



bet-at-home.com AG

Düsseldorf

**Financial Statements
as at 31 December 2017
Summarised Management Report 2017
Independent Auditors Report**

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Summarised Management Report 2017

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Disclaimer:

The Financial Statement Report 2017 is a translation of the valid German version.

Statement of financial position at 31 December 2017

A S S E T S

	31.12.2017		31.12.2016
	EUR	EUR	EUR
A. Non-current assets			
I. Tangible assets			
Other equipment	1,00		1,00
II. Financial assets			
Interests in affiliated companies	<u>3 771 313,19</u>	3 771 314,19	<u>3 771 313,19</u> 3 771 314,19
B. Current assets			
I. Receivables and other assets			
1. Receivables from affiliated companies	55 968 986,63		85 246 483,28
2. Other assets	<u>32 058,94</u>		<u>163 772,06</u>
	<u>56 001 045,57</u>		<u>85 410 255,34</u>
II. Cash and cash equivalents	<u>13 168 327,62</u>	69 169 373,19	<u>6 393 913,54</u> 91 804 168,88
C. Prepaid expenses		108 812,97	53 309,66
		<u>73 049 500,35</u>	<u>95 628 792,73</u>

E Q U I T Y & L I A B I L I T I E S

	31.12.2017		31.12.2016
	EUR	EUR	EUR
A. Equity			
I. Share capital	7 018 000,00		7 018 000,00
II. Capital reserves	7 366 000,00		7 366 000,00
III. Total comprehensive income	<u>55 795 465,19</u>		<u>55 542 123,94</u>
		70 179 465,19	69 926 123,94
B. Provisions			
1. Tax provisions	1 065 086,00		751 685,00
2. Other provisions	<u>922 142,57</u>		<u>786 485,49</u>
		1 987 228,57	1 538 170,49
C. Liabilities			
1. Liabilities from goods and services thereof with a residual maturity of up to one year EUR 28,428.75 (FY 2016: EUR 5,410.34)	28 428,75		5 410,34
2. Liabilities to affiliated companies thereof with a residual maturity of up to one year EUR 0.00 (FY 2016: EUR 22,332,431.54)	0,00		22 332 431,54
3. Other liabilities	<u>854 377,84</u>		<u>1 826 656,42</u>
thereof taxes		882 806,59	24 164 498,30
EUR 26,612.27 (FY 2016: EUR 26,972.66)			
thereof relating to social security			
EUR 16,625.13 (FY 2016: EUR 21,576.54)			
thereof with a residual maturity of up to one year			
EUR 854,377.84 (FY 2016: EUR 1,826,656.42)			
		<u>73 049 500,35</u>	<u>95 628 792,73</u>

Income Statement
for the year ended 31 December 2017

	01.01.- 31.12.2017	01.01.- 31.12.2016
	<u>EUR</u>	<u>EUR</u>
1. Revenues	780 167,93	748 256,64
2. Other operating income	31 609,53	483 564,47
3. Personnel expenses	1 982 028,00	2 053 682,03
4. Other operating expenses	1 080 064,14	1 033 438,87
5. Income from investments thereof from affiliated companies EUR 55,106,383.00 (FY 2016: EUR 54,000,000.00)	55 106 383,00	54 000 000,00
6. Other interest and similar income thereof from affiliated companies EUR 450,888.89 (FY 2016: EUR 2,161,555.56)	654 419,86	2 370 527,48
7. Interest and similar expenses thereof to affiliated companies EUR 97,458.33 (FY 2016: EUR 492,494.44)	97 458,33	492 494,44
8. Income tax expense	<u>524 688,60</u>	<u>846 314,00</u>
9. Net income	52 888 341,25	53 176 419,25
10. Profit carried forward from previous year	<u>2 907 123,94</u>	<u>2 365 704,69</u>
11. Total comprehensive income	<u>55 795 465,19</u>	<u>55 542 123,94</u>

bet-at-home.com AG, Dusseldorf

Notes to the Financial Statement 2017

I. General Disclosures to the Financial Statement

The bet-at-home.com AG is based in Dusseldorf and registered in the commercial register B at Dusseldorf District Court under commercial register number HRB 52673.

The annual financial statements were prepared in accordance with Sections 242 ff. and 264 ff. of the German Commercial Code [Handelsgesetzbuch; HGB] and the relevant provisions of the German Stock Corporation Act [Aktiengesetz; AktG]. In accordance with section 267 (3) sentence 2 HGB in conjunction with section 264d HGB, the company is a large corporation as a result of the admission of its shares to an organized market (Frankfurt Stock Exchange).

II. Information on significant accounting policies

The accounting policies comply with the legal requirements and remain unchanged compared with the previous year.

In the annual financial statements, dividend-similar income from affiliated Maltese companies are reported under income from participations (previous year: other operating income) in the income statement for 2017. The respective figures for 2017 are not comparable with the previous year's figures. The change was required due to new findings on the nature of participation in the Maltese companies.

Property, plant and equipment are measured at cost upon initial recognition (acquisition costs) and reduced by systematic amortization. The systematic amortization was applied on a straight-line basis according to the estimated useful live of the assets and the tax regulations. The useful life for property, plant and equipment is three to five years.

The financial assets are measured at cost upon initial recognition (acquisition costs).

Receivables and other assets are shown at their nominal value. Valuation adjustments were not necessary.

Prepaid expenses cover expenditures of the financial year that are considered as expenses for a certain period after the reporting date.

Provisions were formed with a reasonable commercial assessment. All recognizable risks and uncertain liabilities at the time of balance sheet preparation were taken into account.

The liabilities were carried at their fulfillment amount.

III. Information on the balance sheet and the income statement

The composition and development of assets are shown in the changes in non-current assets (appendix to the notes).

Financial assets comprise solely of the stake in the bet-at-home.com Entertainment GmbH, Linz (Austria).

Receivables from associated companies in the amount of EUR 55,969 thousand contain the 2017 dividend of bet-at-home.com Entertainment GmbH, Linz, Austria, in the amount of EUR 54,635 thousand.

Other assets and receivables from associated have a remaining term of less than one year.

The Group's share capital amounted to EUR 7,018,000.00 as at 31.12.2017 (previous year: EUR 7,018,000.00) and is divided into 7,018,000 bearer shares with a calculated proportion of the capital stock to the amount of EUR 1.00 per share. The reserves are EUR 7,366,000.00 as at 31.12.2017 (previous year: EUR 7,366,000.00). 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.

Other provisions to the amount of EUR 784,208.57 relate to the management bonus

granted to the members of the Management Board. Provisions have a remaining term of less than one year.

Of the other liabilities, EUR 811,140.44 is owed to a member of the Management Board from incentives of Betclic Everest Group SAS. There are receivables against the Betclic Everest Group SAS at the appropriate level.

Trade payables and other liabilities have a remaining term of less than one year.

Revenue comprises income from the transfer of management service charges to the amount of EUR 780,167.93 (previous year: EUR 748,256.64).

In the previous year, other operating income included dividend-similar income from affiliated Maltese companies (EUR 431,529.00), which are reported in the financial statement 2017 under income from investments.

Personnel expenses refer exclusively to the members of the Management Board.

The income from investments results from the dividend for 2017 of bet-at-home.com Entertainment GmbH (EUR 54,635,000.00, previous year: EUR 54,000,000.00) and the dividend-similar income of affiliated Maltese companies (EUR 471,383.00). In the previous year, these were recognized under other operating income.

IV. Other information

Other financial obligations and liabilities do not exist. The company has no employees.

The Betclic Everest Group SAS, as group parent, prepares consolidated financial statements for the largest group of associated companies, which includes the financial statement of the company.

In Germany and Austria, betting and gaming providers were subjected to legal attacks by state-owned and private competitors, attempting to stop the company from providing and advertising its activities. This concerns associated companies as well as legal representatives of the bet-at-home.com AG.

Members of the Management Board of bet-at-home.com AG, Düsseldorf, during the 2017 financial year:

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

Executive Board member Franz Ömer is member of the Supervisory Board of Athos Immobilien AG, Linz (Austria).

In 2017, the members of the Management Board of the parent company received fixed compensation in the amount of EUR 795 thousand (previous year: EUR 765 thousand) and variable compensation in the form of a management bonus in the amount of EUR 996 thousand (previous year: EUR 951 thousand). A further variable remuneration of EUR 891 thousand (previous year: EUR 0 thousand) was granted from the majority shareholder to the members of the Management Board. One Group company also paid for one consulting service in the amount of EUR 280 (previous year: EUR 280 thousand).

Cash inflow (in EUR)	Franz Ömer		Michael Quatember	
	CEO		CEO	
	2017	2016	2017	2016
Fixed compensation	470,000.00	440,000.00	325,000.00	325,000.00
Fringe benefits	280,000.00	280,000.00	0.00	0.00
Total	750,000.00	720,000.00	325,000.00	325,000.00
One-year variable compensation	425,960.00	408,000.00	425,960.00	408,000.00
Long-term management bonus	72,000.00	67,500.00	72,000.00	67,500.00
Variable third-party compensation	890,953.18	0.00	890,953.18	0.00
Multiple-year variable compensation	962,953.18	67,500.00	962,953.18	67,500.00
Total	1,388,913.18	475,500.00	1,388,913.18	475,500.00
Catering expenses	0.00	0.00	0.00	0.00
Total compensation	2,138,913.18	1,195,500.00	1,713,913.18	800,500.00

In 2017, 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: 11 EUR thousand).

Allocations granted (in EUR)	Franz Ömer				Michael Quatember			
	CEO				CEO			
	2016	2017	2017 (Min)	2017 (Max)	2016	2017	2017 (Min)	2017 (Max)
Fixed compensation	440,000.00	470,000.00	470,000.00	470,000.00	325,000.00	325,000.00	325,000.00	325,000.00
Fringe benefits	280,000.00	280,000.00	280,000.00	280,000.00	0.00	0.00	0.00	0.00
Total	720,000.00	750,000.00	750,000.00	750,000.00	325,000.00	325,000.00	325,000.00	325,000.00
One-year variable compensation	425,960.00	452,231.42	0.00	484,500.00	425,960.00	452,231.42	0.00	484,500.00
Long-term management bonus	72,000.00	75,169.41	0.00	85,500.00	72,000.00	75,169.41	0.00	85,500.00
Variable third-party compensation	890,953.18	0.00	0.00	0.00	890,953.18	811,140.44	0.00	n.a.
Multiple-year variable compensation	962,953.18	75,169.41	0.00	85,500.00	962,953.18	886,309.85	0.00	n.a.
Total	1,388,913.18	527,400.83	0.00	570,000.00	1,388,913.18	1,338,541.27	0.00	n.a.
Catering expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total compensation	2,108,913.18	1,277,400.83	750,000.00	1,320,000.00	1,713,913.18	1,663,541.27	325,000.00	n.a.

Members of the Supervisory Board of bet-at-home.com AG, Düsseldorf, during the 2017 financial year:

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

The Chairman of the Supervisory Board Martin Arendts is member of the Supervisory Board of FIVV Finanzinformation & Vermögensverwaltung AG, Munich.

Supervisory Board member Isabelle Andres is member of the Supervisory Board of ATARI S.A., Paris (France).

Supervisory Board member Jean-Laurent Nabet is member of the Supervisory Board of Lov Group Invest SAS, Paris (France), and LG Industry SAS, Paris (France).

The Chairman of the Supervisory Board received a fixed compensation in the amount of EUR 40 thousand in the 2017 financial year (previous year: EUR 20 thousand). In

addition, necessary expenses were reimbursed. As in the previous year, the other members of the Supervisory Board waived their compensation in the 2017 financial year.

In financial year 2017, investments in the following companies were held:

Company, head office	Share of capital	Equity	Profit for the period
bet-at-home.com Entertainment GmbH, Linz/Austria	direct 100 %	63,131,218.19	55,452,216.72
bet-at-home.com Holding Ltd., Portomaso/Malta	direct 2 %	12,550,749.86	33,696,757.13
	indirect 100 %		
bet-at-home.com Entertainment Ltd., Portomaso/Malta	direct 2 %	240,000.50	10,609,740.54
	indirect 100 %		
bet-at-home.com International Ltd., Portomaso/Malta	direct 2 %	4,986.90	276,163.59
	indirect 100 %		
bet-at-home.com Internet Ltd., Portomaso/Malta	direct 2 %	99,889.11	12,693,367.34
	indirect 100 %		
Jonsden Properties Ltd., Gibraltar	indirect 100 %	810,741.03	73,862.53

Subject to the Supervisory Board's consent, the Management Board of the parent company will propose to the general meeting of shareholders in 2018 to pay a dividend of again EUR 7.50 per share, totalling EUR 52,635,000.00, from net profit for the year as at 31 December 2017 and to carry EUR 3,160,465.19 forward to new account.

Release pursuant to Section 21 (1) sentence 1 of the WpHG (German Securities Trading Act) in financial year 2017

Franz Ömer has informed us, that his share of voting rights in bet-at-home.com AG, Düsseldorf, Germany, totaled 1.00% on 22th December 2017 (this corresponds to 70,180 out of a total of 7,018,000 voting rights).

V. Final declaration pursuant to Section 312 (3) AktG

Pursuant to Section 312 (3) AktG, the Management Board 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. No actions subject to Section 312 (1) AktG were taken or omitted.

VI. Material subsequent events

There were no events materially affecting the Group's business development and financial position in the period between the end of the 2017 financial year and preparation of the consolidated financial statements.

VII. Declaration pursuant to Section 161 AktG on the German Corporate Governance Code

The Supervisory and Management Boards of bet-at-home.com AG have issued the statutory declaration for listed companies pursuant to Section 161 AktG and made it accessible to the shareholders. The declaration has been published on the Investor Relations website www.bet-at-home.ag under the section Corporate Governance.

VIII. 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.

Dusseldorf, 23 February 2018

Franz Ömer

Michael Quatember

bet-at-home.com AG,
Dusseldorf

Summary of fixed assets as at 31 December 2017

	At cost				Accumulated depreciation					Carrying amount 31.12.2017 EUR	Carrying amount 31.12.2016 EUR	Depreciation 31.12.2017 EUR	
	Balance at 1.1.2017 EUR	Additions EUR	Reclassification EUR	Disposals EUR	Balance at 31.12.2017 EUR	Balance at 1.1.2017 EUR	Additions EUR	Reclassification EUR	Disposals EUR				Balance at 31.12.2017 EUR
I. Property and equipment													
Furniture and fixtures, office equipment													
Other furniture and fixtures, office equipment	2 374,57	0,00	0,00	0,00	2 374,57	2 373,57	0,00	0,00	0,00	2 373,57	1,00	1,00	0,00
Low-value assets	1,00	0,00	0,00	0,00	1,00	1,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00
	2 375,57	0,00	0,00	0,00	2 375,57	2 374,57	0,00	0,00	0,00	2 374,57	1,00	1,00	0,00
II. Financial assets													
Holdings in affiliated companies													
bah Entertainment GmbH	3 771 313,19	0,00	0,00	0,00	3 771 313,19	0,00	0,00	0,00	0,00	0,00	3 771 313,19	3 771 313,19	0,00
	3 771 313,19	0,00	0,00	0,00	3 771 313,19	0,00	0,00	0,00	0,00	0,00	3 771 313,19	3 771 313,19	0,00
	3 773 688,76	0,00	0,00	0,00	3 773 688,76	2 374,57	0,00	0,00	0,00	2 374,57	3 771 314,19	3 771 314,19	0,00

Summarised 2017 Management Report

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 gaming and sports betting company. With more than 4.8 million registered customers, the Group is one of the most successful providers in Europe.

The varied options offered on www.bet-at-home.com include Sports Betting, Poker, Casino, Vegas Games and Virtual Sports. In 2017, sports bets were placed on more than 379,000 events in over 75 types of sport. bet-at-home.com has companies in Germany, Austria, Malta and Gibraltar. The successful development of the company can be attributed to its 311 employees as at 31 December 2017.

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

The Group holds various licences via its Maltese companies for online sports betting and gaming. These licences allow the Group to organise and market online sports betting and online casinos in its sales markets in Austria, 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 gaming licences for Sports Betting, Poker, Casino, Vegas 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 Research and development

One of the most important assets of the Group is its effective state-of-the-art software. We are continuously enhancing and developing this software. Sports betting and casino products for the mobile platform were continuously enhanced and optimised during the course of 2017. bet-at-home.com achieved another internal development milestone with the launch of the Casino app in September 2017.

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 eGaming business development is largely independent from total economic developments in the respective market.

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

B.2 Business trend

(1) Highlights in 2017

In 2017, bet-at-home.com AG Group once again showed its strength by generating new record gaming volumes, betting and gaming revenue and key performance indicators in the history of the company. In 2017, the gross betting and gaming revenue amounted to EUR 145.4 million, thus 4.8% up on the previous year's figure of EUR 138.7 million and once again reaching a record in the history of bet-at-home.com. Despite the ongoing investments in the brand's popularity, the EBITDA in 2017 also increased by 7.4% to a record of EUR 35.5 million, thus around EUR 2.5 million up on the comparative figure of EUR 33.0 million in the previous year. Group-wide bundling of the procurement of marketing services at the group company in Gibraltar resulted in significant synergies also during the 2017 financial year, which have influenced the Group's development positively.

As no major football event with a large audience took place in the reporting period 2017, the marketing focus for financial year 2017 was already set in the first quarter of 2017 to coincide with the second leg

of the Football Bundesliga. It comprises all marketing channels, including a major TV campaign in Germany and Austria. The long-term cooperations with the German Bundesliga football club FC Schalke 04 was again renewed until 2021.

Further permanent expansion in the area of live betting will strengthen the Group's market position further and ensure its continued positive development. 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 48% of the gross betting and gaming revenue was already generated through mobile devices at the end of financial year 2017.

(2) Staffing

During the 2017 financial year, the average number of staff (excluding the Board) employed by the Group rose to 302 (previous year: 289). As at the 2017 reporting date, the Group employed 311 staff (previous year: 296). Targeted personnel development combined with the recruitment of highly qualified professionals form the basis for the Group's continued successful development. The quality of recruitment measures is underpinned by a very low staff turnover rate. Another key component to success is intensive further professional training.

B.3 Group situation

The Group further strengthened its position, and in particular that of the bet-at-home.com brand, throughout Europe during the 2017 financial year. This can be measured, in particular, by the number of registered customers increasing to more than 4.8 million (previous year: 4.6 million) in 2017.

B.3.1 Earnings position

In financial year 2017, the gross betting revenue (bets placed less paid out winnings) amounted to EUR 64.6 million, slightly down on the previous year due to a lack of major sports events (previous year: EUR 66.2 million).

The gross gaming revenue (gaming revenue less paid out winnings) increased year-on-year to EUR 80.8 million (previous year: EUR 72.5 million). Gaming comprises the products Poker, Casino, Vegas Games and Virtual Sports.

The total gross betting and gaming income increased once again to EUR 145.4 million in 2017 (previous year: EUR 138.7 million), thus marginally exceeding the 2017 forecast. The gross betting and gaming revenue is a key 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 in the European Union, net gaming revenue in 2017 amounted to EUR 117.8 million (previous year: EUR 112.9 million).

During the 2017 financial year, the Group's **earnings position** was as follows:

	31/12/2017	31/12/2016
	EUR'000	EUR'000
Net gaming revenue	117 763	112 888
Total operating income	118 676	113 843
EBT (earnings before taxes) *)	35 651	34 095
EBIT (earnings before interest and taxes) **)	34 133	31 884
EBITDA (earnings before interest, taxes, depreciation and amortisation) ***)	35 474	33 044

*) 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

The previous year's EBITDA forecast of EUR 34 million to EUR 38 million was therefore met.

The betting fees or taxes and gambling levies payable in various countries decreased earnings by EUR 18,807 thousand during the 2017 financial year (previous year: 16,545 EUR thousand). In addition, VAT regulations for electronic service providers in the European Union also decreased earnings by EUR 8,828 thousand (previous year: 9,241 EUR thousand).

In the 2017 financial year, marketing expenses (advertising plus sponsoring) decreased to EUR 41,958 thousand as planned due to a lack of major sports events (previous year: EUR 43,956 thousand). In line with the increase in staff, personnel expenses rose by EUR 789 thousand, from EUR 17,282 thousand in the 2016 financial year to EUR 18,071 thousand in the 2017 financial year.

B.3.2 Cash flows

As at 31 December 2017, the Group's **cash flow** was as follows:

	31/12/2017 EUR'000	31/12/2016 EUR'000
Comprehensive income	32 375	31 363
Cash flows from operating activities	30 840	30 229
+ Cash flows from investing activities	28 955	26 884
+ Cash flows from financing activities	-52 635	-15 791
= Net increase (decrease) in cash from operating, investing and financing activities	7 160	41 322
= Cash and cash equivalents at the end of the period	97 261	90 101

Cash flows from investing activities include EUR 29.0 million from the full repayment of the short-term loans issued to the majority shareholder Mangas BAH SAS, Paris, a former group company of the majority shareholder Betclic Everest Group SAS, Paris, which incurred arm's length interest. The cash flows from financing activities reflect the dividend payment to the shareholders of the parent company.

Cash and cash equivalents of EUR 97,261 thousand boost the Group's excellent financial position as at 31/12/2017 in view of liabilities amounting to EUR 11,843 thousand and provisions to EUR 22,646 thousand. The Group was therefore able to meet its financial liabilities at all times.

B.3.3 Net assets

As at 31 December 2017, the Group's **financial position** was as follows:

Assets	31/12/2017 EUR' 000	31/12/2016 EUR' 000
Non-current assets	4 036	4 882
Current assets		
Receivables from associated companies	824	30 815
Other receivables and assets, prepayments and accrued income	17 939	17 829
Securities	0	1 748
Short-term deposits	4 588	0
Cash and cash equivalents	97 261	90 101
	124 648	145 375

The decrease in receivables from affiliated companies result from the full repayment of the short-term loans issued to the majority shareholder Mangas BAH SAS, Paris, a former group company of the majority shareholder Betclic Everest Group SAS, Paris, which incurred arm's length interest.

Equity and liabilities	31/12/2017 EUR'000	31/12/2016 EUR'000
Group equity	89 311	109 571
Non-current liabilities (provisions)	47	108
Current liabilities (payables, provisions, accruals and deferred income)	35 290	35 696
	124 648	145 375

As of 31 December 2017, the equity ratio was 71.7% (previous year: 75.4%). The decrease in equity in absolute figures results from the distribution of a dividend in the amount of EUR 52,635 thousand in May 2017.

Current liabilities contain trade payables in the amount of EUR 1,758 thousand (previous year: EUR 460 thousand), current provisions in the amount of EUR 22,600 thousand (previous year: EUR 21,371 thousand), and other liabilities in the amount of EUR 10,085 thousand (previous year: EUR 13,234 thousand), which are primarily owed to customers.

Financing measures were not required during the 2017 financial year.

B.3.4 Overall evaluation of the Group's situation

The Group's economic position was very positive overall in 2017.

C. Events after the balance sheet 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.com brand is constantly expanded internationally in a cost-effective way through innovative marketing strategies. In accordance with 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 2018:

Based on the current trends and assuming an unchanging regulatory and tax law environment in the financial year 2018, the Management Board expects gross betting and gaming revenues to increase to EUR 150 million.

The Management Board expects EBITDA to amount to EUR 36 million to EUR 40 million in financial year 2018.

The maximum number of employees in the Group should increase to around 320 persons by 31 December 2018.

D.2 Opportunity report

The bet-at-home.com brand is continuously enhanced in the international market in a cost-effective way through innovative marketing strategies. In accordance with regulatory developments in the respective countries, we are working intensively in all submarkets towards increasing our market.

The development of the global online gaming market shows that the European market (EU 28) has made the largest contribution to growth in the past 10 years world-wide and is expected to continue generating annual growth rates of around 9%. This is confirmed by various studies by H2 Gambling Capital, also in 2017. 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.

Thanks to bet-at-home.com's strong brand presence and its firmly established position in the European market for online gambling, the Management Board is convinced it will continue to grow faster than the global industry, just as it has done in the past.

D.3 Risk report

The Notes to Consolidated Financial Statements for the Period Ended 31 December 2017 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, measured 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 (Aktiengesetz; 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 summarised management report.

E.1 Financial performance of bet-at-home.com AG

	2017	2016	Change	
	EUR'000	EUR'000	EUR'000	%
Revenue	780	748	32	4,3
Other operating income	32	484	-452	-93,5
Ordinary operating income	812	1 232	-420	-34,1
Personnel expenses	1 982	2 054	-72	-3,5
Administrative expenses	1 080	1 033	47	4,5
	3 062	3 087	-25	-0,8
Operating income	-2 250	-1 855	-395	21,3
Income from investments	55 106	54 000	1 106	2,0
Interest received	654	2 370	-1 716	-72,4
Interest paid	97	493	-396	-80,2
Net finance income	55 663	55 877	-214	-0,4
Earnings before taxes	53 413	54 022	-609	-1,1
Income taxes	525	846	-321	-37,9
Net income for the year	52 888	53 176	-288	-0,5

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.

Tax expenses exclusively refer to income taxes.

E.2 Net assets of bet-at-home.com AG

	31/12/2017		31/12/2016		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
<u>Non-current assets</u>						
Financial investments	3 771	5,2	3 771	3,9	0	0,0
<u>Current assets</u>						
Other assets, including						
accruals and deferred income	141	0,2	217	0,2	-76	-35,0
Receivables from associated companies	55 969	76,6	85 247	89,2	-29 278	-34,3
Cash and cash equivalents	13 168	18,0	6 394	6,7	6 774	> 100
	69 278	94,8	91 858	96,1	-22 580	-24,6
	73 049	100,0	95 629	100,0	-22 580	-23,6

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

Receivables from affiliated companies in the amount of EUR 55,969 thousand contain the dividend of bet-at-home.com Entertainment GmbH, Linz, Austria, for 2017 in the amount of EUR 54,635 thousand.

E.3 Financial performance of bet-at-home.com AG

	31/12/2017		31/12/2016		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
Equity	70 179	96,1	69 926	73,1	253	0,4
Current liabilities and Provisions						
Suppliers	28	0,0	5	0,0	23	> 100
Associated companies	0	0,0	22 333	23,4	-22 333	-100,0
Provisions	1 987	2,7	1 538	1,6	449	29,2
Other current liabilities	855	1,2	1 827	1,9	-972	-53,2
	73 049	100,0	95 629	100,0	-22 580	-23,6

F. Risk management in relation to the use of financial instruments

Freely available cash and cash equivalents were invested in fixed-income securities and shares in investment funds. The Management Board only decides to invest in securities in the event of positive earnings and growth forecasts associated with very good credit ratings of issuers. 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
- 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 revenue 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 a detailed description of the performance-related and non-performance-related compensation components, we explicitly refer to the disclosure of the management board compensation in the notes to the consolidated financial statements (Section VI.3 Related party transactions).

c) Fringe benefits

One Group company also paid for one consulting service in the amount of EUR 280 thousand.

In 2017, 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 compensation. No other fringe benefits, particularly company cars, were granted.

Third-party benefits for members of the Management Board

In 2016, Betclik Everest Group SAS, the majority shareholder of bet-at-home.com AG, approved variable compensation for the members of the Management Board for the first time. Betclik Everest Group SAS is the sole payee of this compensation, which therefore does not place any financial burden on bet-at-home.com AG or its subsidiaries. The accrual and amount of this variable compensation is based on the price of the shares of bet-at-home.com AG exceeding a certain level at the end of 2016, 2017 and 2018 (basic allowance). An additional incentive for the members of the Management Board is to pay attention to the development of the share price. It is created by decreasing the percentage of compensation if the basic allowance is exceeded during the reporting period and that an agreed minimum dividend does not reduce the basic allowance. Contracts have been concluded to ensure that bet-at-home.com AG will not assume any liability in this respect, including for any taxes payable.

Benefits and allocations granted in 2017

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 remuneration of EUR 20,000 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 remuneration of EUR 40,000 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 information regarding the right to take over (Section 315 (4) 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 12 May 2018. 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. Corporate governance statement

With regard to the disclosures on the working methods of the Management Board and Supervisors Board and the compliance statement 2017 in accordance with Section 161 AktG, please refer to the website of the parent company, www.bet-at-home.ag under Corporate Governance.

In accordance with Section 76 (4) AktG, the Management Boards of companies that are listed or subject to co-determination must specify the target percentages of women on both executive levels below the Management Board. However, bet-at-home.com AG is unable to determine such targets as the company does not have any employees and/or executive levels below the Management Board.

In accordance with Section 111 (5) AktG, the supervisory boards of companies that are listed or subject to co-determination must specify the target percentages of women on the supervisory and management boards. When determining the targets for its composition, the Supervisory Board specified that one third of the Supervisory Board should be women. This target has been reached at present. The Management Board is currently comprised of two men. As none of the Management Board contracts are expiring in the near future and there are no plans to add further members to the Manage-

ment Board, the company is currently not endeavouring to increase the percentage of women on the Management Board.

J. Non-financial reporting

The business success of bet-at-home.com 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.com, these aspects are key components of a forward-looking positioning in the international competitive environment.

As at 31 December 2017, bet-at-home.com AG Group had a total of 4,828,694 (2016: 4,599,261) registered users. In financial year 2017, bet-at-home.com received 229,433 (2016: 330,550) new registrations.

The constant employee growth within the Group primarily occurs in the IT department each year due to the consistent advancement 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 of bet-at-home.com. 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 financial year 2017, around 218,000 project hours were spent on IT development (previous year: 204,000).

K. Responsibility statement

We assure that to the best of our knowledge the Group management report provides a true and fair view of business developments, including the results of operations and situation of the Group, and that it describes the material opportunities and risks of future developments within the Group.

Düsseldorf, 23 February 2018

Franz Ömer

Michael Quatember

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, 2017, 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, 2017 to December 31, 2017, 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, 2017 to December 31, 2017. In accordance with the German legal requirements we have not audited the corporate governance statement according to § 289f HGB and § 315d HGB.

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, 2017, and of its financial performance for the financial year from January 1, 2017 to December 31, 2017, 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 on the combined management report does not cover the content of the corporate governance statement according to § 289f HGB and § 315d HGB.

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, 2017 to December 31, 2017. 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.

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 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) as included in the combined management report as well as the corporate governance report according to section 3.10 of the German Corporate Governance Code. The Other Information also includes the Annual Report 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 17, 2017. We were engaged by the supervisory board on December 4, 2017. 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 23, 2018

PKF FASSELT SCHLAGE
Partnerschaft mbB
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
Rechtsanwälte

Th. Pannenbäcker
Wirtschaftsprüfer

Dr. Harrison
Wirtschaftsprüfer