



bet-at-home.com AG

Düsseldorf

**Financial Statements
as at 31 December 2018
Summarised Management Report
for the financial year 2018
Independent Auditors Report**

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Summarised Management Report 2018

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Disclaimer:

The Financial Statement Report 2018 is a translation of the valid German version.

Statement of financial position at 31 December 2018

ASSETS

	31.12.2018		31.12.2017
	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>		<u>3 771 313,19</u>
		3 771 314,19	<u>3 771 314,19</u>
B. Current assets			
I. Receivables and other assets			
1. Receivables from affiliated companies	46 271 682,45		55 968 986,63
2. Other assets	<u>1 032 995,34</u>		<u>32 058,94</u>
	<u>47 304 677,79</u>		<u>56 001 045,57</u>
II. Cash and cash equivalents	<u>11 193 081,47</u>		<u>13 168 327,62</u>
		58 497 759,26	<u>69 169 373,19</u>
C. Prepaid expenses		187 142,28	108 812,97
		<u>62 456 215,73</u>	<u>73 049 500,35</u>

EQUITY & LIABILITIES

	31.12.2018		31.12.2017
	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>47 003 241,46</u>		<u>55 795 465,19</u>
		61 387 241,46	70 179 465,19
B. Provisions			
1. Tax provisions	0,00		1 065 086,00
2. Other provisions	<u>910 023,61</u>		<u>922 142,57</u>
		910 023,61	<u>1 987 228,57</u>
C. Liabilities			
1. Liabilities from goods and services thereof with a residual maturity of up to one year EUR 0,00 (FY 2017: EUR 28.428,75)	0,00		28 428,75
2. Other liabilities thereof taxes EUR 80.346,33 (FY 2017: EUR 26.612,27) thereof relating to social security EUR 6.831,61 (FY 2017: EUR 16.625,13) thereof with a residual maturity of up to one year EUR 158.950,66 (FY 2017: EUR 854.377,84)	<u>158 950,66</u>		<u>854 377,84</u>
		158 950,66	<u>882 806,59</u>
		<u>62 456 215,73</u>	<u>73 049 500,35</u>

**Income Statement
for the year ended 31 December 2018**

	01.01.- 31.12.2018	01.01.- 31.12.2017
EUR	EUR	EUR
1. Revenues	881 078,17	780 167,93
2. Other operating income	19 820,83	31 609,53
3. Personnel expenses		
a) Wages and salaries	1 909 096,38	1 867 863,16
b) social security contributions and expenses for pensions and support	122 110,19	114 164,84
thereof from retirement EUR 14.570,98 (FY 2017: EUR 14.021,52)	2 031 206,57	1 982 028,00
4. Other operating expenses	1 171 453,97	1 080 064,14
5. Income from investments thereof from affiliated companies EUR 46.094.266,00 (FY 2017: EUR 55.106.383,00)	46 094 266,00	55 106 383,00
6. Other interest and similar income thereof from affiliated companies EUR 0,00 (FY 2017: EUR 450.888,89)	218 877,67	654 419,86
7. Interest and similar expenses thereof to affiliated companies EUR 0,00 (FY 2017: EUR 97.458,33)	8 941,00	97 458,33
8. Income tax expense	159 664,86	524 688,60
9. Net income	43 842 776,27	52 888 341,25
10. Profit carried forward from previous year	3 160 465,19	2 907 123,94
11. Total comprehensive income	47 003 241,46	55 795 465,19

bet-at-home.com AG, Dusseldorf

Notes to the Financial Statement 2018

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 financial statements, 2018 dividend-like income from affiliated Maltese companies are reported under income from investments in the income statement.

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 on the basis of prudent business judgment and take into account all recognizable risks and contingent liabilities at the time the balance sheet was prepared. They are valued at the settlement amount. Accumulation or discounting was not required.

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 46,272 thousand contain the 2018 dividend of bet-at-home.com Entertainment GmbH, Linz, Austria, in the amount of EUR 45,617 thousand.

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

The Group's share capital amounted to EUR 7,018,000.00 as at 31.12.2018 (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 31.12.2018 (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 743,601.61 (previous year: 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 64,413.39 (previous year: EUR 811,140.44) is owed to a member of the Management Board from incentives of Betclit Everest Group SAS. There are receivables against the Betclit 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 881,078.17 (previous year: EUR 780,167.93).

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

The income from investments results from the dividend for 2018 of bet-at-home.com Entertainment GmbH (EUR 45,617,000.00; previous year: EUR 54,635,000.00) and the dividend-similar income of affiliated Maltese companies (EUR 477,266.00; previous year: EUR 471,383.00).

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 2018 financial year:

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

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

In 2018, the members of the Management Board of the parent company received fixed compensation in the amount of EUR 795 thousand (previous year: EUR 795 thousand) and variable compensation in the form of a management bonus in the amount of EUR 1.055 thousand (previous year: EUR 996 thousand). One Group company also paid for one consulting service in the amount of EUR 280 thousand (previous year: EUR 280 thousand). A further variable remuneration of EUR 811 thousand (previous year: EUR 891 thousand) was granted from the majority shareholder to the members of the Management Board.

Cash inflow (in EUR)	Franz Ömer		Michael Quatember	
	CEO		CEO	
	2018	2017	2018	2017
Fixed compensation	470,000.00	470,000.00	325,000.00	325,000.00
Fringe benefits	280,000.00	280,000.00	0.00	0.00
Total	750,000.00	750,000.00	325,000.00	325,000.00
One-year variable compensation	452,231.42	425,960.00	452,231.42	425,960.00
Long-term management bonus	75,169.41	72,000.00	75,169.41	72,000.00
Variable third-party compensation	0.00	890,953.18	811,140.44	890,953.18
Multiple-year variable compensation	75,169.41	962,953.18	886,309.85	962,953.18
Total	527,400.84	1,388,913.18	1,338,541.27	1,388,913.18
Catering expenses	0.00	0.00	0.00	0.00
Total compensation	1,277,400.84	2,138,913.18	1,663,541.27	1,713,913.18

In 2018, 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 15 thousand (previous year: 14 EUR thousand).

Allocations granted (in EUR)	Franz Ömer				Michael Quatember			
	CEO				CEO			
	2017	2018	2018 (Min)	2018 (Max)	2017	2018	2018 (Min)	2018 (Max)
Fixed compensation	470,000.00	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	750,000.00	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	452,231.42	417,907.73	0.00	484,500.00	452,231.42	417,907.73	0.00	484,500.00
Long-term management bonus	75,169.41	79,796.86	0.00	85,500.00	75,169.41	79,796.86	0.00	85,500.00
Variable third-party compensation	0.00	0.00	0.00	0.00	811,140.44	64,413.39	0.00	n.a.
Multiple-year variable compensation	75,169.41	79,796.86	0.00	85,500.00	886,309.85	144,210.25	0.00	n.a.
Total	527,400.83	497,704.59	0.00	570,000.00	1,338,541.27	562,117.98	0.00	n.a.
Catering expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total compensation	1,277,400.83	1,247,704.59	750,000.00	1,320,000.00	1,663,541.27	887,117.98	325,000.00	n.a.

Members of the Supervisory Board of bet-at-home.com AG, Düsseldorf, during the 2018 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 Lov Hotel Collection Holding, Paris, (France).

The Chairman of the Supervisory Board received fixed compensation of EUR 40 thousand in the 2018 financial year (previous year: EUR 40 thousand). Ms. Andres received a fixed remuneration of EUR 20 thousand in the 2018 financial year. In the previous year, Ms. Andres waived her compensation. In addition, necessary expenses were reimbursed. In the 2018 financial year, as in the previous year, Mr. Nabet waived his compensation.

In financial year 2018, 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 %	54,457,228.66	45,961,010.47
bet-at-home.com Holding Ltd., Portomaso/Malta	direct 2 %	995,998.56	34,062,248.70
	indirect 100 %		
bet-at-home.com Entertainment Ltd., Portomaso/Malta	direct 2 %	240,000.37	12,842,998.87
	indirect 100 %		

bet-at-home.com International Ltd., Portomaso/Malta	direct 2 %		
	indirect 100 %	-94,726.18	-99,713.08
bet-at-home.com Internet Ltd., Portomaso/Malta	direct 2 %		
	indirect 100 %	99,888.96	11,020,331.85
Jonsden Properties Ltd., Gibraltar	indirect 100 %	890,676.38	79,935.35

Subject to the Supervisory Board's consent, the Management Board of the parent company will propose to the general meeting of shareholders in 2019 to pay a dividend of EUR 6.50 per share, totalling EUR 45,617,000.00, from net profit for the year as at 31 December 2018 and to carry EUR 1,386,241.46 forward to new account.

Notifications pursuant to section 33 (1) sentence 1 WpHG (German Securities Trading Act) in the financial year 2018

Jochen Dickinger has informed us that his share of voting rights in bet-at-home.com AG, Düsseldorf, Germany, totaled 2.75% on 20.03.2018 (this corresponds to 192,995 out of a total of 7,018,000 voting rights).

Union Investment Privatfonds GmbH, Frankfurt/Main, has informed us that its total voting rights in bet-at-home.com AG amounted to 3.67% on March 23, 2018 (corresponding to 257,345 of a total of 7,018,000 voting rights). Of this amount, 3.63% is attributable to voting rights pursuant to sections 33, 34 WpHG and 0.04% to instruments pursuant to section section 38 (1) no. 1 WpHG.

In addition, Union Investment Privatfonds GmbH, Frankfurt/Main, informed us that its total voting rights in bet-at-home.com AG amounted to 3.94% on 11.06.2018 (this corresponds to 276,345 voting rights totaling 7,018,000). Of these, 2.66% are attributable to voting rights pursuant to sections 33, 34 WpHG and 1.28% to instruments pursuant to section 38 (1) no. 1 WpHG.

Furthermore, Union Investment Privatfonds GmbH, Frankfurt/Main, informed us that its total voting rights in bet-at-home.com AG totaled 3.94% on 16.08.2018 (276,345 out of a total of 7,018,000 voting rights). Of these, 3.11% are attributable to voting rights pursuant to sections 33, 34 WpHG and 0.83% to instruments pursuant to section 38 (1) no. 1 WpHG.

BDL Capital Management, Paris, France, has informed us that its total voting rights in bet-at-home.com AG totaled 3.03% on 05.04.2018 (this corresponds to 212,491 out of a total of 7,018,000 voting rights).

In addition, BDL Capital Management, Paris, France, informed us that its total voting rights in bet-at-home.com AG totaled 5.001% on October 23, 2018 (corresponding to 350,984 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 2018 financial year and preparation of the consolidated financial statements.

VII. 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/en/corporategovernance>. The corporate governance report is also published there.

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.

Düsseldorf, 28 February 2019

Franz Ömer

Michael Quatember

Summary of fixed assets as at 31 December 2018

	At cost				Accumulated depreciation				Balance at 31.12.2018 EUR	Carrying amount 31.12.2018 EUR	Carrying amount 31.12.2017 EUR	Depreciation 31.12.2018 EUR	
	Balance at 1.1.2018 EUR	Additions EUR	Reclassification EUR	Disposals EUR	Balance at 31.12.2018 EUR	Balance at 1.1.2018 EUR	Additions EUR	Reclassification EUR					Disposals 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

bet-at-home.com AG, Düsseldorf

Summarised 2018 Management Report

A. Economic status of the Group

A.1 Business model

bet-at-home.com AG group is an online sports betting and gaming company. With more than 5.0 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 2018, sports bets were placed on more than 411,000 events in 83 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 301 employees as at 31 December 2018.

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 licenses via its Maltese companies for online sports betting and gaming. These licenses 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 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 Betclik 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 2018. bet-at-home.com reached further international product development milestones with the launch of the new sports betting app in the second quarter of 2018 and a new eSports platform. The main factor in research and development are the IT employees.

B. Business report

B.1 Overall economic and industry situation

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

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

B.2 Business trend

(1) Highlights in 2018

In 2018, bet-at-home.com AG Group once again showed its strength by generating new record gaming volumes and EBITDA in the history of the company. In financial year 2018, the gross betting and gaming revenue amounted to EUR 143.4 million, thus 1.4 % down on the previous year (EUR 145.4 million). Investments in the brand's popularity remained high and as a result the EBITDA in 2018 increased by 2.1 % to a record of EUR 36.2 million, thus around EUR 0.7 million up on the comparative figure of EUR 35.5 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 financial year 2018, which have influenced the Group's development positively.

Primarily in the second half of 2018, bet-at-home.com focussed more of its marketing activities on the Football World Cup in Russia by running international advertising campaigns to increase the popularity

of the bet-at-home.com brand as well as its shares in the core markets. With view to the Football World Cup in Russia from 14 June to 15 July 2018, bet-at-home.com increased its investments in international advertising campaigns in the form of TV spots, posters and online media, as well as an extensive bonus offering as from May 2018.

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 54 % of the gross betting and gaming revenue was already generated through mobile devices at the end of financial year 2018.

(2) Staffing

During the 2018 financial year, the average number of staff (excluding the Board) employed by the Group rose to 304 (previous year: 302). As at the 2018 reporting date, the Group employed 301 staff (previous year: 311). Targeted personnel development combined with the recruitment of highly qualified professionals form the basis for the Group's continued successful development. Another key component to success is intensive further professional training.

B.3 Group situation

The Group further strengthened its position, and in particular that of the bet-at-home.com brand, during financial year 2018. This can be measured, in particular, by the number of registered customers increasing to more than 5.0 million (previous year: 4.8 million) in 2018.

B.3.1 Earnings position

In 2018, the gross betting revenue (betting volume less paid out winnings) amounted to EUR 60.5 million, down on the previous year's figure of EUR 64.6 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 82.8 million (previous year: EUR 80.8 million). Online gaming comprises the products casino, poker, games and virtual sports.

In 2018, the total gross betting and gaming revenue therefore amounted to EUR 143.4 million (previous year: EUR 145.4 million), slightly short of the 2018 forecast and the comparable figures in 2017. 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 in the European Union, net betting and gaming revenue in 2018 amounted to EUR 115.1 million (previous year: EUR 117.8 million).

During the financial year 2018, the Group's **earnings position** was as follows:

	31/12/2018	31/12/2017
	EUR'000	EUR'000
Gross betting and gaming revenue	143 351	145 398
Total operating income	116 199	118 676
EBT (Earnings Before Taxes) *)	34 995	35 651
EBIT (Earnings Before Interest and Taxes) **)	34 946	34 133
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) ***)	36 220	35 474

*) 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 income guidance of EUR 36 million to EUR 40 million was therefore met.

The betting fees or taxes and gambling levies payable in various countries decreased earnings by EUR 20,953 thousand during the financial year 2018 (previous year: EUR 18,807 thousand). In addition, VAT regulations for electronic service providers in the European Union also decreased earnings by EUR 7,273 thousand (previous year: EUR 8,828 thousand).

In 2018, advertising expenses decreased to EUR 38,327 thousand (previous year: EUR 41,958 thousand). With almost identical staff numbers, personnel expenses increased by EUR 654 thousand, from EUR 18.071 thousand in financial year 2017 to EUR 18.725 thousand in financial year 2018, primarily due to salary increases.

B.3.2 Financial situation

As at 31 December 2018, the **financial situation** was as follows:

	31/12/2018	31/12/2017
	EUR'000	EUR'000
Comprehensive income	34 995	35 651
Cash flows from operating activities	24 809	30 840
+ Cash flows from investing activities	-660	28 955
+ Cash flows from financing activities	-52 635	-52 635
= Net increase (decrease) in cash from operating, investing and financing activities	-28 487	7 160
= Cash and cash equivalents at the end of the period	68 774	97 261

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

Cash and cash equivalents of EUR 68,774 thousand boost the Group's excellent financial position as at 31/12/2018 in view of liabilities amounting to EUR 31,363 thousand and provisions to EUR 2,688 thousand. The Group was therefore able to meet its financial liabilities at all times.

B.3.3 Net assets

As at 31 December 2018, **net assets** were as follows:

Assets	31/12/2018	31/12/2017
	EUR'000	EUR'000
Non-current assets	3 406	4 036
Current assets		
Receivables from associated companies	13 139	11 322
Prepayments and accrued income	1 533	1 823
Other receivables and assets	6 963	5 618
Short-term deposits	9 525	4 588
Cash and cash equivalents	68 774	97 261
	103 339	124 648

The absolute decrease in cash and cash equivalents resulted from the distribution of a dividend in May 2018 in the amount of EUR 52,635 thousand, corresponding to EUR 7.50 per share (previous year: EUR 7.50).

Equity and liabilities	31/12/2018	31/12/2017
	EUR'000	EUR'000
Group equity	69 288	89 311
Non-current liabilities (provisions)	49	47
Current liabilities (payables and provisions)	34 003	35 290
	103 339	124 648

As at 31 December 2018, the equity ratio was 67.0 % (previous year: 71.7 %).

Current liabilities include trade payables in the amount of EUR 1,083 thousand (previous year: EUR 1,758 thousand), liabilities from taxes in the amount of EUR 16,534 thousand (previous year: EUR 17,342 thousand), current provisions in the amount of EUR 2,639 thousand (previous year: EUR 1,569 thousand), customer payables (contractual liabilities in accordance with IFRS 15) in the amount of EUR 7,705 thousand (previous year: EUR 8,324 thousand) and other liabilities in the amount of EUR 6,042 thousand (previous year: EUR 6,297 thousand).

Financing measures were not required during the financial year 2018.

B.3.4 Overall evaluation of the Group's situation

The Group's economic position was very positive overall in 2018.

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.com brand is constantly expanded internationally in a cost-effective way through innovative marketing strategies. Depending on regulatory developments in the respective countries, we are working intensively in all submarkets towards increasing our market share.

Based on the assumptions and premises presented in Section B.1 above, the Management Board expects the following development in 2019:

From the current perspective and assuming that the regulatory and tax situation will remain unchanged in financial year 2019, the Management Board expects gross betting and gaming revenue of EUR 130 million to EUR 143 million, with this year-on-year decrease being primarily due to the legal uncertainties in Switzerland.

The Management Board expects EBITDA to amount to EUR 29 million to EUR 33 million in financial year 2019.

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

The management is currently evaluating the effects of the exit of the United Kingdom from the European union (Brexit), which is expected at the end of March 2019. As the Group holds a license in the United Kingdom and operates through this license, no material effects on the financial position, financial performance and cash flows are expected at present.

D.2 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 7.1 %. This is confirmed by various studies by H2 Gambling Capital, also in 2018. 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 31/12/2018 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

	2018	2017	Change	
	EUR'000	EUR'000	EUR'000	%
Revenue	881	780	101	12,9
Other operating income	20	32	-12	-37,3
Ordinary operating income	901	812	89	11,0
Personnel expenses	2 031	1 982	49	2,5
Administrative expenses	1 171	1 080	91	8,5
	3 203	3 062	141	4,6
Operating income	-2 302	-2 250	-52	2,3
Income from investments	46 094	55 106	-9 012	-16,4
Interest received	219	654	-436	-66,6
Interest paid	9	97	-89	-90,8
Net finance income	46 304	55 663	-9 359	-16,8
Earnings before taxes	44 002	53 413	-9 411	-17,6
Income taxes	160	525	-365	-69,6
Net income for the year	43 843	52 888	-9 045	-17,1

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.

Tax expenses exclusively refer to income taxes.

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

	31/12/2018		31/12/2017		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
<u>Non-current assets</u>						
Financial investments	3 771	6,0	3 771	5,2	0	0,0
<u>Current assets</u>						
Other assets, including accruals and deferred income	1 220	2,0	141	0,2	1 079	765,3
Receivables from associated companies	46 272	74,1	55 969	76,6	-9 697	-17,3
Cash and cash equivalents	11 193	17,9	13 168	18,0	-1 975	> 100
	58 685	94,0	69 278	94,8	-10 593	-15,3
	62 456	100,0	73 049	100,0	-10 593	-14,5

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

Receivables from affiliated companies in the amount of EUR 46,207 thousand contain the dividend of bet-at-home.com Entertainment GmbH, Linz, Austria, for 2018 in the amount of EUR 45,617 thousand.

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

	31/12/2018		31/12/2017		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
Equity	61 387	98,3	70 179	96,1	-8 792	-12,5
Current liabilities and provisions						
Suppliers	0	0,0	28	0,0	-28	0,0
Provisions	910	1,5	1 987	2,7	-1 077	-54,2
Other current liabilities	159	0,3	855	1,2	-696	-81,4
	62 456	100,0	73 049	100,0	-10 593	-14,5

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;
- 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 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 2018, 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 the gross salary. No other fringe benefits, particularly company cars, were granted.

Third-party benefits for members of the Management Board

In 2016, Betclic 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. Betclic 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 in 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 2018

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 17/05/2017, each member of the Supervisory Board receives, beginning from 01/01/2017, fixed remuneration 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 remuneration 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 information regarding the right to take over (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/en/corporategovernance>. The corporate governance report is also published there.

J. Non-financial performance indicators

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 2018, the Group had a total of 5,046,358 (31 December 2017: 4,828,694) registered users. In financial year 2018, bet-at-home.com received 217,664 (2017: 229,433) new registrations.

The continues increase in staffing numbers 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 financial year 2018, around 220,000 project hours were spent on IT development (previous year: 218,000).

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, 28 February 2019

Franz Ömer

Michael Quatember

AUDIT OPINION OF THE INDEPENDENT AUDITOR

To bet-at-home.com AG, Düsseldorf

Report on the audit of the Financial Statements and of the Combined Management Report

Audit Opinions

We have audited the financial statements of bet-at-home.com AG, Düsseldorf, which comprise the statement of financial position as at December 31, 2018, and the income statement for the financial year from January 1, 2018 to December 31, 2018, and notes to the 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, 2018 to December 31, 2018. We have not examined the content of the declaration on corporate governance in accordance with Section 289f HGB and Section 315d HGB in accordance with German statutory provisions.

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

- the accompanying financial statements in all material respects comply with the German commercial law applicable to corporations and give a true and fair view in compliance with German generally accepted accounting principles of the financial position of the company from 1 January 2018 until December 31, 2018 and
- the accompanying combined management report as a whole provides an appropriate view of the company's position. In all material respects, this combined management report is consistent with the financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not extend to the content of the above-mentioned declaration on corporate governance in accordance with section 289f HGB and section 315d HGB.

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

Basis for the Audit Opinions

We conducted our audit of the 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 Financial Statements and of the Combined Management Report” section of our auditor’s report. We are independent of the company 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 financial statements and on the combined management report.

Key Audit Matters in the Audit of the Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year from January 1, 2018 to December 31, 2018. These matters were addressed in the context of our audit of the 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

The economic success of its subsidiaries is decisive for the financial position and results of operations of the company. The financial position of the subsidiaries has a direct impact on the financial and asset value of the financial position (investment in bet-at-home.com Entertainment GmbH, Linz, Austria) and its ability to make a profit distribution commensurate with expectations and earnings position of the company.

The economic development of the subsidiaries - and thus of the Group as a whole - is still exposed to fundamental risks with regard to the regulatory permissibility of the Group's services in the areas of online sports betting and online gaming. In some countries, state monopoly regulations that call into question the admissibility of exercising the group's business activities conflict with the case law of the European Court of Justice, which is favorable for the providers. In its ruling of 8 September 2010, the European Court of Justice denied in principle the admissibility of discriminating private providers of sports betting and online gaming against state monopoly providers, but allowed the existing legal provisions for an indefinite transitional 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 company 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 company 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 (himself being a specialized lawyer) are complimented with our own research and evaluations.

We have verified that 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 company. In our opinion, there are no current developments that would compromise the business of the company to an extent, where this would have to be further reflected in the company's accounting and reporting.

Reference to further information

A detailed description of the regulatory situation in the area of online sports betting and online gaming 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 legal representatives are responsible for the other information. Other information includes the insurance of the legal representatives included in the combined management report on the consolidated financial statements (section 297 (2) sentence 4 HGB) and the group management report (section 315 (1) sentence 5 HGB). The other information also includes the other parts of the annual report with the exception of the audited consolidated financial statements, the audited Group management report and our auditors' report.

Our audit opinions with regard to the 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 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 Financial Statements and the Combined Management Report

The legal representatives are responsible for the preparation of the annual financial statements, which comply with the German commercial law applicable to corporations in all material respects, and that the annual financial statements in accordance with German generally accepted accounting principles give a true and fair view of the assets, financial position and earnings situation of the company. In addition, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with generally accepted accounting principles in order to facilitate the preparation of financial statements that are free from material misstatement, whether intentional or unintentional.

In preparing the financial statements, the executive directors are responsible for assessing the company'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.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the company's position and is, in all material respects, consistent with the 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 company's financial reporting process for the preparation of the financial statements and of the combined management report.

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

Our objectives are to obtain reasonable assurance about whether the 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 company's position and, in all material respects, is consistent with the 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 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 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 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 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 company'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 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 company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements present the underlying transactions and events in a manner that the financial statements give a true and fair view of the financial position and financial performance of the Group in compliance with the requirements of the German principles of proper accounting.
- evaluate the consistency of the combined management report with the financial statements, its conformity with law, and the view of the company'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 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 auditor by the annual general meeting on May 22, 2018. We were engaged by the supervisory board on December 18, 2018. We have been the 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, 2019

PKF FASSELT SCHLAGE
Partnerschaft mbB
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
Rechtsanwälte

Th. Pannenbäcker
Wirtschaftsprüfer

Dr. Harrison
Wirtschaftsprüfer