activities are carried out exclusively by indirect associates.

bet-at-home.com AG holds 100% of bet-at-home.com Entertainment GmbH. This company, which has its registered office in Linz, Austria, is mainly responsible for the continuous transfer of technology within the Group as well as for further developing its internally developed software and provides services for the operating companies in Malta. The company holds its international online sports betting licenses and online gaming licenses for casino, poker, games and virtual sports in the operating companies in Malta via bet-at-home.com Holding Ltd., Malta.

Since 2009, bet-at-home.com AG has been a member of the Betclix Everest Group SAS, Paris, a French group specialising in online gambling and online sports betting.

A.2. RESEARCH AND DEVELOPMENT

One of the most important assets of the Group is its effective state-of-the-art software. Sports betting and casino products for the desktop and mobile platform were continuously enhanced and optimised in the first half of 2019. The main factor in research and development are the IT employees.

B. BUSINESS REPORT

B.1. OVERALL ECONOMIC AND INDUSTRY SITUATION

Based on the previous experience from key markets of the Group companies, it can be assumed that the online sports betting and online gaming business development is largely independent from total economic developments in the respective market.

The Management Board assumes that the overall gaming market will develop positively in the long term, with the online segment gaining further in importance. Particularly the penetration of the target group with mobile devices, mobile gaming as innovative sales channel as well as demographic trends and increasing online affinity will become supporting factors. This development will be supported by the high scalability of the business model and the expected progressive deregulation of the market.

B.2. BUSINESS TREND

(1) Highlights in the first half of 2019

Following the very positive beginning of the year, bet-at-home.com AG Group was also able to continue on from the successes in the previous quarters in the second quarter of 2019 and increased its gross betting and gaming revenue to EUR 71.1 million in the first half of 2019, corresponding to a significant year-on-year increase of 6.7%. The gross betting and gaming revenue in the online sports betting segment remained on par with the already strong previous year's period during which the Football World Cup took place in Russia.

In the first six months, marketing expenses amounted to EUR 16.7 million, and therefore as planned below the previous year's figure, which comprised a marketing focus on the Football World Cup in Russia. Starting with the kick-off of the football season 2019/2020, bet-at-home.com will be focussing even more intently on marketing activities within the scope of international

advertising campaigns in the form of TV spots, posters and online media as well as comprehensive bonus campaigns for increasing its popularity in the market even further in the European core markets as from August 2019.

In the first half of 2019, EBITDA amounted to EUR 21.3 million, thus almost doubling the previous year's figure with an increase of 94.9%.

Ongoing innovations on the mobile platforms and apps and the optimisation of the mobile device product portfolio are the main focus of operations. As a result, 57% of the gross betting and gaming revenue was already generated through mobile devices at the end of the first half of 2019.

(2) Staffing

In the first half of 2019, the average number of staff members (excluding the management board) employed by the Group amounted to 294 (1 January to 30 June 2018: 305). As at 30 June 2019, the group employed 290 staff members (30 June 2018: 299). Targeted personnel development combined with the recruitment of highly qualified professionals form the basis for the Group's continued successful development. Another key component to success is intensive further professional training.

B.3. GROUP SITUATION

The Group further strengthened its position, and in particular that of the bet-at-home.com brand, in the first half of 2019. This can be measured, in particular, by the fact that the number of registered customers increased to more than 5.1 million (30 June 2018: 5.0 million) in the first half of 2019.

B.3.1. Earnings position

In the first half of 2019, the online gross sports betting revenue (betting volume less paid out winnings) amounted to EUR 28,754 thousand, on par with the previous year's figure (1 January to 30 June 2018: EUR 28,761 thousand).

Primarily due to the significant increase of gaming volume, the gross gaming revenue (gaming volume less paid out winnings) increased year-on-year to EUR 42,336 million (1 January to 30 June 2018: EUR 37,864 thousand). Online gaming comprises the products Casino, Poker, Games and Virtual Sports.

The gross betting and gaming revenue in the first half of 2019 in the total amount of EUR 71,090 thousand is therefore up on the previous year's reference figure (1 January to 31 June 2018: EUR 66,626 thousand). The gross betting and gaming revenue is a crucial financial performance indicator for the Group.

Taking into consideration betting fees and gambling levies and the tax payable due to the VAT regulations for electronic service providers, net betting and gaming revenue in the first half of 2019 amounted to EUR 58,689 million (1 January to 30 June 2018: EUR 52,205 thousand).

In the first half of 2019, the Group's financial performance was as follows:

	01/01- 30/06/2019	01/01- 30/06/2018
	EUR'000	EUR'000
Net betting and gaming revenue	58,689	52,205
Total operating income	59,382	52,485
EBT (earnings before taxes) *)	20,393	10,336
EBIT (earnings before interest and taxes) **)	20,379	10,308
EBITDA (earnings before interest, taxes, depreciation and amortisation) ***)	21,322	10,941

*) Corresponds to profit before income tax as shown in consolidated income statement

***) EBT less finance income (costs) in the consolidated income statement

****) EBIT plus depreciation, amortisation and write-downs as shown in consolidated income statement

Betting fees and gambling levies payable in various countries decreased earnings by EUR 10,215 thousand in the first half of 2019 (1 January to 30 June 2018: EUR 9,926 thousand). In addition, VAT regulations for electronic service providers in the European Union also decreased earnings by EUR 2,187 thousand (1 January to 30 June 2018: EUR 4,494 thousand).

In the first half of 2019, advertising expenses decreased as planned to EUR 16,682 thousand (1 January to 30 June 2018: EUR 21,158 thousand) due to a lack of major sport events in the reporting period. In the first half of 2019, personnel expenses amounted to EUR 9,638 thousand (1 January to 30 June 2018: EUR 9,311 thousand).

B.3.2. Financial situation

As at 30 June 2019, the financial situation was as follows:

	30/06/2019	30/06/2018
	EUR'000	EUR'000
Earnings before taxes (EBT)	20,393	10,336
+ Cash flows from operating activities	25,284	12,805
+ Cash flows from investing activities	-4,664	-332
+ Cash flow from financing activities	-45,617	-52,635
= Net cash from operating, investing and financing	-24,996	-40,162
+ Cash and cash equivalents at 1 January	68,774	97,261
= Cash and cash equivalents at 30 June	43,777	57,099

The cash flows from financing activities reflect the dividend payment to the shareholders of the parent company in May 2019.

Cash and cash equivalents of EUR 43,777 thousand boost the Group's excellent financial position as at 30/06/2019 in view of liabilities amounting to EUR 41,474 thousand and provisions to EUR 1,859 thousand. The Group was therefore able to meet its financial liabilities at all times.

B.3.3. Net assets

As at 30 June 2019, net assets were as follows:

Assets	30/06/2019	31/12/2018
	EUR'000	EUR'000
Non-current assets	7,126	3,406
Current assets		
Receivables from taxes	13,585	13,139
Own advance payments	1,903	1,533
Other receivables and assets	7,388	6,963
Short-term fixed deposits	6,000	9,525
Cash and cash equivalents	43,777	68,774
	79,780	103,339

The absolute decrease in cash and cash equivalents resulted from the distribution of a dividend in May 2019 in the amount of EUR 45,617 thousand, corresponding to EUR 6.50 per share.

Equity and liabilities	30/06/2019	31/12/2018
	EUR'000	EUR'000
Group equity	36,446	69,288
Non-current liabilities	3,045	49
Current liabilities	40,289	34,003
	79,780	103,339

As at 30 June 2019, the equity ratio was 45.7% (31 December 2018: 67.0%).

Non-current liabilities contain lease liabilities in the amount of EUR 2,996 thousand (initial application of IFRS 16 as from 1 January 2019) and provisions for employee benefits in the amount of EUR 49 thousand (31 December 2018: EUR 49 thousand).

Current liabilities contain trade payables in the amount of EUR 3,813 thousand (31 December 2018: EUR 3,303 thousand), liabilities from taxes in the amount of EUR 23,626 thousand (31 December 2018: EUR 16,534 thousand), short-term provisions in the amount of EUR 1,811 thousand (31 December 2018: EUR 2,639 thousand), customer payables (contractual liabilities in accordance with IFRS 15) in the amount of EUR 6,707 thousand (31 December 2018: EUR 7,705 thousand), lease liabilities in accordance with IFRS 16 in the amount of EUR 834 thousand (initial application of IFRS 16 as from 1 January 2019) and other liabilities in the amount of EUR 3,499 thousand (31 December 2018: EUR 3,822 thousand).

Financing measures were not required in the first half of 2019.

B.3.4. Overall evaluation of the Group's situation

The Group's overall economic position was very positive in the first half of 2019.

C. EVENTS AFTER THE REPORTING DATE

There were no material subsequent events after the end of the first half of 2019.

D. OPPORTUNITY AND RISK REPORT**D.1. OUTLOOK**

The bet-at-home.com brand is constantly expanded internationally in a cost-effective way through innovative marketing strategies. Depending on regulatory developments in the respective countries, we are working intensively in all submarkets towards increasing our market. Based on the assumptions and premises presented in Section B.1 above, the Management Board expects the following development in 2019:

From the current perspective and assuming an unchanging regulatory and tax law environment, the Management Board still expects a gross betting and gaming revenue between EUR 130 million and EUR 143 million in the fiscal year 2019. The decline in gross betting and gaming revenue compared to the financial year 2018 is attributable to legal uncertainties in Switzerland.

For the financial year 2019, the Management Board still expects an EBITDA between EUR 29 million and EUR 33 million.

The maximum number of employees in the Group should increase to around 320 persons by 31 December 2019.

The Management Board is continuing to discuss the effects from the United Kingdom's exit from the European Union ("Brexit"). As the Group holds a license in the United Kingdom and operates through this license, no material effects on the financial position, financial performance and cash flows are expected at present.

D.2. OPPORTUNITIES

The development of the global online gaming market shows that the European market (EU 28) has made the largest contribution to growth in the past 10 years world-wide and is expected to continue generating annual growth rates of around 6.5%. This is confirmed by various studies by H2 Gambling Capital, also in the first half of 2019. According to recent studies, this trend will continue in the wake of broad-based acceptance of e-commerce and the global penetration of mobile applications and demographic trends and help the gambling sector – which does not depend on the state of the economy – on its way to further sustained growth in the years to come.

D.3. RISKS

The Notes to Interim Consolidated Financial Statements for the period Ended 30 June 2019 contain detailed disclosures on the development of tax and regulatory risks, the risks from operating activities and financial risks (Section “VI.2. Risk report”) to which explicit reference is made.

D.3.1. Risk management system

The group parent’s Management Board is responsible for establishing risk management policies. Compliance with these policies is monitored by the managing directors and department heads of the subsidiaries. Among the basic components of risk management are general principles for risk prevention, such as the segregation of duties and applying the four eyes principle for important internal controls. Various partially automated procedures using software systems are also applied.

Risk management measures include continuously performing credit ratings and auditing the risk control system through credit card checks, payment verifications and analyses of gaming behaviour. In addition, we have further intensified our controlling activities in the marketing, partner programme, payment systems and intercompany clearing subsegments. Reputable external legal advisers are engaged to reduce legal risks and take into account the complex regulatory environment.

The Management Board is also responsible for identifying negative developments in good time by employing cross-departmental monitoring systems. For example, IT risks are monitored and reported through the voluntary appointment of external certification bodies (such as eCogra), operational risks through automated plausibility checks during the preparation of offers and financial risks through the ongoing analysis of key financial performance indicators.

D.3.2. Group accounting-related internal control and risk management system

The internal control and risk management system of the bet-at-home.com AG Group comprises all principles, processes and measures aimed to ensure the effectiveness, profitability and orderliness of the accounting system and compliance with the relevant legal requirements. There have been no material changes since the reporting date on 30 June 2019.

The Management Board of bet-at-home.com AG is responsible for the internal control and risk management system required for protecting against risks and designs and monitors the scope and focus of the systems in place on the basis of specific requirements within the Group. Monitoring measures integrated and not integrated in the processes are the components of the internal monitoring system.

The measures of the internal control system focus on the orderliness and reliability of the Group's accounting system and ensure that business transactions are reported completely, on time and in compliance with the legal and statutory requirements. The Group's consolidation and accounting policies also ensure that assets and liabilities are stated, measured and reported accurately in the consolidated financial statements. The policies also ensure that the accounting documents provide reliable and traceable information.

E. RISK REPORTING IN RELATION TO THE USE OF FINANCIAL INSTRUMENTS

Freely available cash and cash equivalents were invested in fixed-income securities. The Group believes that the risk relating to the use of these financial instruments is very minor.

F. NOTE REGARDING THE CORPORATE GOVERNANCE STATEMENT OF BET-AT-HOME.COM AG IN ACCORDANCE WITH SECTION 289F HGB AND THE GROUP IN ACCORDANCE WITH SECTION 315D HGB AND REGARDING THE CORPORATE GOVERNANCE REPORT

the current corporate governance statement can be accessed on the website of bet-at-home.com AG at <https://www.bet-at-home.ag/de/corporategovernance>. The corporate governance report is also published there.

Düsseldorf, 26 July 2019

Franz Ömer

Michael Quatember

IMPRINT

CONTACT

bet-at-home.com AG
Tersteegenstrasse 30
40474 Düsseldorf
GERMANY
Phone: +49-211-179 34 770
Fax: +49-211-179 34 757
E-Mail: ir@bet-at-home.com

PUBLISHER

bet-at-home.com AG, Düsseldorf

TEXT

bet-at-home.com AG, Düsseldorf

DISCLAIMER

The Interim Financial Report is a translation of the valid German version.

Imprint

Group Management Report

Notes to the Interim Consolidated Financial Statements

Interim Statement of Changes in Group Equity

Consolidated Interim Statement of Cash Flows

Consolidated Interim Statement of Income

Consolidated Interim Statement of Financial Position

bet-at-home.com Share

Report by the Supervisory Board

Report by the Management Board



bet-at-home.com AG

*Tersteegenstraße 30
40474 Düsseldorf
GERMANY*

Phone: +49-211-179 34 770

Fax: +49-211-179 34 757

E-Mail: ir@bet-at-home.com