

bet-at-home

LIFE IS A GAME!

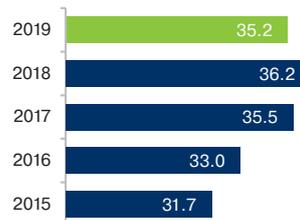


**ANNUAL REPORT
2019**

Gross betting and gaming revenue (in mEUR)



EBITDA (in mEUR)



Group and financial key figures		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Betting and gaming volume	EUR'000	2,410,791	2,926,165	3,174,629	3,188,003	3,217,021
Betting volume	EUR'000	614,743	640,392	605,522	560,267	525,432
Gaming volume	EUR'000	1,796,047	2,285,773	2,569,107	2,627,736	2,691,589
Gross betting and gaming revenue	EUR'000	121,608	138,674	145,398	143,351	143,289
thereof sports betting	EUR'000	61,186	66,152	64,554	60,529	58,993
thereof eGaming	EUR'000	60,421	72,522	80,844	82,822	84,296
Net betting and gaming revenue	EUR'000	100,312	112,888	117,763	115,125	117,470
thereof sports betting	EUR'000	49,851	54,008	52,645	49,529	48,604
thereof eGaming	EUR'000	50,461	58,879	65,118	65,596	68,866
EBITDA	EUR'000	31,690	33,044	35,474	36,220	35,173
EBIT	EUR'000	30,764	31,884	34,133	34,946	33,243
Consolidated profit for the period	EUR'000	30,672	31,004	32,847	32,612	17,964

Balance sheet total as at 31.12.	EUR'000	126,775	145,375	124,648	103,339	95,179
Group equity ratio as at 31.12.	%	74.15	75.37	71.65	67.05	43.74
Financial debts and liabilities as at 31.12.	EUR'000	0	0	0	0	0
Liabilities to customers as at 31.12.	EUR'000	10,126	10,139	8,324	7,705	7,354
Number of employees as at 31.12.		264	296	311	301	288
Number of employees (average)		266	289	302	304	292
Registered customers as at 31.12.	mEUR	4.27	4.60	4.83	5.05	5.24

Stock market indicators		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Closing price as at 31.12.	EUR	48.30	79.99	104.05	45.80	52.90
Market capitalisation as at 31.12.	EUR'000	338,969	561,370	730,223	321,424	371,252
Dividend per share	EUR	2.25	7.50	7.50	6.50	2.00*
Dividend	EUR'000	15,791	52,635	52,635	45,617	14,036*
Dividend yield	%	4.66	9.38	7.21	14.19	3.78*
Earnings per share	EUR	4.37	4.42	4.68	4.65	2.56

* according to the proposed resolution submitted to the Annual General Meeting of Shareholders

Stock chart



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COMPANY PROFILE

bet-at-home was founded in 1999 in Wels/Austria by Franz Ömer and Jochen Dickinger and initially offered online sports betting. Thanks to an expansionary growth strategy, the opening up of new markets and the ongoing expansion of the product range, the company developed into the bet-at-home.com AG group and a comprehensive entertainment provider which celebrated its 20th anniversary in the financial year 2019, and generated the historically highest betting and gaming volume of more than 3.2 billion euros in the same year. With more than 5.2 million registered customers, the listed company with its subsidiaries is now one of the most successful gaming providers in Europe.

bet-at-home has companies in Germany, Austria, Malta and Gibraltar. As of 31 December 2019, 288 employees contributed to the successful development of the group. The group holds various online sports betting and online gaming licenses through its Maltese companies. The licenses entitle the company to organize and sell online sports betting and online gaming.

Innovative product portfolio and extensive entertainment offer

In the online sports betting segment, customers can find betting offers on more than 80 sports. Live betting has become particularly popular in recent years, allowing customers to place bets down to the last minute during an event. In addition, bet-at-home has been continuously expanding the wide range of bets in the rapidly growing product segment in the area of eSports in a separate channel and exclusive partnerships.

The online gaming segment comprises casino, poker, games and virtual sports. Customers of bet-at-home can choose between classics such as blackjack or roulette, but also take part in international casino and poker tournaments. With the live casino, a particularly stylish casino atmosphere was created, since an interaction with the dealers can be realized with a live transmission of the tables. Since 2015, the launch of the Virtual Sports product line has offered the opportunity to bet on virtual events in the sports of football, basketball and tennis.

The group structure of the bet-at-home.com AG group in detail

As of 31 December 2019, bet-at-home.com AG was listed on the regulated market of the Frankfurt Stock Exchange in the Prime Standard market segment. The core business of the investments held by the company is the offering of sports betting as well as casino and poker games exclusively via the Internet.

The company holds 100% of bet-at-home.com Entertainment GmbH. The company based in Linz/Austria is mainly responsible for the constant transfer of technology within the group as well as for further developing its own software. The business in Malta is part of bet-at-home.com Holding Ltd.

Founded in 1999 as a limited liability company, its capital was increased in 2004 and the company was transformed into a company limited by shares. In December of the same year the company was listed on the Frankfurt stock exchange in Germany. Further capital increases were made in the following years. Since 2009, Betclix Everest Group SAS, a leading French group specialising in online gambling and online sports betting, has been the majority shareholder of bet-at-home.com AG. The following chart illustrates the corporate structure in detail:



Responsible Gaming

The company is aware of its social responsibility and creates sustainable framework conditions in order to deal responsibly with the entertainment services offered and to protect customers in the best possible way from the negative consequences in the event of a risk of gambling addiction. In order to meet the high standards and assume the related responsibility, bet-at-home regularly undergoes extensive and voluntary product tests that go beyond the legal scope and has been cooperating with the Gambling and Dependency Institute [Institut für Glückspiel und Abhängigkeit], which is active in Austria and Germany for many years. In addition, the continuously expanded anti-fraud department examines customer behavior to prevent gambling addiction. Voluntary memberships in associations such as the European Sports Security Association (ESSA) together with annual voluntary compliance tests by the industry association eCogra, complete the activities in this area.

Further memberships in the German Sports Betting Association (DSW), the German Online Casino Association (DOCV), the Austrian Association for Betting and Gambling (OWG) and the Czech Internet Gaming Association have been entered in recent years. These associations advocates the creation of clear framework conditions such as European regulation, uniform tax rates and legal certainty for online sports betting and gambling providers.

Management Board

- Franz Ömer, CEO
- Michael Quatember, CEO

Supervisory Board

- Martin Arendts, President of the Supervisory Board
- Isabelle Andres, Member of the Supervisory Board
- Jean-Laurent Nabet, Member of the Supervisory Board

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REPORT BY THE MANAGEMENT BOARD

Dear shareholders,

bet-at-home celebrated its 20th anniversary in December 2019 in a still dynamic industry. Especially in Europe, the market growth of the sports betting and gaming industry is strongly influenced by the sustainable development of the online market.

International advertising campaigns and customer-friendly bonus programs as well as the expansion of the live betting and app/mobile offer enabled the further strengthening of our position as one of the top players in the European gaming market. In the financial year 2019, we achieved the highest betting and gaming volume in the company's history with more than 3.2 billion euros. Overall, marketing expenses in the financial year 2019 reached EUR 39.8 million, thus even higher than in the same period of the previous year, where the Football World Cup took place.

At the end of the year, the customer base had grown to more than 5.2 million registered customers. Our employees, who work every day to drive innovation and continuously expand and optimize the product portfolio, have made a very significant contribution to this great development.

Since the financial year 2011, our shareholders participate in the company's success in the form of dividend payments. Together with the Supervisory Board of bet-at-home.com AG, we will propose a dividend of EUR 2.00 per share to the Annual General Meeting on 20 May 2020. This proposed resolution corresponds to a dividend yield of 3.78% based on the 2019 year-end share price.

Ongoing innovations paired with reliable customer service

The permanent further development of our extensive product portfolio paired with trustworthy and reliable customer service in eleven languages offers exciting entertainment at the highest level for our customers, which enables us to constantly strengthen our international competitive position and to sustainably expand our market share. Innovations on our mobile platform as well as the optimization of the offer for smartphones and tablets are clearly focused goals, whereby in the fourth quarter of 2019 already 60% of the gross betting and gaming revenue could be achieved via mobile devices.

In the online sports betting sector, we had over 472,000 events on more than 80 sports in the financial year 2019. Live betting continues to be a key growth driver in the online sports betting segment. In fiscal year 2019, our customers took the opportunity to virtually sit in the stadium at more than 110,000 live events.

The offer in the online gaming segment was also very well received in 2019. Through numerous bonus promotions in the areas of casino, live casino, poker, games and virtual sports the success of the segment was continued analogous to the sports betting offer.

Further increase in awareness through targeted marketing campaigns

Due to the lack of a major sporting event, bet-at-home set its marketing focus of the year on the start of the European football leagues after the summer break in 2019 and expanded its involvement in top European sport to include further cooperations in ice hockey, volleyball, beach volleyball and basketball.

In addition to classic advertising in TV, online and print media, sports sponsorship is still an essential component of our marketing strategy and is understood as an interaction with the audience and as a long-term partnership in the promotion of clubs and popular sports. We have been a premium partner of FC Schalke 04 since August 2011. The football club, founded in 1904, has more than 155,000 members, making it one of the largest sports clubs in Germany. FC Schalke 04 came to international honor for the first time in 1997 with the triumph in the UEFA Cup, the forerunner of today's Europa League. In its 20th year, bet-at-home we look back on numerous other collaborations in the first and second German Bundesliga.

In addition, we are a sponsor of two top clubs in the Austrian Bundesliga, Red Bull Salzburg and Austria Vienna and the WTA tennis tournament in Linz.

Growth of the global market for online sports betting and online gaming

The global market for online sports betting and online gaming is still soaring and growing significantly faster than comparable offers in the offline area. The sustained growth of the non-cyclical gaming industry – especially in Europe – confirms our strategic direction. Demographic trends, increasing online affinity of the target group in our core markets as well as global penetration with smartphones and tablets favor the long-term growth of our products.

We would like to thank all those who helped bet-at-home to achieve a successful financial year 2019, especially our employees. Likewise, we would like to express our special thanks to our business partners and shareholders for their confidence in us. We hope that you will continue to accompany us on our journey!

Franz Ömer
CEO

Michael Quatember
CEO

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REPORT BY THE SUPERVISORY BOARD

Ladies and Gentlemen,

in 2019, the bet-at-home.com AG Group's business development was again successful. On 22 May 2019, the Annual General Meeting was once again able to approve the payment of dividends. The success and name recognition of the brand is reflected by its more than 5.2 million registered customers.

The Supervisory Board was involved in this welcome development at the bet-at-home.com AG Group. It carried out its responsibilities and duties in accordance with the law and the Sections 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 in Frankfurt/Main, Germany, on 22 May 2019 in Frankfurt/Main, Germany, on 16 July 2019 in Linz, Austria, on 29 October 2019 in Frankfurt/Main, Germany, and on 17 December 2019 in Frankfurt/Main, Germany. At these meetings, the members primarily discussed the company strategy with the Management Board. At the Supervisory Board meeting on 26 March 2020 (conference call due to travel restrictions related to COVID-19) the members discussed the financial statements, consolidated financial statements, combined management report, related parties report and the audit procedures and audit reports 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 year under review, the Management Board provided us with regular updates on the Group's strategy, business development, financial development and significant business matters, such as licence applications and risks. Discussions were held with the Management Board about the strategic development, the current figures, the marketing concept, tax issues, regulatory developments in the gaming and betting sector and ongoing administrative and legal proceedings. Based on the information we have obtained, we believe that business was conducted appropriately.

The Management Board and Supervisory Board have prepared a corporate governance report in accordance with the German Corporate Governance Code to increase transparency and account for the company's increased recognition in the capital market and the current market capitalisation. Please refer to the disclosures in the Annual Report 2019 of the bet-at-home.com AG Group.

Audit of the financial statements and consolidated financial statements for the 2019 financial year

As in previous years, PKF FASSELT SCHLAGE Partnerschaft mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft Rechtsanwälte, Duisburg, was appointed as auditor of the financial statements of bet-at-home.com AG and of the consolidated financial statements and combined management report at the Annual General Meeting. The audits were discussed with the auditor. On completion of the audits, the auditor stated that the audits had not led to any reservations and issued an unqualified audit opinion on the financial statements and consolidated financial statements, including the accounting records and combined management report.

The audited financial statements and consolidated financial statements as well as the combined management report and also the Management Board's proposal for the appropriation of profits pursuant to Section 170 of the German Companies Act (AktG) were available to the Supervisory Board together with the audit reports.

The Supervisory Board reviewed the financial statements and consolidated financial statements as well as the combined management report and discussed them in detail with the auditor on 26 March 2020. The auditor reported in detail on the audit findings.

The auditor also reported on the findings regarding the internal control and risk management system in relation to the accounting process.

All of the Supervisory Board's questions were answered in detail by the Management Board and the auditor.

Following the discussions of the financial statements, consolidated financial statements and the combined management report, the Supervisory Board approved the auditor's reports and audit findings, did not have any reservations upon completion of its own review and approved the financial statements and consolidated financial statements. The financial statements of bet-at-home.com AG are thus adopted.

The Supervisory Board concurs with the proposal by the Management Board that EUR 14,036,000.00 of the retained earnings of EUR 14,036,000.17 for 2019 to be distributed to the shareholders and the remaining amount of EUR 0.17 be carried forward to the following financial year.

Audit of the report on related party transactions pursuant to Section 312 AktG for the 2019 financial year

The auditor also audited the Management Board's report on related party transactions pursuant to Section 312 AktG (related parties report) for the 2019 financial year. The Management

Board prepared the related parties report with a view to the controlling interest held by Betclie Everest Group SAS, Paris, France in bet-at-home.com AG, which specifies legal transactions and measures undertaken within the meaning of Section 312 (1) AktG.

As a result of the audit of the related parties report and the financial statements for the year ended 31 December 2019 and based on the associated audit findings the auditor was satisfied that the related parties report contains the information required under section 312 (1) AktG and that the report fairly presents in all material respects the company's accounts.

As the auditor did not raise any objections to the related parties report for the 2019 financial year following the final results of the audit, the auditor issued an independent auditor's report pursuant to section 313 (3) AktG as follows:

„Based on our statutory audit and assessment, we confirm that

1. the disclosures in the report are accurate; and
2. the company's compensation with respect to the legal transactions disclosed in the report was not inappropriately high.“

The related parties report and associated auditor's report were submitted in time to all members of the Supervisory Board. The Supervisory Board reviewed these documents and discussed them with the auditor at the meeting on 26 March 2020. The auditor reported on the audit findings. The Supervisory Board's questions were answered by the Management Board and auditor.

The Supervisory Board approved the auditor's findings on the related parties report. Following the final results of its own review, the Supervisory Board did not raise any objections to the concluding statement by the Management Board in the related parties report. The concluding statement by the Management Board in the related parties report is presented under the statement of financial position in the financial statements and in the notes to the consolidated financial statements.

We especially wish to 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, March 2020

Supervisory Board

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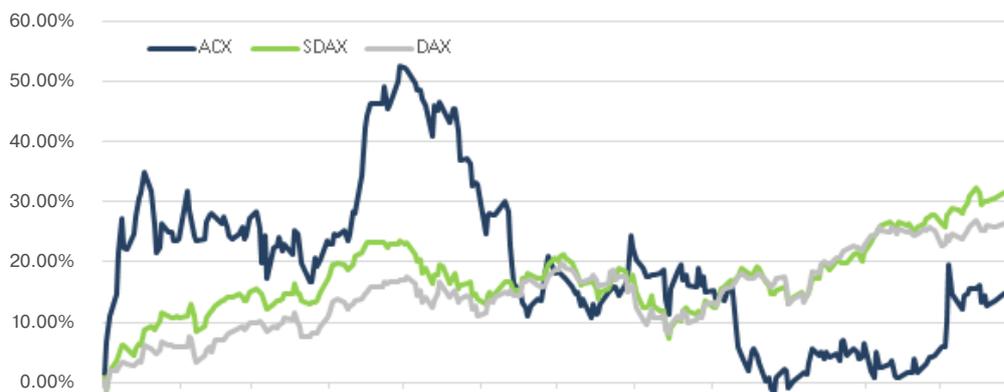
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DEVELOPMENT OF THE SHARE IN THE FINANCIAL YEAR 2019

Due to the lack of a major sporting event, bet-at-home set the marketing focus of the year on the start of the European football leagues after the summer break. Despite the foreseeable exceedance of the annual sales and earnings forecasts after the end of the third quarter, the development of the company's share price was apparently once again significantly influenced by news about regulatory developments in the core markets and the subsequent payment of corporate taxes in Austria.

Nevertheless, the share price rose by 15.50% in the financial year 2019. During last year, the share price reached its high of EUR 69.93 on 30 April 2019 and hit its low of EUR 45.02 on 26 September 2019.



Investor Relations

bet-at-home.com AG pursues open and active communication with institutional investors, analysts, financial journalists, private investors and other stakeholders in order to present the company as faithfully as possible and thus to meet the capital market's expectations for transparency while boosting the capital market's trust in the share. To achieve this goal, numerous individual and group talks were once again held during roadshows, investor and analyst conferences in the financial centers of Europe, Asia and the USA in financial year 2019. These talks enable the Company to further intensify and maintain personal contacts with investors and stakeholders.

The discussions with the analysts and investors again focused on the regulatory and operational development in the individual markets, as well as strategic questions about the future use of liquid funds and the scope of the marketing measures to further strengthen bet-at-home's brand awareness.

Dividend

Management Board and the Supervisory Board will propose a dividend of EUR 2.00 per share to the Annual General Meeting on 20 May 2020. This proposed resolution thus corresponds to a dividend yield of 3.78% at the year-end price in 2019. The total dividend payment is EUR 14,036,000.00.

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

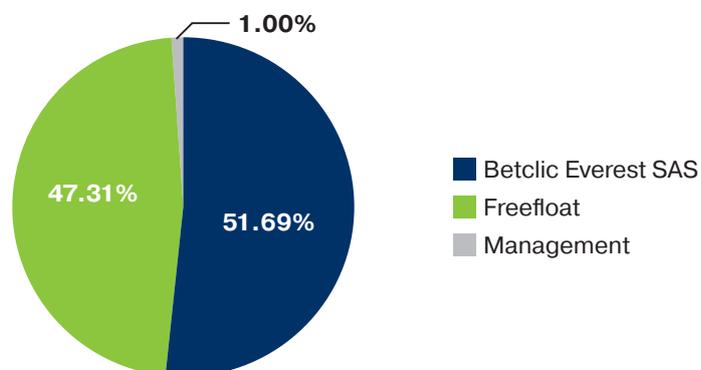
Stable Shareholder Structure

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. Société des Bains de Mer (SBM) with head office in Monaco (ISIN: MC0000031187), as well as the LOV Group founded by Stéphane Courbit with focus on companies with increasing growth and deregulation hold equal shares in the Betclac Everest Group SAS.

The management of bet-at-home holds 1.00% of the shares, resulting in a free float of 47.31% as of 31 December 2019.

Union Investment Privatfonds GmbH, Frankfurt am Main, is still above the 3% reporting threshold according to the German Securities Trading Act. As of 16 July 2019, BDL Capital Management from Paris, France reported a total share of voting rights in bet-at-home.com AG of 2.99%, which fell below the reporting threshold of 3%. Due to the above-average international capital market presence in financial year 2019, the top 50 institutional investors of bet-at-home.com AG are now increasingly composed of investors from the Anglo-American region.

Despite having a strong core shareholder, bet-at-home.com AG regards itself as a public company with a broadly diversified free float. In the context of investor relations activities, the requirements of Deutsche Börse for transparency and information have always been exceeded in the past.



Financial Calendar 2020

03/09/2020	10.00 am	Full Year Results 2019
03/30/2020	10.00 am	Annual Report 2019
05/04/2020	10.00 am	Quarterly Statement Q1 2020
05/20/2020	02.30 pm	Annual General Meeting 2020
08/03/2020	10.00 am	Interim Report January to June 2020
09/14/2020	10.00 am	Interim Financial Report 2020
11/09/2020	10.00 am	Quarterly Statement Q1-Q3 2020
03/08/2021	10.00 am	Full Year Results 2020

Key Share Data

ISIN	DE000A0DNAY5
Securities identification number	A0DNAY
Ticker symbol	ACX
Trading segment	Regulated market (Prime Standard)
Research Coverage	EDISON, FMR Frankfurt Main Research, Hauck & Aufhäuser, Warburg Research

Fundamentals as at 31 December 2019

Total number of shares	7,018,000
Market capitalisation	EUR 371.3 million
Cash and cash equivalents	EUR 54.8 million
Enterprise value	EUR 316.5 million

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2019

bet-at-home.com AG, Düsseldorf

ASSETS

		Note	31/12/2019		31/12/2018
		No.	EUR	EUR	EUR
A.	Non-current assets				
1.	Intangible assets		946,607.95		589,494.63
2.	Goodwill	(9)	1,369,320.30		1,369,320.30
3.	Leased office buildings	(10)	3,369,683.75		0.00
4.	Property and equipment	(11)	2,486,273.20		1,446,891.31
			8,171,885.20		3,405,706.24
B.	Current assets				
1.	Receivables from taxes		23,684,877.24		13,139,085.92
2.	Own advance payments	(12)	1,885,676.42		1,533,190.81
3.	Other receivables and assets	(13)	6,680,417.47		6,962,739.91
4.	Short-term fixed deposits	(14)	5,000,000.00		9,524,870.12
5.	Cash and cash equivalents	(15)	49,756,317.60		68,773,842.34
			87,007,288.73		99,933,729.10
Total assets			95,179,173.93		103,339,435.34

EQUITY & LIABILITIES

		Note	31/12/2019		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)	27,250,566.64		54,904,039.24
			41,634,566.64		69,288,039.24
B.	Non-current liabilities				
1.	Provisions for employee benefits	(17)	66,441.09		48,668.36
2.	Lease liabilities	(17)	2,566,160.45		0.00
			2,632,601.54		48,668.36
C.	Current liabilities				
1.	Trade payables	(18)	4,168,475.18		3,302,612.54
2.	Liabilities from taxes	(19)	32,059,223.61		16,534,124.03
3.	Short-term provisions	(20)	1,608,008.34		2,639,356.89
4.	Customer payables	(21)	7,354,388.78		7,704,647.00
5.	Lease liabilities	(22)	845,199.22		0.00
6.	Other liabilities	(23)	4,876,710.62		3,821,987.28
			50,912,005.75		34,002,727.74
Total equity and liabilities			95,179,173.93		103,339,435.34

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CONSOLIDATED STATEMENT OF INCOME

CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2019

bet-at-home.com AG, Düsseldorf

	Note	01/01 - 31/12/2019	01/01 - 31/12/2018
	No.	EUR	EUR
Gross betting and gaming revenue	(1)	143,289,359.55	143,350,883.60
Betting fees and gambling levies	(1)	-20,934,973.50	-20,952,947.85
VAT on electronic services	(1)	-4,884,040.28	-7,272,770.25
Net betting and gaming income		117,470,345.77	115,125,165.50
Other operating income	(2)	1,383,275.37	1,073,451.55
Total operating income		118,853,621.14	116,198,617.05
Personnel expenses	(3)	-19,968,844.76	-18,725,359.57
Advertising expenses	(4)	-39,847,338.45	-38,326,661.55
Other operating expenses	(4)	-23,864,323.83	-22,926,691.24
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		35,173,114.10	36,219,904.69
Depreciation and amortisation	(5)	-1,930,089.29	-1,274,024.52
Earnings before interest and taxes (EBIT)		33,243,024.81	34,945,880.17
Net finance income (costs)	(6)	-137,860.84	49,485.03
Earnings before taxes (EBT)		33,105,163.97	34,995,365.20
Taxes on income and earnings	(7)	-15,141,636.57	-2,383,107.77
Consolidated profit for the period		17,963,527.40	32,612,257.43

Earnings per share		
Basic earnings per share	2.559636278	4.646944632
Diluted earnings per share	2.559636278	4.646944632

**IFRS-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2019**

bet-at-home.com AG, Düsseldorf

	01/01 - 31/12/2019	01/01 - 31/12/2018
	EUR	EUR
Consolidated profit for the period	17,963,527.40	32,612,257.43
Items that are potentially reclassifiable to profit or loss		
Items that are not potentially reclassifiable to profit or loss		
Other comprehensive income	0.00	0.00
Comprehensive income	17,963,527.40	32,612,257.43

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CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

bet-at-home.com AG, Düsseldorf

	Note	2019	2018
	No.	EUR'000	EUR'000
Earnings before taxes (EBT)		33,105	34,995
+ Depreciation of non-current assets	(5)	1,930	1,274
+/- Increase/decrease in provisions		-1,014	1,072
-/+ Increase/decrease in trade and other receivables not attributable to investing or financing activities		4,454	-5,973
+/- Increase/decrease in trade and other payables not attributable to investing or financing activities		1,570	-1,552
- Payments for income taxes		-10,162	-5,008
= Cash flows from operating activities		29,884	24,809
- Acquisition of assets (excluding investments)		-2,456	-660
= Cash flows from investing activities		-2,456	-660
- Redemption of lease liabilities		-829	0
- Payments to shareholders (dividends)		-45,617	-52,635
= Cash flows from financing activities		-46,446	-52,635
= Net cash from operating, investing and financing activities		-19,018	-28,487
+ Cash and cash equivalents at 1 January		68,774	97,261
= Cash and cash equivalents at 31 December	(15)	49,756	68,774

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 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 year	0.00	0.00	32,612,257.43	32,612,257.43
Total recognised gains and losses	0.00	0.00	32,612,257.43	32,612,257.43
Dividend distribution	0.00	0.00	-52,635,000.00	-52,635,000.00
As at 31/12/2018	7,018,000.00	7,366,000.00	54,904,039.24	69,288,039.24

	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 year	0.00	0.00	17,963,527.40	17,963,527.40
Total recognised gains and losses	0.00	0.00	17,963,527.40	17,963,527.40
Dividend distribution	0.00	0.00	-45,617,000.00	-45,617,000.00
As at 31/12/2019	7,018,000.00	7,366,000.00	27,250,566.64	41,634,566.64

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

bet-at-home.com AG, Düsseldorf

I. GENERAL DISCLOSURES AND ACCOUNTING PRINCIPLES

bet-at-home.com AG, based at Tersteegenstrasse 30, Düsseldorf, Germany, and registered at Düsseldorf District Court under file number HRB 52673 (as holding company), prepared its consolidated financial statements as at 31 December 2019 in accordance with international accounting standards.

The consolidated financial statements as at 31 December 2019 of bet-at-home.com AG have been prepared in accordance with the currently applicable International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS), as adopted by the European Union, taking into consideration the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The combined management report 2019 was prepared in accordance with the provisions of the German Commercial Code [HGB].

These 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. Any changes resulting from new standards are described below (primarily IFRS 16).

The following standards and interpretations have already been published, but were not yet mandatory for the consolidated financial statements for the period ended 31 December 2019:

Standard/ Inter- pretation	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
ANPASSUNGEN				
IFRS 3	Business combinations	Oct 18	t.b.a.	01/01/2020
IFRS 9, IAS 39, IFRS 7	Effects of the benchmark interest rate reform (IBOR reform)	Sep 19	Jan 20	01/01/2020

Standard/ Inter- pretation	Title	Issued in	Date of EU endorse- ment	Mandatory for reporting periods beginning on or after
Conceptual Framework	Revision of definitions as well as new guidelines for measurement, derecognition, recognition and disclosures	Mar 18	Nov 19	01/01/2020
IAS 1	Classification of debt as non-current and current	Jan 20	t.b.a.	01/01/2022
IAS 1/IAS 8	Definition of materiality	Oct 18	Nov 19	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 within the bet-at-home.com AG Group was performed using the modified retrospective method and applies to the reporting of lease obligations for office spaces.

In the 2019 financial year, 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 4,240 thousand increase of total assets as at 1 January 2019. In the income statement, the initial application of IFRS 16 in the 2019 financial year 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.

The 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, Betclic Everest Group SAS, Paris, France has held a controlling interest in the parent of bet-at-home.com AG Group. Betclic Everest Group SAS (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 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 group entities in 2019.

III. BASIS OF CONSOLIDATION

All financial statements included in the consolidated financial statements were 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, audited and consolidated in accordance with International Financial Reporting Standards on the basis of a fictitious legal entity.

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 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.

The difference of EUR 2 thousand uncovered during the initial consolidation of Jonsden Properties Ltd., Malta, in the Austrian subgroup accounts in 2008 was stated as goodwill on account of a lack of identifiable assets and fully written off 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.

Trade receivables, loans and other receivables are offset against the corresponding payables and provisions during the elimination of intercompany payables and receivables of entities included in the consolidated financial statements. 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. Discounts and other entries affecting only profit or loss were eliminated from the consolidated financial statements.

IV. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates and assumptions

The preparation of consolidated financial statements in conformity with IAS/IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures in the notes 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.

Information about critical judgements in applying accounting policies (IFRS) that have the most significant effect on the amounts recognised in the consolidated financial statements, and estimation uncertainties that may bear the risk of requiring a material adjustment of recognised assets and liabilities in subsequent financial years, are 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 write-downs.

No internally produced intangible assets are capitalised. The development costs incurred in 2018 and 2019 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 straight-line 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. The different approach does not have any material impact on the Group's financial position, financial performance and cash flows.

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

In accordance with IFRS 9, receivables and other assets as well as cash and cash equivalents must be allocated to the 'at amortised cost' category. A credit risk does not exist. 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

Due to historic legal contractual obligations, bet-at-home.com Entertainment GmbH must render a one-off severance 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 or retirement.

A provision is made for such obligations. An actuary performed the calculation in accordance with IAS 19 "Employee benefits" for the consolidated financial statements for the period ended 31 December 2019 and the value was recognised in income accordingly.

As the anticipated actuarial gains and losses pertain to one employee only, they are expected to be low again. 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 measured at the best estimate of the expenditure required to settle the obligation at the reporting date. When a reasonable estimate is not possible, no provision is recognised but this is disclosed in the notes to the consolidated financial statements instead.

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 gambling 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

In the 2019 financial year, the income tax refund from the Maltese tax entity, in which all Maltese group companies are combined for income tax purposes, was recognised in the financial statements of the same year, as was done in previous years.

Deferred taxes are determined in accordance with IAS 12 (Income Taxes) using the balance sheet liability method. Deferred taxes are computed on the basis of a 25% income tax rate for Austria and about 5% for Malta (taking tax refunds into account). The initial application of IFRS 16 for the operating leases resulted in temporary differences between the values stated in the consolidated balance sheet and those in the tax balance sheet in the reporting period. This resulted in deferred tax assets of EUR 8 thousand.

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. **DISCLOSURES AND NOTES ON THE CONSOLIDATED INCOME STATEMENT, CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONSOLIDATED STATEMENT OF CASH FLOWS AND THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

The following sections provide additional information on items of the consolidated income statement, consolidated statement of financial position, consolidated statement of cash flows and the consolidated statement of changes in equity. The previous year's comparative figures were taken from the IFRS consolidated financial statements of bet-at-home.com AG, Düsseldorf, as at 31 December 2018.

**V.1. DISCLOSURES AND NOTES ON THE CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD FROM 1 JANUARY 2019 TO 31 DECEMBER 2019**

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

(1) Betting and gaming revenue and segment reporting

For clarity of presentation of the 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.

The Group operates in the online sports betting and online gaming products and operating segments. 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

31/12/2019	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	525,432	2,691,589	0	3,217,021
Paid out winnings	-466,439	-2,607,292	0	-3,073,731
Gross betting and gaming revenue	58,993	84,296	0	143,289
Betting fees and gambling levies	-10,196	-10,739	0	-20,935
VAT recognised in profit and loss	-193	-4,691	0	-4,884
Net betting and gaming revenue	48,604	68,866	0	117,470
Segment assets	17,341	21,184	56,654	95,179

31/12/2018	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	560,267	2,627,736	0	3,188,003
Paid out winnings	-499,738	-2,544,914	0	-3,044,652
Gross betting and gaming revenue	60,529	82,822	0	143,351
Betting fees and gambling levies	-10,007	-10,946	0	-20,953
VAT recognised in profit and loss	-992	-6,281	0	-7,273
Net betting and gaming revenue	49,529	65,596	0	115,125
Segment assets	18,757	25,289	59,294	103,339

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

Segment reporting – supplementary information

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

	31/12/2019		31/12/2018	
	EUR'000	in %	EUR'000	in %
Germany	1,179,072	37%	1,158,631	36%
Eastern Europe	498,067	15%	605,930	19%
Western Europe (other)	1,539,882	48%	1,423,442	45%
	3,217,021	100%	3,188,003	100%

In the financial year 2019, countries with similar markets were grouped together by region.

(2) Other operating income

	2019	2018
	EUR'000	EUR'000
Exchange rate gains	554	379
Income from the derecognition of irregular betting account balances	432	252
Income from the release of provisions	11	20
Other	387	422
	1,383	1,073

(3) Personnel expenses

Breakdown of personnel expenses:

	2019	2018
	EUR'000	EUR'000
Salaries	15,742	14,630
Expenses for severance payments and company pension plan contributions	224	204
Expenses for statutory social contributions and pay-based levies and statutory contributions	3,734	3,645
Other social contributions	268	247
	19,969	18,725

Expenses for severance (redundancy) pay and employee pension funds include payments in accordance with the Austrian Staff and Self-Employment Provisions Act [BMSVG “new termination benefits”] totalling EUR 206 thousand (previous year: EUR 202 thousand).

Changes in staffing were as follows:

	Reporting date		Average	
	31/12/2019	31/12/2018	2019	2018
Employees	288	301	292	304
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:

	2019	2018
	EUR'000	EUR'000
Advertising expenses		
Advertising costs	20,408	18,393
Bonuses and vouchers	14,030	13,470
Sponsoring	3,831	5,074
Jackpot expenses	1,578	1,390
	39,847	38,327

	2019	2018
	EUR'000	EUR'000
Other operating expenses		
Additional transaction costs	8,366	7,444
Software provider expenses	7,158	6,825
Information services and software maintenance	2,416	2,064
Legal, audit and advisory fees	1,620	1,575
Exchange rate differences and similar expenses	780	497
Additions to provisions for impairment losses on receivables, loan losses and claims	650	148
Costs for the preparation of financial statements, general meeting of shareholders and stock exchange costs	493	462
Supervisory Board remuneration	60	60
Rent and lease expenses	6	945
Other costs	2,315	2,906
	23,864	22,927

Please refer to the disclosures on the initial application of IFRS 16 for details on the decrease in lease expenses.

(5) Depreciation and amortisation

	2019	2018
	EUR'000	EUR'000
Amortisation and write-downs of intangible assets	213	177
Write-down of leased office building	871	0
Depreciation and write-downs of property, plant and equipment	817	1,084
Write-downs of low-value assets	28	14
	1,930	1,274

(6) Net finance income (costs)

	2019	2018
	EUR'000	EUR'000
Finance income		
Interest receivable and similar income	16	49
Finance costs		
Interest expenses from lease agreements	-122	0
Other financial expenses	-32	0
	-138	49

In financial year 2019, interest receivable and similar income exclusively pertained to interest income from fixed deposits and other interest receivable and income amounting to EUR 16 thousand (previous year: EUR 49 thousand).

(7) Income taxes

This item can be presented as follows:

	2019	2018
	EUR'000	EUR'000
Actual taxes		
Current income taxes for the year under review, Austrian subgroup	6,019	2,440
Current income taxes for the year under review, Germany	0	221
Deferred tax	-8	0
Tax expense/income for previous years	9,131	-279
	15,142	2,383

Difference between the estimated and actual income tax expense:

	2019	2018
	EUR'000	EUR'000
Earnings before taxes	33,105	34,995
Calculated income tax expense, Austria (25%)	8,276	8,749
Tax expense/income for previous years	9,131	-279
Tax differences for Malta tax group	-3,112	-7,015
Deferred tax	-8	0
Tax expense, Germany (corporation and trade taxes)	0	160
Other differences and tax rate changes	854	768
Tax expense	15,142	2,383

In the 2019 financial year, a tax audit for tax periods 2013 to 2015 was completed in Austria. The findings of this audit pertained to the transfer pricing structure with the bet-at-home.com AG Group. In addition to the individual transfers with profit markup, the internally provided services were now also settled on the basis of a contribution to added value and a profit split. The effects of the changes to the transfer pricing method for the years 2016 to 2018 was also accounted for in the consolidated financial statements for the period ended 31 December 2019.

The tax expenses recognised for previous years include a receivable from the Maltese tax authorities in the amount of EUR 2,152 thousand. This receivable results from the amendment of the tax returns in previous years that can be performed due to the finding of the tax audit in Austria. This receivable is balanced out by netting it with the payment obligations for the 2019 tax return (planned by around mid-2020).

(8) Consolidated net profit for the period

The total comprehensive income for the year of EUR 27,251 thousand (previous year: EUR 54,904 thousand) is exclusively attributable to shareholders of the parent company.

V.2. COMMENTS ON ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 31 DECEMBER 2019

(9) to (10) Non-current assets

A breakdown of non-current assets and their movements during the 2019 financial year is presented in the Changes in Non-current Assets for the Group (appendix to the notes).

(9) Goodwill

Composition:

	31/12/2019	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

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 their movements during the financial year 2019 is presented in the Changes in Non-current Assets for the Group (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:

	31/12/2019	31.12.2018
	EUR'000	EUR'000
Receivables from payment service providers	6,218	6,523
Receivables from associated companies	0	64
Other receivables	462	375
	6,680	6,963

(14) Short-term fixed deposits

	31/12/2019	31/12/2018
	EUR'000	EUR'000
Cash at bank (maturities > 3 months)	5,000	9,525

(15) Cash and cash equivalents

	31/12/2019	31/12/2018
	EUR'000	EUR'000
Cash at bank (maturities < 3 months) and in hand	49,756	68,774

(16) Group equity

Breakdown of the Group's equity:

	31/12/2019	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	27,251	54,904
	41,635	69,288

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

	31/12/2019	31/12/2018
	EUR'000	EUR'000
Provisions for employee benefits	66	49
Lease obligations	2,566	0
	2,633	49

In order to calculate the provisions for severance pay (provisions for redundancy pay) in accordance with IAS 19 by applying the projected unit credit method, an actuary's opinion was obtained, which is based on an actuarial interest rate of 0.84% (previous year: 1.85%) and an annual growth rate of 2.5%.

As at 31/12/2019, 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 2,566 thousand.

(18) to (23) Current liabilities

Current liabilities include the following items:

	31/12/2019	31/12/2018
	EUR'000	EUR'000
Trade payables	4,168	3,303
Liabilities from taxes	32,059	16,534
Short-term provisions	1,608	2,639
Customers payables	7,354	7,705
Lease liabilities	845	0
Other liabilities	4,877	3,822
	50,912	34,003

Liabilities to customers include pending bets (in accordance with IFRS 9) in the amount of EUR 650 thousand (previous year: EUR 474 thousand) and customer balances (in accordance with IFRS 15) in the amount of EUR 6,704 thousand (previous year: EUR 7,231 thousand).

The tax liabilities pertain to corporation tax receivables in the amount of EUR 24,682 thousand (previous year: EUR 12,940 thousand), betting fees, gambling levies and VAT on electronic services in the amount of EUR 3,523 thousand (previous year: EUR 3,359 thousand) as well as other taxes in the amount of EUR 3,854 thousand (previous year: EUR 235 thousand).

As at 31 December 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 845 thousand.

Other current liabilities include the following items:

	31/12/2019	31/12/2018
	EUR'000	EUR'000
Liabilities to employees	2,551	1,857
Social liabilities	408	411
Other liabilities	1,918	1,554
	4,877	3,822

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

Movements in provisions during the 2019 financial year (in thousands of euro):

	Balance at 31/12/2018	Utilisation	Release	Addition	Balance at 31/12/2019
Audit and advisory	252	241	11	294	294
Affiliate programme	1,447	134	0	0	1,314
Other	940	940	0	0	0
	2,639	1,315	11	294	1,608

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 2019 financial year.

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

Cash and cash equivalents recognised in the statement of cash flows exclusively refers to the “cash at bank an in hand” item in the statement of financial position.

The interest income for loans issued to group companies was recognised in cash flow from investing activities. The other interest income was classified as cash flows from operating activities.

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

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. 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 (un-listed 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, 31/12/2019, 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 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 continue to be 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 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 gaming licences in countries facilitating fair market access, in an effort to enhance legal certainty. There is a risk that individual countries may illegally block customers from private gaming offers in other countries through provider blocks and payment provider blocks, particularly as such measures are explicitly planned in some new legislation.

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 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 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 also initiated provider blocks and/or payment provider blocking measures to suppress betting and gaming offers, meaning that the websites of bet-at-home.com AG Group cannot be reached by potential customers in these countries and/or that cash flows are impeded. 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 past reporting period, regulatory developments remained marked by further efforts to regulate the online sports betting and gaming sector and establish a licensing system for private providers. The developments in the past reporting period were as follows.

- In Germany, bet-at-home.com Internet Ltd. successfully applied for one of the 20 sport betting licenses to be issued already on 1 July 2012, once the State Treaty amending the State Treaty on Games of Chance (Glücksspieländerungsstaatsvertrag; GlüÄndStV) had come into effect. 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 resolved to amend the State Treaty amending the State Treaty on Games of Chance, in which the allocation of sports betting licenses was repealed and at the same time the "Experimentation clause" for sports bets extended until the expiry of the State Treaty on Games of Chance on 30 June 2021. The new regulation came into effect on 1 January 2020. As from this date, private providers can apply once more for national sports betting licenses. bet-at-home.com Internet Ltd. submitted its application documents to the authorities in February 2020. The issued license is linked to material constraints, such as the discontinuation of unlicensed products (such as casino and poker products) as well as monthly betting limits.

In January 2020, the German federal states agreed to a new State Treaty regulating the State Treaty on Games of Chance (Glücksspielneuregulierungsstaatsvertrag; GlüNeuRStV), which is to come into effect in mid-2021. For the first time in Germany, online slots and online poker are to be introduced into a national licensing system in addition to sport bets. The individual federal

states will be able to decide if they wish to select a licensing model as well for traditional casino games (such as Roulette and Blackjack), including live casino, or if such products are to be reserved exclusively for casinos.

The Federal State of Schleswig-Holstein went down a different route and issued licenses for online sports betting and casino products as early as 2012, including to bet-at-home.com Internet Ltd. These licenses expired in the summer and/or 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. In September 2019, the Company obtained transitional licenses for both sports betting and casino products. They will remain in effect until the respective national licenses have been issued. bet-at-home.com Internet Ltd. reserves the right to implement the material constraints for online casino products and to place its casino products back online in Schleswig-Holstein.

- 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. It aims to stop foreign providers from entering the Swiss market. The implementation regulations for blocking the IPs of unlicensed providers came into effect on 1 July 2019 in accordance with the gambling laws. On 3 September 2019, the authorities published a blacklist which also contained the Group's domains. These domains were blocked a few days later. The Group decided to appeal against these discriminatory measures and to maintain its offer until the date of legally binding ruling.

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 casino revenue with retrospective effect as from 1 January 2017. Due to a competitor being

prosecuted by the authorities, bet-at-home.com Internet Ltd. decided to register for VAT in Germany with reservations and to transfer the financial data in October 2019. In the meantime, the Group managed to get the tax receivables against bet-at-home.com Internet Ltd. suspended. It is to be expected that the disputed legal matters have to be clarified by the Swiss courts, both with regard to the exact date on which the tax liability was incurred and a potential liability owed by bet-at-home.com Internet Ltd.

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 involved in the following proceedings in the 2019 financial year:

- 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 court ruling in the last instance upheld the injunction in September 2019. After referring with the authorities, the Company had to discontinue its casino products in Berlin as of 1 January 2020.
- 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.
- 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. 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.
- 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.

In the past financial year, the Group once more continued to strengthen its activities for fair and legally secure regulations at a national level in the respective countries within the associations of which it is a member. The Company is already a member of Deutscher Sportwettenverband (DSWW), Deutscher Online Casinoverband (DOCV) and the Österreichische Vereinigung für Wetten und Glückspiel (OWWG). Now it has also joined the Czech Internet Gaming Association.

The risks of negative effects resulting from the regulatory environment and existing legal uncertainties 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 increasing 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 increasing deregulation of the online sector 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.

Based on the rulings of the European Court of Justice, the Management Board assumes that the deregulation of the online sports betting and gaming market will progress in numerous EU member countries. However, a number of draft laws contain discriminatory regulations for foreign providers with a view to keeping the market sealed off to the benefit of national providers. The Management Board will closely monitor future developments in Europe and strive to obtain online sport betting and gaming licences in countries facilitating fair market access, in an effort to enhance legal certainty.

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.

From today's perspective, the risk of tax increases or introduction of new taxes and levies remains medium compared with the previous year. Should such risk occur, the impact on the financial position, financial performance and cash flows would be high.

Recognition of Group transfer prices

In recent years, the regulatory environment for the taxation of multinational companies in general, as well as for bet-at-home.com AG Group in particular, has become considerably more complex, particularly with regard to transfer prices, with companies having to drastically increase their efforts to meet the tougher regulatory requirements. The discussion between the countries regarding the distribution of the global tax substrate is still in full swing at present and will result in other fundamental adjustments to the international taxation of multinational companies – not least due to the BEPS project of the OECD for combating base erosion and profit shifting.

At the same time, however, the certainty that the implemented transfer pricing rates will be accepted by the respective tax authorities involved has decreased significantly, especially as internal cross-border transactions, such as were part of the tax audit in Austria in the 2019 financial year, have been an increasing target of the national tax authorities. The result of these developments are potential tax and interest back payments as well as potential double taxation.

Customer compensation claims and/or reimbursement of gaming losses

bet-at-home always implements a multitude of measures to support its customers in their responsible use of gaming. As a result, the Company has been cooperating for many years with organisations such as the Institut für Glücksspiel und Abhängigkeit, which actively implements measures for the prevention of addiction in Germany and Austria. Voluntary customer protection measures that by far exceed legal requirements complete the endeavours of bet-at-home.com AG Group to provide customers with comprehensive protection. These measures are verified through voluntary annual compliance audits by eCogra, the industry association. Potential customer claims can nevertheless not be ruled out.

At the end of the 2019 financial year, pending legal proceedings initiated by previous customers for the recovery of gaming losses totalled around EUR 3.4 million within the Group. The Group expects to have good chances of success before court.

The risk of customer compensation claims and/or 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 the loss and/or recall of licenses (compliance risk)

bet-at-home.com AG Group bases its products on Maltese licenses which entitle the bearer to non-discriminatory 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 imple-

mented 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. Serious interference with IT systems, particularly through adverse external influences such as hacker attacks, DDos attacks etc., may have a negative impact on the financial position, financial performance and cash flows of the Group. 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
- Productive environment protection in the form of a web application firewall, IDS/IPS and firewall systems
- Operating a centrally managed anti-virus software

- Vulnerability management and monthly vulnerability scans
- Annual penetration tests within the scope of system audits
- Monitoring log files using a SIEM (Security Information Event Management)
- Security compliance regarding PCI-DSS, eCogra and established jurisdictions
- Highly redundant infrastructure / 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 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 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 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. 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 currently low level of interest by 0.5% points would amount to EUR 274 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).

The Polish zloty created significant currency risks in the 2019 financial year, while transactions denominated in other currencies were of minor importance. The Group does not hedge its currency risk. A 10% appreciation (depreciation) in the zloty would have decreased (increased) the profit for the period (and the balance of equity) by around EUR 139 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

Members of the Management Board of bet-at-home.com AG, Düsseldorf, during the 2019 financial year:

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

In 2019, the members of the Management Board of the parent company received fixed compensation in the amount of EUR 1,001 thousand (previous year: EUR 795 thousand) and variable compensation in the form of a management bonus in the amount of EUR 995 thousand (previous year: EUR 1,055 thousand) from Group shareholders. In addition, one of the Group companies received compensation for consulting services in the amount of EUR 400 thousand (previous year: EUR 280 thousand). Further variable compensation in the amount of EUR 64 thousand (previous year: EUR 811 thousand) was paid to a member of the Management Board by the Company's majority shareholder.

Cash inflow (in EUR)	Franz Ömer		Michael Quatember	
	CEO		CEO	
	2019	2018	2019	2018
Fixed compensation	581,486.43	470,000.00	420,000.00	325,000.00
Fringe benefits	400,000.00	280,000.00	0.00	0.00
Total	981,486.43	750,000.00	420,000.00	325,000.00
One-year variable compensation	417,907.73	452,231.42	417,907.73	452,231.42
Long-term management bonus	79,796.86	75,169.41	79,796.86	75,169.41
Variable third-party compensation	0.00	0.00	64,413.39	811,140.44
Multiple-year variable compensation	79,796.86	75,169.41	144,210.25	886,309.85
Total	497,704.59	527,400.84	562,117.98	1,338,541.27
Supply costs	0.00	0.00	0.00	0.00
Total compensation	1,479,191.02	1,277,400.84	982,117.98	1,663,541.27

In 2019, the parent company furthermore assumed the costs of an accident insurance policy in the amount of EUR 1 thousand (previous year: EUR 1 thousand) for one of the members of the Management Board and carried the costs of the contributions due in accordance with the Austrian Corporate Employee and Self-Employed Pension Act (Betriebliches Mitarbeiter- und Selbständigenvorsorgegesetz, BMSVG) in the amount of EUR 14 thousand (previous year: EUR 15 thousand).

Allocations granted (in EUR)	Franz Ömer					Michael Quatember				
	CEO					CEO				
	2018	2019	2019 (Min)	2019 (Max)	2018	2019	2019 (Min)	2019 (Max)	2018	2019
Fixed compensation	470,000.00	581,486.43	581,486.43	581,486.43	325,000.00	420,000.00	420,000.00	420,000.00	420,000.00	420,000.00
Fringe benefits	280,000.00	400,000.00	400,000.00	400,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	750,000.00	981,486.43	981,486.43	981,486.43	325,000.00	420,000.00	420,000.00	420,000.00	420,000.00	420,000.00
One-year variable compensation	417,907.73	471,500.24	0.00	573,750.00	417,907.73	471,500.24	0.00	573,750.00	417,907.73	471,500.24
Long-term management bonus	79,796.86	73,748.42	0.00	101,250.00	79,796.86	73,748.42	0.00	101,250.00	79,796.86	73,748.42
Share-based payment	0.00	204,876.53	0.00	15,267,350.87	64,413.39	204,876.53	0.00	9,652,486.57	144,210.25	278,624.95
Multi-year variable compensation	79,796.86	278,624.95	0.00	15,368,600.87	144,210.25	278,624.95	0.00	9,753,736.57	144,210.25	278,624.95
Total	497,704.59	750,125.19	0.00	15,942,350.87	562,117.98	750,125.19	0.00	10,327,486.57	562,117.98	750,125.19
Supply costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total compensation	1,247,704.59	1,731,611.62	981,486.43	16,923,837.30	887,117.98	1,170,125.19	420,000.00	10,747,486.57	887,117.98	1,170,125.19

The above share-based payment has been agreed for financial years 2019 to 2021 and is calculated for each year on the basis of a fixed percentage on the difference between the average share price in the monitoring period of the respective financial year and a benchmark rate (based on the total number of shares). The total amounts stated for 2019 are included in the expenses in the financial year.

Members of the Supervisory Board of bet-at-home.com AG, Düsseldorf, during the 2019 financial year:

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

In 2019, the Chairman of the Supervisory Board received fixed compensation of EUR 40 thousand (previous year: EUR EUR 40 thousand). In 2019, Ms Andres received fixed compensation of EUR 20 thousand (previous year: EUR 20 thousand). Necessary expenses were also reimbursed. Mr Nabet waived his entitlement to compensation in 2019 and the previous reporting period.

No material related-party transactions were concluded in financial year 2019.

Pursuant to Section 312 (3) of the German Companies Act [Aktiengesetz; AktG], the Board of Management states that, according to the circumstances known to the Board at the time when legal transactions were concluded with related parties, the parent company received appropriate compensation for each legal transaction. Measures within the meaning of Section 312 1 AktG were neither implemented nor omitted.

VI.4. AUDITOR'S FEE

The auditor's fee totalled EUR 85 thousand in 2019 (previous year: EUR 93 thousand):

	2019	2018
	EUR'000	EUR'000
Audit services	85	84
Other services	0	9
	85	93

VI.5. 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.6. MATERIAL SUBSEQUENT EVENTS

There were no other events materially affecting the Group's business development and financial position in the period between the end of the 2019 financial year and preparation of the consolidated financial statements.

VI.7. APPROPRIATION OF NET PROFIT

Subject to the Supervisory Board's consent, the Management Board of the parent company will propose to the general meeting of shareholders in 2020 to pay a dividend of EUR 2.00 per share, totalling EUR 14,036,000.00, from net profit for the year as at 31 December 2019 and to carry EUR 0.17 forward to new account.

VI.8. RESPONSIBILITY STATEMENT

We assure that to the best of our knowledge, the consolidated financial statements give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with the applicable reporting standards, and that the management report 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.

Düsseldorf, 28 February 2020

Franz Ömer

Michael Quatember

APPENDIX TO THE NOTES

CHANGES IN NON-CURRENT ASSETS FOR THE GROUP AS AT 31 DECEMBER 2019
bet-at-home.com AG, Düsseldorf

	At cost			Accumulated depreciation					Carrying amount 31/12/2018	
	Balance at 01/01/2019	Additions	Disposals	Reclassifications	Balance at 31/12/2019	Balance at 01/01/2019	Additions	Disposals		Balance at 31/12/2019
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets	3,187,391.45	570,990.15	178,691.49	0.00	3,579,690.11	2,597,896.82	213,876.66	178,691.32	2,633,082.16	946,607.95
II. Goodwill	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
III. Leased office buildings	0.00	4,240,220.81	0.00	0.00	4,240,220.81	0.00	870,537.06	0.00	870,537.06	3,369,683.75
IV. Property and equipment	6,826,736.87	1,885,058.98	1,206,882.33	0.00	7,504,913.52	5,379,845.56	845,675.57	1,206,880.81	5,018,640.32	2,486,273.20
1. Furniture and fixtures, office equipment	6,826,736.87	1,838,739.32	1,206,882.33	0.00	7,458,593.86	5,379,845.56	845,675.57	1,206,880.81	5,018,640.32	2,439,953.54
2. Construction in progress	0.00	46,319.66	0.00	0.00	46,319.66	0.00	0.00	0.00	0.00	46,319.66
	11,383,448.62	6,696,269.94	1,385,573.82	0.00	16,694,144.74	7,977,742.38	1,930,089.29	1,385,572.13	8,522,259.54	8,171,885.20
										3,405,706.24

	At cost					Accumulated depreciation					
	Balance at 01/01/2018	Additions	Disposals	Reclassifications	Balance at 31/12/2018	Balance at 01/01/2018	Additions	Disposals	Balance at 31/12/2018	Carrying amount 31/12/2018	Carrying amount 31/12/2017
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets	3,052,956.75	56,203.70	799.00	79,030.00	3,187,391.45	2,421,317.74	177,377.97	798.89	2,597,896.82	589,494.63	631,639.01
II. Goodwill	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
III. Leased office buildings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV. Property and equipment	6,431,397.25	603,933.08	129,563.46	-79,030.00	6,826,736.87	4,396,332.45	1,096,646.55	113,133.44	5,379,845.56	1,446,891.31	2,035,064.80
1. Furniture and fixtures, office equipment	6,306,397.25	138,348.08	113,133.46	495,125.00	6,826,736.87	4,396,332.45	1,096,646.55	113,133.44	5,379,845.56	1,446,891.31	1,910,064.80
2. Construction in progress	125,000.00	465,585.00	16,430.00	-574,155.00	0.00	0.00	0.00	0.00	0.00	0.00	125,000.00
	10,853,674.30	660,136.78	130,362.46	0.00	11,383,448.62	6,817,650.19	1,274,024.52	113,932.33	7,977,742.38	3,405,706.24	4,036,024.11

COMBINED MANAGEMENT REPORT

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COMBINED MANAGEMENT REPORT 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 5.2 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 2019, sports bets were placed on more than 472,000 events in over 80 types of sport. bet-at-home has companies in Germany, Austria, Malta and Gibraltar. The successful development of the company can be attributed to its 288 employees as at 31 December 2019.

In addition to some 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, Western Europe, Eastern Europe and in other countries.

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 as 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 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 DEVELOPMENT ACTIVITIES

The most important assets of the Group include functioning, state-of-the-art software that has been continuously expanded and developed since the beginning. In the financial year 2019, software developments focused on seamless wallet solutions that enable customers to transfer funds between different payment modalities, on the one hand, and facilitate the future implementation of innovative product solutions, on the other. In 2019, a comprehensive IT project for the implementation of agile processes was also started to develop the IT organisation further and increase the innovation processes, and therefore competitiveness. At the same time, the product portfolio of the online sports betting and online gaming offer on the mobile and desktop platform have been constantly enhanced and optimised. The main factor in this sector 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. The above opportunities are opposed by the risk of individual countries blocking the products and/or individual product segments of private gaming providers. Individual countries are explicitly planning on implementing such measures, which violate European law.

B.2 BUSINESS TREND

(1) Highlights in 2019

In December 2019, bet-at-home celebrated its 20th anniversary in a continuously dynamic industry. Particularly in Europe, the growth of the sports betting and gaming market is strongly impacted by the sustainable development of the online market. In 2019, bet-at-home.com AG

Group once again proved its performance and generated the highest betting and gaming volume in the Company's history in the amount of more than EUR 3.2 billion. The gross betting and gaming revenue amounted to EUR 143.3 million, almost exactly the same as in the previous year (EUR 143.4 million).

Due to the lack of a major sport event in the 2019 financial year, bet-at-home focused its marketing activities for the year on the start of the European football leagues after the summer break and further cooperations in the European top sport sector for ice hockey, volleyball, beach volleyball and basketball. At EUR 39,8 million, total marketing expenses in 2019 were up year-on-year, meaning that more was invested in increasing the brand's popularity in the market than in 2018, the year of the Football World Cup (previous year: EUR 38.3 million).

Due to the increased investments in the brand's popularity in the market, the EBITDA for 2019 amounted to EUR 35.2 million, therefore EUR 1.0 million down year-on-year (previous year: EUR 36.2 million).

Corporation tax back payments in Austria resulting from a tax audit and related Group transfer pricing changes and corresponding corporation tax refund claims in Malta resulted in a net increase in income taxes of EUR 13.9 million. In addition to the assessment period covered by the tax audit, all assessment years up to and including 2019 were fully adjusted in the income statement in 2019. This expense rate of 45.7% (previous year: 6.8%), with the Group tax rate, adjusted for the one-off effects from the tax audit, amounting to 18.2% for the financial year 2019.

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, more than 60% of the gross betting and gaming revenue was already generated through mobile devices at the end of the financial year 2019.

(2) Staffing

During the financial year 2019, the average number of staff (excluding the Board) employed by the Group amounted to 292 (previous year: 304). As at the 2019 reporting date, the Group employed 288 staff (previous year: 301). 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 brand, during financial year 2019. This can be measured, in particular, by the number of registered customers increasing to more than 5.2 million (previous year: 5.0 million) in 2019.

B.3.1 Earnings position

In 2019, the gross betting revenue (betting volume less paid out winnings) amounted to EUR 59.0 million, just down on the previous year's figure (previous year: EUR 60.5 million).

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 84.3 million (previous year: EUR 82.8 million). Online gaming comprises the products Casino, Poker, Games and Virtual Sports.

In 2019, the gross betting and gaming revenue therefore amounted to EUR 143.3 million, on par with the previous year (previous year: EUR 143.4 million), which exceeds the upper bandwidth limit of the 2019 guidance. The gross betting and gaming revenue is a crucial financial performance indicator for the Group.

Taking into consideration betting taxes and gambling levies and the tax payable due to the VAT regulations for electronic service providers, net betting and gaming revenue in 2019 amounted to EUR 117.5 million (previous year: EUR 115.1 million).

During the 2019 financial year, the Group's earnings position was as follows:

	31/12/2019	31/12/2018
	EUR'000	EUR'000
Gross betting and gaming revenue	143,289	143,351
Total operating income	118,854	116,199
EBT (earnings before taxes) *)	33,105	34,995
EBIT (earnings before interest and taxes) **)	33,243	34,946
EBITDA (earnings before interest, taxes, depreciation and amortisation) ***)	35,173	36,220

*) 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

This means that the expected EBITDA of EUR 29 million to EUR 33 million, which had been forecast in the previous year, was exceeded.

The initial application of IFRS 16 in the financial year 2019 is reflected in additional amortisation of right-of-use assets as well as interest paid on the lease liabilities. The capitalisation of the lease liabilities from IFRS 16 analogously decreases other operating expenses compared with the previous years (lease expenses) and therefore increases the EBITDA. Without the initial application of IFRS 16, the EBITDA would therefore have been EUR 950 thousand less.

The initial application of IFRS 16 does not affect the gross betting and gaming revenue, the key performance indicator.

The betting fees and gambling levies in various countries decreased earnings by EUR 20,935 thousand during the financial year 2019 (previous year: EUR 20,953 thousand). In addition, VAT regulations for electronic service providers decreased earnings by EUR 4,884 thousand (previous year: EUR 7,273 thousand).

In 2019, advertising expenses increased to EUR 39,847 thousand (previous year: EUR 38,327 thousand). In 2019, personnel expenses increased by EUR 1,243 thousand to EUR 19,969 thousand, with this increase being primarily due to increases in salaries.

B.3.2 Financial situation

As at 31 December 2019, the financial situation was as follows:

	31/12/2019	31/12/2018
	EUR'000	EUR'000
Earnings before taxes (EBT)	33,105	34,995
Cash flows from operating activities	29,884	24,809
+ Cash flows from investing activities	-2,456	-660
+ Cash flows from financing activities	-46,446	-52,635
= Net cash from operating, investing and financing activities	-19,018	-28,487
+ Cash and cash equivalents at 1 January	68,774	97,261
= Cash and cash equivalents at 31 December	49,756	68,774

The cash flows from financing activities reflect the dividend payment to the shareholders of the Group parent.

The Group was able to meet its financial commitments at all times.

B.3.3 Net assets

As at 31 December 2019, net assets were as follows:

Assets	31/12/2019	31/12/2018
	EUR'000	EUR'000
Non-current assets	8,172	3,406
Current assets		
Receivables from taxes	23,685	13,139
Own advance payments	1,886	1,533
Other receivables and assets	6,680	6,963
Short-term fixed deposits	5,000	9,525
Cash and cash equivalents	49,756	68,774
	95,179	103,339

The absolute decrease in cash and cash equivalents primarily resulted from the distribution of a dividend in May 2019 in the amount of EUR 45,617 thousand, corresponding to EUR 6.50 (previous year: EUR 7.50) per share.

Equity and liabilities	31/12/2019	31/12/2018
	EUR'000	EUR'000
Group equity	41,635	69,288
Non-current liabilities (provisions)	2,633	49
Current liabilities (payables and provisions)	50,912	34,003
	95,179	103,339

As at 31 December 2019, the equity ratio was 43.7% (previous year: 67.0%).

Non-current liabilities contain lease liabilities in the amount of EUR 2,566 thousand (initial application of IFRS 16 as from 1 January 2019) and provisions for employee benefits in the amount of EUR 66 thousand (31 December 2018: EUR 49 thousand).

Current liabilities include trade payables in the amount of EUR 4,168 thousand (previous year: EUR 3,303 thousand), tax liabilities in the amount of EUR 32,059 thousand (previous year: EUR 16,534 thousand), short-term provisions in the amount of EUR 1,608 thousand (previous year: EUR 2,639 thousand) customer payables (contractual liabilities in accordance with IFRS 15) in the amount of EUR 7,354 thousand (previous year: EUR 7,705 thousand), lease liabilities in

accordance with IFRS 16 in the amount of EUR 845 thousand (initial application of IFRS 16 as of 01/01/2019) and other liabilities in the amount of EUR 4,877 thousand (previous year: EUR 3,822 thousand).

Financing measures were not required during the financial year 2019.

B.3.4 Overall evaluation of the Group's situation

The corporation tax back payments resulting from the tax audit in Austria had a negative impact in the financial year 2019. The changes to the Group transfer pricing system required after the tax audit will increase the Group's future corporation tax rate. Nevertheless, the Management Board regards the Group's business performance as very positive overall.

C. EVENTS AFTER THE REPORTING DATE

There were no material events after the end of the financial year.

D. OUTLOOK, OPPORTUNITY AND RISK REPORT

D.1 OUTLOOK

The bet-at-home 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 2020:

From today's perspective, the Management Board expects gross betting and gaming revenue between EUR 120 million and EUR 132 million in the financial year 2020, whereby the decrease in gross betting and gaming revenue compared to 2019 is primarily due to the discontinuation of major parts of the Swiss market and the significant decrease of the Polish market. A potential decrease in revenue from regulatory changes in Germany can currently not be estimated and is therefore not being taken into consideration.

The Management Board expects EBITDA to amount to EUR 23 million to EUR 27 million in financial year 2020.

The maximum number of employees in the Group should increase to around 305 persons by 31 December 2020.

The Management Board does not expect any negative effects from the United Kingdom's exit from the European union (Brexit), particularly as Group companies have licenses in the United Kingdom.

D.2 OPPORTUNITY REPORT

Within the past 10 years, the European online betting and online gaming market recorded the highest growth in the world and is expected to continue growing by 7% per annum until 2024. This is confirmed by various studies by H2 Gambling Capital, also in 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 RISK REPORT

The Notes to Consolidated Financial Statements for the Period Ended 31 December 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.

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, measures and reported accurately in the consolidated financial statements. The policies also ensure that the accounting documents provide reliable and traceable information.

E. NOTES TO THE FINANCIAL STATEMENTS OF BET-AT-HOME.COM AG

The financial statements of bet-at-home.com AG have been prepared in accordance with the requirements of the German Commercial Code (Handelsgesetzbuch; HGB) and the additional requirements of the German Stock Corporation Act (Aktengesetz; AktG). Any deviations from the International Financial Reporting Standards (IFRS) to be applied in the consolidated financial statements are of an immaterial nature.

The management report of bet-at-home.com AG has been consolidated with the Group management report of bet-at-home.com AG Group. Bet-at-home.com AG is the management holding company of bet-at-home.com AG Group and as such depends to a significant extent

on the development of the bet-at-home.com Group in terms of business trend, position and expected development, including all related material opportunities and risks, which are disclosed in this combined management report.

E.1 FINANCIAL PERFORMANCE OF BET-AT-HOME.COM AG

	2019	2018	Change	
	EUR'000	EUR'000	EUR'000	%
Revenue	844	881	-37	-4.3
Other operating income	12	20	-8	-39.6
Ordinary operating income	856	901	-45	-5.0
Personnel expenses	2,477	2,031	446	22.0
Administrative expenses	1,119	1,171	-52	-4.4
	3,597	3,203	394	12.3
Operating income (expenses)	-2,741	-2,302	-439	19.1
Income from investments	14,993	46,094	-31,102	-67.5
Interest received	220	219	1	0.6
Interest paid	0	9	-9	-100.0
Net finance income	15,213	46,304	-31,092	-67.1
Earnings before taxes	12,472	44,002	-31,531	-71.7
Income taxes	-178	160	-338	-211.5
Net income for the year	12,650	43,843	-31,193	-71.1

The financial performance of bet-at-home.com AG is impacted by the high dividend payments of its subsidiary bet-at-home.com Entertainment GmbH, Linz, Austria. Revenue comprises income from the transfer of management service charges to subsidiaries.

Personnel expenses exclusively pertain to the two members of the Management Board of the Company.

E.2 NET ASSETS OF BET-AT-HOME.COM AG

	31/12/2019		31/12/2018		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
Non-current assets						
Financial investments	3,771	12.7	3,771	6.0	0	0.0
Current assets						
Other assets, including accruals and deferred income	1,388	4.7	1,220	2.0	168	13.7
Receivables from associated companies	15,055	50.5	46,272	74.1	-31,217	-67.5
Cash and cash equivalents	9,582	32.2	11,193	17.9	-1,611	>100
	26,025	87.3	58,685	94.0	-32,660	-55.7
	29,796	100.0	62,456	100.0	-32,660	-52.3

Net assets exclusively comprise the investment in bet-at-home.com Entertainment GmbH, Linz, Austria.

Receivables from affiliated companies in the amount of EUR 15,055 thousand contain the dividend of bet-at-home.com Entertainment GmbH, Linz, Austria, for 2019 in the amount of EUR 14,468 thousand.

E.3 FINANCIAL PERFORMANCE OF BET-AT-HOME.COM AG

	31/12/2019		31/12/2018		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
Equity	28,420	95.4	61,387	98.3	-32,967	-53.7
Current liabilities and provisions						
Suppliers	106	0.4	0	0.0	106	-
Provisions	101	0.3	166	0.3	-65	-39.3
Other current liabilities	1,169	3.9	903	1.4	266	29.5
	29,796	100.0	62,456	100.0	-32,660	-52.3

F. RISK MANAGEMENT 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.

G. COMPENSATION REPORT

G.1 MANAGEMENT BOARD

Compensation structure

The structure and amount of the emoluments of the Management Board are determined by the Supervisory Board. The company has refrained from setting up a separate HR committee as its Supervisory Board consists of three members and there is thus no need for such a committee.

The appropriateness of the compensation defined for the Management Board is regularly tested. This is based on the scope of tasks and responsibilities of the individual members of the Management Board and on other factors such as the size of the company, its net assets, financial position and results of operations as well as its development potential and prospects for the future.

Compensation for the members of the Management Board, insofar as it is paid in part by bet-at-home.com AG and in part by one of the subsidiaries, consists of the following:

- Non-performance-based components;
- Performance-based annual bonuses with long-term incentives or based on multi-year assessment;
- Variable compensation components based on the share price of bet-at-home.com AG
- Fringe benefits.

The granting and the amount of the individual components of compensation, in particular bonuses and other performance-based components, to the respective members of the Management Board are commensurate with the functions and tasks which they perform.

a) Non-performance-based components

A fixed monthly salary is paid as a non-performance-based component.

b) Performance-based annual bonuses with long-term incentives or based on multi-year assessment

The performance relationship of the annual bonuses is based on the key financial ratios taken from the consolidated financial statements. The gross betting and gaming revenue and earnings before interest, depreciation and amortisation (EBITDA) are used as a key performance indicator. Due to these parameters, target achievement is based on the targets set for several years in advance. The income and earnings targets are connected in such a way that both parameters must exceed a minimum target to lead together to entitlement to a bonus.

Instead of annual bonuses becoming payable in full after one financial year, part of the bonus is paid out if the performance targets set at the beginning of the first year are met in the following year as well.

Variable compensation is computed using a base amount and an achievement corridor of from 70% to 150%. The amount is therefore capped at 150%. Subsequent changes to the performance targets are excluded.

For details on the performance-based and fixed compensation components, we explicitly refer to the disclosure of the Management Board compensation in the notes to the consolidated financial statements (VI.3. Related party transactions).

c) Variable compensation components based on the share price of bet-at-home.com AG

The accrual and amount of this variable compensation component is based on the price of the shares of bet-at-home.com AG exceeding a certain level in 2019, 2020 and 2021 (basic allowance). Each year, the compensation is limited to ten times the annual total compensation of each member of the Management Board. It has been contractually specified that no further payments have to be made as part of this compensation component if the respective member of the Management Board retires from their mandate prior to an annual payment date for the compensation without good cause.

d) Fringe benefits

In addition, one of the Group companies received compensation for consulting services in the amount of EUR 400 thousand.

In 2019, the Company furthermore assumed the costs of an accident insurance policy in the amount of EUR 1 thousand (previous year: EUR 1 thousand) for one of the members of the Management Board and carried the costs of the contributions due in accordance with the Austrian Corporate Employee and Self-Employed Pension Act (Betriebliches Mitarbeiter- und Selbständigenvorsorgegesetz, BMSVG) in the amount of 1.53% of gross salary. No other fringe benefits, particularly company cars, were granted.

Benefits and allocations granted in 2019

Please refer to the disclosures in the notes to the consolidated financial statements.

G.2 SUPERVISORY BOARD

As resolved by the general meeting of shareholders on 17 May 2017, each member of the Supervisory Board receives, beginning from 1 January 2017, fixed compensation of EUR 20,000.00 for each full financial year, which is payable one month after the end of the financial year.

The Chairman of the Supervisory Board receives fixed compensation of EUR 40,000.00 p.a. In addition, reimbursement is given for the necessary out-of-pocket expenses and VAT.

The details of this compensation can be found in the notes to the consolidated financial statements.

H. ADDITIONAL DISCLOSURES UNDER ACQUISITION LAW (SECTION 289A (1) AND SECTION 315A (1) HGB)

The composition of the subscribed capital of the parent company and the investments in capital exceeding 10 out of 100 voting rights are stated in the notes to the consolidated financial statements (Section V.2 (16) and Section I.) as corresponding disclosures have to be included in this document.

The respective provisions of the German Stock Corporation Act (Section 84 AktG) apply to the appointment and recall of the members of the Management Board of the parent company.

The general meeting of shareholders on 18 May 2016 resolved to authorise the Management Board of the parent company, 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.

The shareholders shall be invited to purchase new shares. However, the Management Board is authorised, upon approval by the Supervisory Board, to exclude the shareholders' subscription right in certain cases.

By shareholder resolution of 18 May 2016, the Management Board further may, with the Supervisory Board's consent, purchase treasury shares of up to 10% of share capital, i.e. up to EUR 701,800.00, until 17 May 2021. When pooled with other treasury shares, the shares to be purchased may never exceed 10% of the Company's share capital. The authorisation must not be exploited for the purpose of trading in treasury shares.

I. EXPLANATION REGARDING THE MANAGEMENT OF BET-AT-HOME.COM AG IN ACCORDANCE WITH SECTION 289F HGB AND THE GROUP IN ACCORDANCE WITH SECTION 315D HGB AS WELL AS 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.

J. NON-FINANCIAL PERFORMANCE INDICATORS

The business success of bet-at-home is reflected in financial and non-financial performance indicators. They pertain to existing and new registered users as well as technological developments. In the opinion of bet-at-home, these aspects are key components of a forward-looking positioning in the international competitive environment.

As at 31 December 2019, the Group had a total of 5,238,789 (previous year: 5,046,358) registered users. In 2019, bet-at-home had 192,431 (previous year: 217,664) new registrations.

The requirement for additional staff in the IT department is the result of the consistent further development of the internally developed software. The high standards of functioning software based on state-of-the-art technology and internally developed innovations are among the key assets within the Group. With regard to software development, the work performed by each employee is individually assessed and recorded by project teams to be able to sustainably plan and evaluate the IT project hours. In the 2019 financial year, around 212,000 project hours were spent on IT development (previous year: 220,000).

K. FINAL PROVISION IN ACCORDANCE WITH SECTION 312 (3) AKTG

In accordance with Section 312 3 of the German Stock Corporation Act (Aktengesetz; AktG) and based on the information known to us at the time, we declare that the Company received adequate consideration for all legal transactions with affiliated companies. Measures within the meaning of Section 312 1 AktG were neither implemented nor omitted.

Düsseldorf, 28 February 2020

Franz Ömer

Michael Quatember

INDEPENDENT AUDITOR'S REPORT

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AUDITOR'S REPORT**INDEPENDENT AUDITOR'S REPORT****To bet-at-home.com AG, Düsseldorf****Report on the audit of the Consolidated Financial Statements and of the Combined Management Report****Audit Opinions**

We have audited the consolidated financial statements of bet-at-home.com AG, Düsseldorf, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1, 2019 to December 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of bet-at-home.com AG, Düsseldorf for the financial year from January 1, 2019 to December 31, 2019. In accordance with the German legal requirements we have not audited the items listed in the chapter "Other Information" of this report.

In our opinion, on the basis of the knowledge obtained in the audit,

the accompanying consolidated financial statements comply, in all material respects, with the IFRS as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e para. 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2019, and of its financial performance for the financial year from January 1, 2019 to December 31, 2019, and

- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion does not cover the items listed in the chapter "Other Information" of this report.

Pursuant to § 322 para. 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1, 2019 to December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

We have organized our presentation of the key audit matter as follows:

1. Matter and issue
2. Audit approach and findings
3. Reference to further information

Regulatory risks with regard to the business of the Group

Matter and issue

Unchanged to prior periods, the business model of the group is still subjected to risks regarding the regulatory admissibility of the services provided by the group in the areas of sports betting and eGaming. In specific countries, state-granted monopolies questioning the admissibility of the business of the group in general, contradict jurisdiction of the European Court of Justice, which is generally favorable for providers of such services. The European Court of Justice has –

in its ruling dated September 8, 2010 – generally declined any discrimination against private providers of sports betting and eGaming in favor of state-owned monopolies but at the same time has accepted current legislation for a transitory period.

As far as legally possible, the group strives to obtain national licenses to mitigate risk with regard to the business of the group. The group currently provides its services on the basis of licenses obtained in Malta (and thus in the EU) and assumes that (based on the European principles of freedom of establishment and services) these are valid in all EU countries. The group has furthermore obtained national licenses in several EU countries. Current developments in the key market Germany indicate that the trend towards individual national regulation continues.

Specific EU countries still attempt to prevent the group from offering its services by means of regulatory measures supported also by technical obstacles on the level of the internet service providers. As far as such technical interventions are successful, this affects the economic position of the group. As far as important markets are affected to a significant extent, this may potentially impair the financial position of the group. Generally, the group is convinced of the admissibility of its business based on EU law and will take legal action against any such restrictions.

Audit approach and findings

We are constantly monitoring the legal developments and jurisdiction in this area. During our audit, we have requested written evaluations from the external specialized legal consultants of the group. Extensive discussion with management to understand their assessment of the developments as well as consultation with the chairman of the supervisory board of bet-at-home.com AG (himself being a specialized lawyer) are complimented with our own research and evaluations.

We have verified that bet-at-home.com AG management permanently enables itself to competently evaluate the regulatory risks at all times and to be able to initiate necessary action by consulting external experts and maintaining an internal relevant reporting.

We have concluded, that management of bet-at-home.com AG closely monitors the regulatory risk and – as far as possible – strives to influence the developments in favor of the group. In our opinion, there are no current developments that would compromise the business of the group to an extent, where this would have to be further reflected in the group's accounting and reporting.

Reference to further information

A detailed description of the regulatory situation in the area of sports betting and eGaming as well as of the current developments is included in the notes to the consolidated financial statements in section VI.2.1.

Other Information

Management is responsible for the Other Information. The Other Information comprises the following items as included in the combined management report:

- Responsibility Statement with regard to the consolidated financial statements (§ 297 para. 2 sentence 4 HGB) and with regard to the combined management report (§ 315 para. 1 sentence 5 HGB)
- Declaration of Corporate Governance (§ 315d HGB).

The Other Information also includes the Annual Report (including the corporate governance report according to section 3.10 of the German Corporate Governance Code) with the exception of the consolidated financial statements, the combined management report and our audit opinion.

Our audit opinions with regard to the consolidated financial statements and the combined management report do not extend to include the Other Information and we thus do not express an opinion or any other form of assurance thereon.

In connection with our audit, our responsibility is to read the Other Information, and, in doing so, consider whether the other information

- is materially inconsistent with the consolidated financial statements, the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The executive directors of bet-at-home.com AG are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e para. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for

financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than

for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e para. 1 HGB.

obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with law, and the view of the Group's position it provides.

perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on May 22, 2019. We were engaged by the supervisory board on October 11, 2019. We have been the group auditor of bet-at-home.com AG without interruption since the financial year 2006.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the supervisory board pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Auditor responsible for the engagement

The auditor responsible for the engagement is Thomas Pannenbäcker.

Duisburg, February 28, 2020

PKF Fasselt Schlage
Partnerschaft mbB
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
Rechtsanwälte

Th. Pannenbäcker
Wirtschaftsprüfer

Prof. Dr. Harrison
Wirtschaftsprüfer

Company Profile	Report by the Management Board	Report by the Supervisory Board	The Share	Consolidated Statement of Financial Position	Consolidated Statement of Income	Consolidated Statement of Cash Flows	Statement of Changes in Group Equity	Notes to the Consolidated Financial Statements	Combined Management Report	Independent Auditor's Report
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IMPRINT

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bet-at-home.com AG, Düsseldorf

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DISCLAIMER

The Annual Report is a translation
of the valid German version.

LIFE IS A GAME!

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