



bet-at-home.com AG

Düsseldorf

**Financial Statements
as at 31 December 2022
Combined Management Report
for the financial year 2022
Independent Auditors Report**

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Combined Management Report 2022

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Disclaimer:

The Financial Statement Report 2022 is a translation of the valid German version.

Statement of financial position at 31 December 2022

ASSETS

	31/12/2022	31/12/2021
	EUR	EUR
A. Non-current assets		
Financial assets		
Interests in affiliated companies	10 871 313.19	10 871 313.19
B. Current assets		
I. Receivables and other assets		
1. Receivables from affiliated companies	2 539 321.96	308 846.96
2. Other assets	7 654 389.49	110 899.53
	10 193 711.45	419 746.49
II. Cash and cash equivalents	962 344.09	2 169 754.07
	11 156 055.54	2 589 500.56
C. Prepaid expenses	165 033.55	103 842.40
	22 192 402.28	13 564 656.15

EQUITY & LIABILITIES

	31/12/2022	31/12/2021
	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	-2 807 534.26	-965 132.10
	11 576 465.74	13 418 867.90
B. Provisions		
Other provisions	104 740.00	88 124.34
C. Liabilities		
1. Liabilities from goods and services thereof with a residual maturity of up to one year 49 135.01 EUR (FY 2021: 999.60 EUR)	49 135.01	999.60
2. Liabilities to affiliated companies	7 528 750.00	0.00
3. Other liabilities thereof taxes	2 933 311.53	56 664.31
	10 511 196.54	57 663.91
316 804.78 EUR (FY 2021: 50 415.15 EUR) thereof relating to social security 2 606.75 EUR (FY 2021: 4 749.16 EUR) thereof with a residual maturity of up to one year 374 118.53 EUR (FY 2021: 56 664.31 EUR)		
	22 192 402.28	13 564 656.15

Income Statement
for the year ended 31 December 2022

	01.01.-31.12.2022	01.01.-31.12.2021
	EUR	EUR
1. Revenues	572 016.50	832 962.67
2. Other operating income	20 709.23	72 745.96
3. Personnel expenses		
a) Wages and salaries	-627 777.91	-1 339 786.95
b) Social security contributions and expenses for pensions and other employee benefits	-56 281.26	-123 775.21
thereof for pensions	-684 059.17	-1 463 562.16
6 098.75 EUR (FY 2021: 13 574.28 EUR)		
4. Other operating expenses	-3 798 653.50	-1 023 181.58
5. Income from investments	2 507 470.00	148 587.00
thereof from affiliated companies		
2 507 470.00 EUR (FY 2021: 148 587.00 EUR)		
6. Other interest and similar income	1 989.00	35 052.00
thereof from affiliated companies		
0.00 EUR (FY 2021: 0.00 EUR)		
7. Interest and similar expenses	-153 342.22	-10 764.42
thereof from affiliated companies		
85 937.50 EUR (FY 2021: 0.00 EUR)		
8. Income tax expense	-308 532.00	110 614.07
9. Earnings after taxes = Net profit for the year	-1 842 402.16	-1 297 546.46
10. Loss/Profit carried forward from previous year	-965 132.10	332 414.36
11. Accumulated loss/profit	-2 807 534.26	-965 132.10

bet-at-home.com AG, Düsseldorf

Notes to the Financial Statement 2022

I. Disclosures to the Financial Statement

bet-at-home.com AG has its registered office in Düsseldorf and is entered in the Commercial Register B of the Düsseldorf Local Court under the registration number HRB 52673.

The annual financial statements have been prepared in accordance with Sections 242 et seq. and 264 et seq. HGB and in accordance with the relevant provisions of the German Stock Corporation Act. Pursuant to Section 267 (3) sentence 2 HGB in conjunction with Section 264d HGB, the Company is a large capital company due to the admission of its shares to an organized market (Frankfurt Stock Exchange).

II. Disclosures on accounting and valuation methods

The accounting and valuation methods comply with legal requirements and are unchanged from the previous year.

Financial assets were recognised at the lower of cost or fair value.

Receivables and other assets were valued at nominal value in accordance with the historical cost principle.

Prepaid expenses relate to expenses of the fiscal year that represent expenses for a certain period after the balance sheet date.

The accruals were set up on the basis of prudent business judgment and take into account all identifiable risks and uncertain liabilities at the time the balance sheet was prepared. They are valued at the settlement amount. No compounding or discounting was necessary.

Liabilities were recognized at the settlement amount.

III. Disclosures on the balance sheet and income statement

The composition and development of fixed assets are shown in the statement of changes in fixed assets (appendix to the notes).

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

Receivables from affiliated companies mainly include receivables from dividend claims against bet-at-home.com Entertainment GmbH, Linz, in the amount of EUR 2,500,000.00.

Other assets mainly include receivables due from bet-at-home.com Entertainment Ltd. (in liquidation) in the amount of EUR 6,992,387.33 acquired during the liquidation phase. The remaining term for these receivables is between one and five years. All other receivables have a remaining term of less than one year.

Uncertainties exist regarding the assets of bet-at-home.com Entertainment Ltd. (in liquidation) and the liabilities recognised by the liquidator. However, the assets of the estate and the recognised estate liabilities influence the quota that the creditors will receive on their established claims. The resulting uncertainties are addressed in the valuation of the claim against bet-at-home.com Entertainment Ltd. (in liquidation) by assuming and assessing various scenarios.

As a result of weighting various inflows in the respective scenarios, the receivables were valued at around half of the nominal amount. From the current perspective, the insolvency proceedings in Malta of bet-at-home.com Entertainment Ltd. (in liquidation) are expected to be settled at the end of 2024 and the receivables are expected to be serviced from the assets at that time.

Whether the expected inflow actually materialises, however, depends on whether and to what extent filed requests from players for reimbursement of gambling losses are successful in future. Court and procedural costs as well as costs for experts and consultants additionally reduce the assets of the estate to be distributed.

The subscribed capital amounts to EUR 7,018,000.00 as of December 31, 2022 (previous year: EUR 7,018,000.00) and is divided into 7,018,000 bearer shares with a notional interest in the subscribed capital of EUR 1.00 per share. The capital reserve amounts to EUR 7,366,000.00 as of December 31, 2022 (previous year: EUR 7,366,000.00).

By resolution of the Annual General Meeting on May 18, 2021, the Management Board is authorized, with the approval of the Supervisory Board, to increase the Company's subscribed capital by up to EUR 1,403,600.00 by May 17, 2026 by issuing up to 1,403,600 no-par value bearer shares on one or more occasions in return for cash contributions and/or contributions in kind (Authorized Capital I). New shares shall be offered to shareholders for subscription. However, the Executive Board is authorised, with the consent of the Supervisory Board, to exclude shareholders' subscription rights in certain cases.

Furthermore, by resolution of the Annual General Meeting of 18 May 2021, the Executive Board is authorised until May 17, 2023, with the consent of the Supervisory Board, to acquire treasury shares up to a total of 10% of the share capital outstanding at the moment, when this authorisation comes into effect, or, if this value is lower, 10% of the share capital existing at the moment, when this authorisation is exercised. The acquired shares - together with other treasury shares held by the Company or attributable to it pursuant to §§ 71a et seq. of the German Stock Corporation Act (AktG) - shall not exceed 10% of the Company's share capital. The authorisation shall not be used for the purpose of trading in own shares.

Other provisions include expenses for legal and tax advice and for the audit of the financial statements in the amount of EUR 104,740.00 (previous year: EUR 88,124.34). The provisions have a remaining term of less than one year.

Liabilities to affiliated companies include an intra-group loan, which bears interest at market rates and has an indefinite term, in the amount of EUR 7,528,750.00 (previous year: EUR 0.00).

Other liabilities include in particular liabilities amounting to EUR 2,500,000.00 (previous year: EUR 0.00) from reconciliation of legal disputes in connection with bet-at-home.com Entertainment Ltd. (in liquidation), which will become payable in the first quarter of 2024. All other liabilities have a remaining term of less than one year.

Sales include income from the recharging of costs in the amount of EUR 572,016.50 (previous year: EUR 832,962.67).

Personnel expenses relate exclusively to the member of the Management Board or the members of the Management Board who left during the financial year.

Other operating expenses mainly include expenses for reconciliation of legal disputes in connection with bet-at-home.com Entertainment Ltd. (in liquidation) in the amount of EUR

2,500,000.00 (previous year: EUR 0.00)

Income from investments in the amount of EUR 7,470.00 (previous year: EUR 148,587.00) results from dividend-like income from Maltese affiliated companies. In the financial year 2022, bet-at-home.com Entertainment GmbH, Linz, distributed dividends in the amount of EUR 2,500,000.00 (previous year: EUR 0.00).

Interest expenses include expenses from discounting of receivables in the amount of EUR 67,386.00 (previous year: EUR 0.00). Taxes on income and earnings essentially include a provision for the current tax audit for the years 2015-2018.

IV. Other information

There are no other financial obligations. The Company has no employees.

Betclic Everest Group SAS, Paris (France), as the parent company of the Company, prepares consolidated financial statements for the largest and smallest group of companies in which the Company's financial statements are included.

Members of the Management Board in the financial year 2022 were:

- Franz Ömer, Graduate engineer, Management Board member, Ansfelden, Austria, until February 28, 2022;
- Michael Quatember, Master's degree, Management Board member, Linz, Austria, until February 28, 2022;
- Marco Falchetto, Master's degree, Member of the Management Board, Mödling, Austria. Mr. Falchetto has been the sole member of the Management Board of bet-at-home.com AG since March 1, 2022.

The remuneration to the Management Board in the financial year 2022 amounts to EUR 849,784.91 (previous year: EUR 1,420,000.00 including consulting services in the amount of EUR 400,000.00). This amount includes an amount of EUR 281,200.00 (previous year: EUR 0.00), which is attributable to arithmetical allocation of entitlements from long-term variable remuneration, which was provided.

Information on the remuneration of the Management Board and Supervisory Board of bet-at-home.com AG is presented individually in the remuneration report. The remuneration report is published on the Company's website at <https://www.bet-at-home.ag/en/corporate-governance>.

The Management Board members Franz Ömer and Michael Quatember, who left the Management Board on February 28, 2022, were remunerated by Group companies in the financial year 2022 with a fixed remuneration of EUR 243,217.72 (previous year: EUR

1,020,000.00) and with a variable remuneration in the form of a management bonus of EUR 0.00 (previous year: EUR 934,415.32). Remuneration for consulting services was not paid in the financial year 2022 (previous year: EUR 400,000.00).

Remuneration (in EUR)	Franz Ömer		Michael Quatember	
	CEO		CEO	
	2022	2021	2022	2021
Fixed compensation	145,547.95	600,000.00	97,669.77	420,000.00
Consulting services	0.00	400,000.00	0.00	0.00
Total	145,547.95	1,000,000.00	97,669.77	420,000.00
One-year variable compensation	0.00	384,001.74	0.00	384,001.74
Long-term management bonus	0.00	83,205.92	0.00	83,205.92
Share-based compensation	0.00	0.00	0.00	0.00
Multiple-year variable compensation	0.00	83,205.92	0.00	83,205.92
Total	0.00	467,207.66	0.00	467,207.66
Utility expenses	0.00	0.00	0.00	0.00
Total compensation	145,547.95	1,467,207.66	97,669.77	887,207.66

Marco Falchetto, the sole member of the Management Board appointed on February 21, 2022 and effective on March 1, 2022, was remunerated with a fixed remuneration of EUR 325,367.19 in the financial year 2022.

Remuneration (in EUR)	Marco Falchetto
	CEO
	2022
Fixed compensation	325,367.19
Consulting services	0.00
Total	325,367.19
One-year variable compensation	0.00
Long-term management bonus	0.00
Share-based compensation	0.00
Multiple-year variable compensation	0.00
Total	0.00
Utility expenses	0.00
Total compensation	325,367.19

In the financial year 2022, the company paid contributions in the amount of EUR 6,098.75

(previous year: EUR 13,574.28) incurred in accordance with the Austrian Corporate Employee and Self-Employed Pension Act (BMSVG). Accident insurance for the member of the Management Board was not provided in the financial year 2022 (previous year: EUR 1,302.48).

Allocations granted (in EUR)	Marco Falchetto			
	CEO			
	2021	2022	2022 (Min)	2022 (Max)
Fixed remuneration	0.00	325,367.19	325,367.19	325,367.19
Consulting services	0.00	0.00	0.00	0.00
Total	0.00	325,367.19	325,367.19	325,367.19
STI	0.00	0.00	0.00	0.00
LTI	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00
Utility expenses	0.00	0.00	0.00	0.00
Total compensation	0.00	325,367.19	325,367.19	325,367.19

Allocations granted (in EUR)	Franz Ömer				Michael Quatember			
	CEO				CEO			
	2021	2022	2022 (Min)	2022 (Max)	2021	2022	2022 (Min)	2022 (Max)
Fixed remuneration	600,000.00	145,547.95	145,547.95	145,547.95	420,000.00	97,669.77	97,669.77	97,669.77
Consulting services	400,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	1,000,000.00	145,547.95	145,547.95	145,547.95	420,000.00	97,669.77	97,669.77	97,669.77
One-year variable compensation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term management bonus	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Share-based compensation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Multiple-year variable compensation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Utility expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total compensation	1,000,000.00	145,547.95	145,547.95	145,547.95	420,000.00	97,669.77	97,669.77	97,669.77

The Supervisory Board included the following members in the financial year 2022:

- Martin Arendts, attorney at law, Grünwald (Germany) (chairman);
- Véronique Giraudon, Management Board, Paris (France) (Vice Chairwoman);
- François Riahi, Management Board, Paris (France).

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

Classification: Public

Supervisory Board member François Riahi is CEO of FL Entertainment N.V. (The Netherlands).

The Chairman of the Supervisory Board received a fixed remuneration in the amount of EUR 40,000.00 thousand in the financial year 2022 (previous year: EUR 40,000.00). In addition, necessary expenses were reimbursed. Ms. Giraudon and Mr. Riahi waived their compensation in the financial year 2022.

Investments held in the following companies in the financial year 2022:

Company, head office	Share of capital	Equity in EUR as of 31/12/2022	Profit for the period in EUR 01/01.-31/12/2022
bet-at-home.com Entertainment GmbH, Linz (Austria)	direct 100 %	24,080,722.88	6.343.956,78
Entertainment Beteiligungsholding GmbH, Linz (Austria)	indirect 100 %	-37,010.44	-72.010.44
bet-at-home.com Niederlande GmbH, Linz (Austria)	indirect 100 %	-415,998.81	-450,998.81
bet-at-home.com Holding Ltd., Portomaso (Malta)	direct 2 % indirect 100 %	6,623,441.67	2,499,455.35
bet-at-home.com International Ltd., Portomaso (Malta)	direct 2 % indirect 100 %	-547,551.74	-239,819.52
bet-at-home.com Internet Ltd., Portomaso (Malta)	direct 2 % indirect 100 %	99,991.41	373,498.20
Jonsden Properties Ltd., Gibraltar	indirect 100 %	320,172.42	21,726.35

Notifications pursuant to section 33 (1) sentence 1 WpHG in the financial year 2022

The Company did not receive any voting rights notifications in the financial year 2022.

V. Closing statement pursuant to Section 312 (3) AktG

Pursuant to Section 312 (3) AktG, the Management Board declares, that under the circumstances known to the Company at the time the legal transaction was undertaken, the Company received appropriate consideration for each legal transaction. Measures within the meaning of Section 312 (1) AktG were neither taken nor omitted.

VI. Material subsequent events

On February 1, 2023, the bet-at-home group went online with a new platform and a new sports betting product on the ".com domain". On the one hand, customers benefit from a much broader betting offering, numerous new functionalities and attractive promotions. On the other hand, negative effects on the number of existing customers as well as betting and payment transactions occurred immediately after the migration, are expected. The negative migration effects are primarily due to necessary adjustments of existing customers to the changed user navigation. Mitigating marketing measures were initiated as planned.

As far as the ".com domain" is concerned, formerly essential corporate functions of the bet-at-home group (especially the development and operation of the customer and payment platform, as well as the online sports betting product) have now been outsourced to the outsourcing partner for implementation. In future, the Group's in-house services will focus primarily on marketing and customer relationship management.

The new platform and the new sports betting product for the German market (".de domain") are in the final implementation phase. Due to complex and specific regulatory requirements and resulting additional work, the migration to the new German platform will take place at the beginning of the second quarter.

VII. Declaration pursuant to Section 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code

The Management Board and Supervisory Board of bet-at-home.com AG have issued the declaration required for listed companies pursuant to Section 161 of the German Stock Corporation Act (AktG) and made it available to shareholders. The declaration is published on the Investor Relations website www.bet-at-home.ag under the Corporate Governance section.

VIII. Declaration of legal representatives

I assure that to the best of my knowledge, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company in accordance with the applicable reporting principles, and that the combined management report includes a fair review of the development and performance of the business and the position of the Company and presents the significant opportunities and risks of the Company's anticipated development.

Düsseldorf, March 1, 2023

Marco Falchetto

Summary of fixed assets as at 31 December 2022

	At cost				Accumulated depreciation				Carrying amount	
	Balance at 01/01/2022	Additions	Disposals	Balance at 31.12.2022	Balance at 01/01/2022	Additions	Disposals	Balance at 31.12.2022	31/12/2022	31/12/2021
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Property and equipment										
Other equipment, operating and office equipment										
Furniture and fixtures, office equipment	2 374.57	0.00	0.00	2 374.57	2 374.57	0.00	0.00	2 374.57	0.00	0.00
II. Financial assets										
Holdings in affiliated companies	10 871 313.19	0.00	0.00	10 871 313.19	0.00	0.00	0.00	0.00	10 871 313.19	10 871 313.19
bah Entertainment GmbH	10 873 687.76	0.00	0.00	10 873 687.76	2 374.57	0.00	0.00	2 374.57	10 871 313.19	10 871 313.19

Combined Management Report 2022

bet-at-home.com AG, Düsseldorf

A. Economic status of the Group

A.1 Business model

The bet-at-home.com AG Group operates as an online sports betting and gaming company via its operational Maltese group companies. With more than 5.6 million registered customers, the Group is one of the most successful providers in Europe.

The wide-ranging offerings on bet-at-home websites include sports betting, casino, games, and virtual sports. In 2022, the sports betting offer comprised more than 580,000 events on over 55 types of sport including around 250,000 live events. The bet-at-home.com AG Group has companies in Germany, Austria, Malta and Gibraltar. As of December 31, 2022, 109 employees contributed to the Group's performance.

The German-speaking region is currently of particular importance to the bet-at-home.com AG Group.

The various online sports betting and online gambling licenses are held by the Maltese Group company. These licences authorise the company to organise and to sell online sports betting and online casinos in Germany as well as in other countries of the European Union.

The bet-at-home.com AG Group structure

The parent company, bet-at-home.com AG, Düsseldorf, is listed on the Regulated Market of the Frankfurt Stock Exchange in the Prime Standard market segment. 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, with its registered office in Linz/Austria, is primarily responsible for the continuous transfer of technology within the Group as well as for the further development of software created in-house and provides services for other Group companies. 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., which has its registered office in St. Julian's, Malta.

Since 2009, bet-at-home.com AG has been a member of the Betclik Everest Group SAS, Paris,

France, a French group specialising in online gambling and online sports betting.

A.2 Development activities and outsourcing (from 2023)

Since the beginning, bet-at-home.com AG has primarily relied on internal resources for the conception, development and ongoing adaptation of industry-specific software solutions for its own needs. The financial year 2022 was characterized by a change from the historical approach of extensive in-house development and a shift towards preparation for an increased outsourcing in the course of the financial year 2023. The main drivers of the strategic reorientation were the even more complex technological requirements as well as increased cost pressure in combination with a growing variety and availability of cost-efficient and high-quality commercial industry solutions. In the first half of the year, the focus was made on evaluating alternative providers, final selection and design of a contractual commitment with the most suitable partner. In the second half of the year, the operational focus was made on the development and provision of comprehensive specifications as well as on implementation support and testing of the new platform. In particular, extensive adaptations of the software to regulatory requirements for the German market were specified and implemented. In the course of the financial year 2023, the bet-at-home Group will successively outsource key corporate functions to this outsourcing partner. This relates to critical technological components, in particular the development and operation of the customer and payment platform and the online sports betting product (the operation of online casinos was outsourced to service providers in the past). In terms of in-house development, the bet-at-home.com AG Group will focus in the future exclusively on those customer-relevant components that cannot be sourced externally, or only to an insufficient extent.

The outsourcing order volume will be determined by the net gaming revenue generated from online sports betting and is expected to reach a low single-digit million-euro amount per year in the future. On the other hand, the outsourcing will involve the reduction in internal expenses within the bet-at-home.com AG Group, while preparations for the outsourcing and cost-cutting measures in the fiscal year 2022 led to a significant reduction in the Group's own workforce.

B. Business report

B.1 Overall economic and industry situation

Overall economic development in the calendar year 2022 was influenced by the general tightening of monetary policy, driven by higher inflation rates, measures against Covid-19 and the war in Ukraine. The International Monetary Fund (IMF) expects global economic growth in the calendar year 2022 to

be weaker than in the previous year - at 3.4%. According to Eurostat estimates, the GDP in the euro zone will increase by 3.5% and in the EU by 3.6% compared to 2021.

Based on past experience in the bet-at-home.com AG Group's key markets, it can be concluded that business development in the online sports betting and online gaming sector is largely independent of macroeconomic developments in the respective markets. In general, bet-at-home.com AG's business has therefore proven to be resistant to economic crises of the past. In the financial year 2022, no significant effect on gaming behaviour was noticeable despite a higher inflation rate and an increasingly tense economic situation.

The lifting of Covid-19 measures in Europe in 2022 had a positive impact on the land-based gaming market segment, while growth rates in online gaming revenues slowed somewhat year-on-year. H2 Gambling Capital estimates that online gambling revenues grew by 8% in the financial year 2022.

The penetration of the target group with mobile devices, mobile gaming as an innovative sales channel, as well as demographic trends and increasing online affinity will continue to play an increasingly important role as supporting factors for new players entering the market.

B.2 Business trend

(1) Highlights in the financial year 2022

Following a decline in customer activity in **Germany**, due to the implementation of the sports betting concession in the financial year 2021, the business performance in the financial year 2022 was largely stable despite additional regulatory requirements. In May 2022, the authority in Hesse published a licensable betting programme that provides for massive restrictions, particularly in the area of live betting. In the meantime, bet-at-home.com Internet Ltd. has successfully taken legal action against this, so that the existing betting programme could be maintained at least until the end of 2022. In the first half of 2022, the company submitted an application for the extension of the existing sports betting license and an application for a nationwide license for virtual slot machines. At the end of the financial year 2022, the Group succeeded in achieving a high degree of legal and planning certainty by obtaining licenses for all products offered.

In Germany, the State Treaty on Gaming 2021 (GlüStV2021) stipulates that a deposit limit of EUR 1,000 per month must be complied by all providers and across all products. However, due to complaints filed against the corresponding provisions of GlüStV2021, provisions on the deposit limit have so far only been implemented at the level of the provider in the online casino sector. The

responsible supervisory authority informed bet-at-home.com Internet Ltd. at short notice that the deposit limits must now be complied with in their entirety as of July 1, 2022, taking into account the requirements for granting an increased limit for sports betting. Corresponding changes were implemented within the given timeline and have been in force then.

Since the beginning of the financial year 2021, the increase in customer requests against bet-at-home.com Entertainment Ltd. (in liquidation) for reimbursement of gaming losses in the online casino in Austria led to massive costs for the Group. Although the bet-at-home.com AG Group still considers the online casino monopoly under the national Austrian gambling regulation to be in violation to European law and therefore considers the Maltese bet-at-home.com Entertainment Ltd. (in liquidation) (the Group company whose main business activity was running the online casino) to be a lawful online casino provider (including) for customers in Austria, bet-at-home.com Entertainment Ltd. (in liquidation) ceased to offer online casinos to customers from Austria in October 2021, due to a continuing negative ruling by the Supreme Court. In the absence of a positive going-concern forecast, winding-up proceedings were initiated by the court in respect of this Maltese company on May 13, 2022, with retroactive effect to the date of the application on December 23, 2021, particularly since the company was no longer in a position to service its liabilities with existing or independently generated funds. bet-at-home.com Entertainment Ltd. (in liquidation) was deconsolidated as of May 13, 2022.

With gross betting and gaming revenue in amount of EUR 53.5 million, the forecasted range of between EUR 52 million and EUR 54 million was achieved. The EBITDA forecast of EUR - 2 million and EUR - 4.5 million for the financial year 2022 was significantly exceeded, among other things due to the gross betting and gaming revenue at the upper end of the forecast range and to lower than budgeted personnel expenses.

(2) Human resources and social security

The average number of employees (excluding the Management Board) in the Group in the fiscal year 2022 amounted to 177 (previous year: 272). As of December 31, 2022, the Group employed 109 staff (previous year: 260).

Despite the implementation of two successive restructuring programs in the past fiscal year 2022, resulting from the economic situation and with a view of the planned outsourcing in 2023, which involved an ordinary termination of more than one hundred employees in the Group, the goal-oriented personnel development of its highly qualified employees remains the basis for the further development of the Group. In addition, intensive professional development is a central cornerstone of human resources management.

B.3 Group situation

B.3.1 Earnings position

All information on the financial performance relates to continuing operations (i.e., excluding the activities of bet-at-home.com Entertainment Ltd. (in liquidation), which was deconsolidated in the financial year 2022). For detailed information on discontinued operations, please refer explicitly to section V. "Discontinued operations (IFRS 5)" in the notes to the consolidated financial statements.

Gross revenue from online sports betting (bets less paid out winnings) from continuing operations in the financial year 2022 amounts to EUR 49.0 million, which is below the previous year's level (previous year: EUR 56.6 million).

Gross revenue from online gaming (gaming revenue less paid out winnings) from continuing operations was up compared to the previous year to EUR 4.5 million (previous year: EUR 2.8 million). Online gaming includes the products Casino, Games and Virtual Sports.

As a result, gross betting and gaming revenue from continuing operations in the financial year 2022 amounted to EUR 53.5 million and was thus below the previous year's level (previous year: EUR 59.3 million), mainly due to the discontinuation of the offering in the United Kingdom, reduced gross betting and gaming revenue in Switzerland, and the implementation of cross-product deposit limits in Germany from mid-2022. Gross betting and gaming revenue is a very important financial performance indicator for the Group.

The betting fees or taxes and gambling levies payable in various countries reduced earnings by EUR 11,396 thousand during the financial year 2022 (previous year: EUR 11,737 thousand). In addition, value-added tax regulations for electronically supplied services decreased earnings by EUR 99 thousand (previous year: EUR 45 thousand).

Taking into consideration betting taxes and gambling levies and the tax payable due to the VAT regulations for electronically supplied services, net gaming revenue in the financial year 2022 amounted to EUR 42.0 million (previous year: EUR 47.6 million).

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

	01.01.- 31.12.2022	01.01.- 31.12.2021
	EUR'000	EUR'000
Gross betting and gaming revenue	53 532	59 347
Net betting and gaming revenue	42 036	47 564
Total operating income	45 482	51 565
EBT (earnings before taxes) *)	-690	11 432
EBIT (earnings before interest and taxes) **)	-105	11 673
EBITDA (earnings before interest, taxes, depreciation and amortisation) ***)	2 105	13 970

*) 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

Advertising expenses amount to EUR 13,628 thousand in the fiscal year 2022 (previous year: EUR 11,867 thousand). Personnel expenses decreased significantly by EUR 5,096 thousand to EUR 13,508 thousand in the fiscal year 2022. This decrease in expenses results from the alignment of the cost structure as part of two announced and implemented restructuring programs.

B.3.2 Financial situation

All disclosures concerning the financial situation relate to continuing operations. Reference is made specifically to the consolidated financial statements Section V. "Discontinued Operation (IFRS 5)" for detailed information on the discontinued operation.

As at December 31, 2022, the **financial situation** was as follows:

	31/12/2022 EUR'000	31/12/2021 EUR'000
Earnings before taxes	- 690	11 432
Cash flows from operating activities	-5 018	10 495
+ Cash flows from investing activities	-874	-1 896
+ Cash flows from financing activities	-770	-18 417
= Net cash from operating, investing and financing activities	-6 662	-9 818
+ Cash and cash equivalents at 1 January	41 989	51 807
= Cash and cash equivalents at 31 December	35 327	41 989

In addition to cash-related items, cash flow from operating activities includes essentially the result of the disposal of assets and liabilities of the discontinued operations. Cash flow from operating activities is negatively impacted by the build-up of non-current other receivables and assets in the amount of EUR 9,145 thousand. We currently expect this item to result in a cash inflow by the end of 2024.

The cash flow from investing activities mainly includes cash outflows for additions to assets.

The cash flow from financing activities reflects the repayment of lease liabilities.

The Group has at all time been able to meet its financial obligations in the continuing operations.

B.3.3 Net assets

As of December 31, 2022, **net assets** were as follows:

Assets	31.12.2022	31.12.2021
	EUR'000	EUR'000
Non-current assets	18 773	8 388
Current assets		
Tax receivables	5 113	8 381
Other receivables and assets	3 449	4 196
Cash and cash equivalents	35 327	41 989
Assets held for closure	0	12 830
	62 662	75 783

The non-current assets item includes receivables in the amount of EUR 9,145 thousand due from bet-at-home.com Entertainment Ltd. (in liquidation) from various different transactions. Refer to the comments in the notes to the consolidated financial statements (section VI. 2. item 13).

Equity and liabilities	31.12.2022	31.12.2021
	EUR'000	EUR'000
Group equity	28 949	17 042
Non-current liabilities (liabilities and provisions)	11 792	891
Current liabilities (liabilities and provisions)	21 921	57 850
	62 662	75 783

The equity ratio as of December 31, 2022 stood at 46.2% (as of December 31, 2021: 22.5%). The increase in equity results from the total consolidated profit for the year. This includes a gain in the amount of EUR 13,107 thousand from the deconsolidation of bet-at-home.com Entertainment Ltd. (in liquidation) as of May 13, 2022, resulting from the disposal of all assets and liabilities of bet-at-home.com Entertainment Ltd. (in liquidation).

Non-current liabilities include liabilities from leases in the amount of EUR 1,437 thousand (as of December 31, 2021: EUR 794 thousand), liabilities in the amount of EUR 7,773 thousand (as of December 31, 2021: EUR 0 thousand) due to bet-at-home.com Entertainment Ltd. (in liquidation), resulting from ongoing business transactions with this company until May 13, 2022, EUR 2,500

thousand in liabilities from the reconciliation of legal disputes in connection with bet-at-home.com Entertainment Ltd. (in liquidation) (as of December 31, 2021: EUR 0 thousand), as well as provisions for employee benefits in the amount of EUR 82 thousand (as of December 31, 2021: EUR 97 thousand).

Current liabilities include other provisions in the amount of EUR 1,903 thousand (as of December 31, 2021: EUR 1,709 thousand), trade payables in amount of 1,548 thousand (as of December 31, 2021: EUR 1,432 thousand), tax liabilities in the amount of 11,852 thousand (as of December 31, 2021: EUR 14,608 thousand), liabilities to customers (contractual liabilities according to IFRS 15) amounting to EUR 4,940 thousand (as of December 31, 2021: EUR 5,437 thousand), lease obligations according to IFRS 16 amounting to EUR 443 thousand (as of December 31, 2021: EUR 900 thousand) and liabilities relating to assets held for closure amounting to 0 thousand (as of December 31, 2021: EUR 27,322 thousand).

Due to the licensing of the casino business in Germany, additional collateral (bank guarantee) amounting to EUR 5 million, secured by the parent company of bet-at-home.com AG, was provided.

As in the previous year, no financing measures were carried out in the financial year 2022.

B.3.4 Overall evaluation of the Group's situation

The economic situation of the Group in its continuing operations, which now mainly comprise the online sports betting segment, is overall positive, due to the restructuring measures implemented and the future outsourcing of key corporate functions, although lawsuits from customers in connection with their requests to cover gambling losses in Austria and Germany, represent a risk and will continue to tie up capacities.

C. Opportunity and risk report

C.1 Risk report

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

The Group parent's Management Board is responsible for establishing risk management policies.

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

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

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

C.1.1 Regulatory and tax risks

In some European countries, betting and gaming providers continue to be targeted by legislative interventions aiming to terminate the offering and operation of their activities, based in particular on regulations enforcing state monopolies on gambling. Certain national laws or draft laws contain discriminatory regulations with respect to foreign providers intended to continue sealing off the market for national providers/monopolists.

The Management Board will continue to monitor future regulatory and tax developments and will endeavour to apply for licenses for online sports betting and online gaming in countries selected on the basis of economic criteria that allow fair market access, in order to create greater legal certainty. The European states are increasingly endeavouring to block customers of unlicensed private gambling offers from market participation by means of website blocking measures and provider blocks, especially since such measures are expressly provided for in some legal regulations. These measures increase the attractiveness of national licenses.

Regulatory environment and risks from existing legal uncertainties

Provided that the bet-at-home.com AG Group cannot rely on a national license in an EU member state, business activities within the European Union are offered on the basis of licenses for online gaming and online sports betting granted in Malta, which, according to the legal opinion of the bet-at-home.com AG Group, apply in all EU states due to the European freedom to provide services and freedom of

establishment, as long as the regulations in the respective member state regarding online gambling and online sports betting remain in violation of European law.

At the same time, the regulatory developments in the EU member states are characterized by increasing efforts to establish licence systems for private providers of online gambling and online sports betting, which means that national licences within individual countries are becoming increasingly important for the Group.

In the core market of Germany, the Group managed to achieve a high level of legal and planning certainty at the end of the financial year 2022 by obtaining concessions for all products offered.

The major regulatory developments were as follows:

- In **Germany**, a new gaming treaty came into effect as of 1 July 2021, in which the market for online casino products has been opened for the first time. In addition to nationwide concessions for sports betting, these regulations also provide for the first time for concessions for virtual automated games and for a possibility of granting licences for gambling games on the Internet at country level. bet-at-home.com Internet Ltd. applied for a virtual slot machine license immediately after entry into force, and the company was granted the license by the competent authority in Saxony-Anhalt in the fourth quarter of 2022. The sports betting license, which expired at the end of 2022, was also reissued to bet-at-home.com Internet Ltd. in the fourth quarter of 2022 with a validity period until the end of 2027.

In the case of traditional gambling (casino) games, such as roulette and blackjack, it is up to individual federal states to decide whether to grant licenses to private providers or to award these licenses exclusively to casinos, with the number of such licenses being linked by law to the number of casinos in respective federal states. As of the end of 2022, the states of Schleswig-Holstein and North Rhine-Westphalia have decided to open up the market for gambling (casino) games, whereby an application was already possible in Schleswig-Holstein in the third quarter of 2022. The Group is considering an application for a concession for gambling (casino) games in North Rhine-Westphalia, subject to the conditions.

- In September 2020, the German federal states agreed on a transitional regulation until the new State Treaty on Gaming comes into force. Accordingly, those gambling providers that operate online gambling in compliance with the anticipated future regulations of the State Gambling Treaty 2021 were exempted from enforcement measures and sanctions due to the lack of a German license. On the basis of these

transitional provisions, the Group company concerned restricted its casino offering on September 15, 2020 and approved requirements such as monthly payment limits. This resulted in significant losses in the online casino segment in the core market of Germany. This transitional regulation expired with the granting of the first concession for virtual slot machines in the fourth quarter of 2022. The Management Board welcomes the legal certainty in Germany resulting from the granting of the licenses.

- In **Poland**, the Group withdrew - at least temporarily – its offer in May 2021. Following a comprehensive market analysis, there are currently no plans to return to the Polish market, as the Management Board intends to focus on the development of the German-speaking core markets.
- Together with the Supervisory Board, the Management Board decided to discontinue the market in the **United Kingdom**. The gambling license was returned to the UK regulatory authority on July 12, 2022.
- In **Switzerland**, in June 2022, bet-at-home.com Internet Ltd. lost a legal dispute regarding the legality of IP blocking measures before the Swiss Supreme Court. bet-at-home.com Entertainment Ltd. (in liquidation) discontinued its casino offering in Switzerland as of December 31, 2021 as part of its initiated liquidation. The continuation of the sports betting offering is being evaluated on an ongoing basis by the Management Board together with its advisors.

In June 2016, the Maltese companies bet-at-home.com Internet Ltd. and bet-at-home.com Entertainment Ltd. (in liquidation) were requested by the Swiss tax authorities to register for national VAT. Following a comprehensive legal review and repeated correspondence with the authorities, bet-at-home.com Entertainment Ltd. (in liquidation) was registered in September 2018. The company retroactively paid VAT on Swiss casino sales as of January 1, 2017. No provisions were recognized for the period from 2013 to 2016 that were prescribed by the tax authority, because a potential outflow of resources had been not assessed as probable. In May 2022, the Swiss tax authority was notified of the opening of insolvency proceedings ("winding up by the court") of bet-at-home.com Entertainment Ltd (in liquidation).

In October 2019, bet-at-home.com Internet Ltd. decided to conditionally register in the national VAT register and submit its financial data. The company achieved that any tax demands from the authority would be suspended until a final court decision. This also applies to the matter described above regarding bet-at-home.com Entertainment Ltd. (in liquidation). The potential risk of bet-at-home.com Internet Ltd. amounts to EUR 1.1 million for the period from 2013 to 2016, and EUR 2.5 million for the years since 2017.

No related provisions were recognized as of December 31, 2022 in accordance with IAS 37.

In December 2020, bet-at-home.com Internet Ltd. as well as bet-at-home.com Entertainment Ltd. (in liquidation) received tax rulings for the period from 2013 to 2016 and 2017, which were appealed against to the authorities. bet-at-home.com Internet Ltd. has taken legal action before the national courts against the appeal decision of the tax authorities issued in the second half of 2022; a final decision is not expected before the end of 2024.

Despite progressive regulatory efforts, betting and gaming providers are still exposed to legislative interventions, in particular due to prohibition regulations in the gaming sector, with the focus in the financial year 2022 shifting to recovery requests from customer under civil law. This has affected the companies of the bet-at-home.com AG Group as follows:

- Despite voluntary customer protection measures for comprehensive player protection that go beyond legal requirements, the Maltese Group company bet-at-home.com Entertainment Ltd. (in liquidation) in Austria was faced with requests from customers for the reimbursement of gaming losses in the online casino over recent financial years, as it has been reported. The bet-at-home.com AG Group still views the online casino monopoly of the Austrian national gambling regulations as contrary to European law and therefore considers the former Group company in question to be a legitimate online casino provider in Austria. The bet-at-home.com AG Group expected a positive development regarding the rulings, not least due to the necessity derived from the current rulings by the Court of Justice of the European Union to perform repeated checks, which also applies to the Austrian courts, which in bet-at-home.com AG Group's opinion do not perform this check to the required extent.

In the second half of 2021, the Austrian Supreme Court deemed the domestic monopoly to be in conformity with the law in several negative decisions and terminated the respective contracts with players. It was therefore decided in October 2021 to temporarily discontinue the online casino offering in Austria in any case.

In the absence of a positive prognosis for the continuation of bet-at-home.com Entertainment Ltd. (in liquidation), which was affected by the discontinuation, the application for winding-up proceedings („winding up by the court“) over this Maltese company was granted on May 13, 2022.

- In March 2022, bet-at-home.com Niederlande GmbH applied for a license to offer sports betting and gambling in **the Netherlands**. The granting of the licence was to be assessed as uncertain, due to a comprehensive exclusion catalogue, and would have

been associated with high conditions and implementation costs. After a careful consideration, the Management Board decided in the fourth quarter of 2022 to withdraw the license application and to continue to keep the Dutch market closed.

- In June 2019, the website www.bet-at-home.com was blocked in **Croatia**. The Group sees the Group company in question as a legitimate provider, especially since the national regulations provide that only stationary licensees may offer sports betting and gambling on the Internet, thus foreign entrepreneurs are discriminated against in violation of European law. Comprehensive appeals have therefore been lodged against the blocking measures. A court decision on this appeal is expected in the first half of 2023.

At the political level, the European Parliament, on the initiative of the EU Commission, passed a legislative initiative in 2011 with the aim of harmonizing national sports betting and gambling regulations. As a first step, player and data protection regulations as well as control mechanisms are to be largely harmonized. Due to diverging interests of the member states and national tax authorities, no significant standardization of relevant national regulations in the sports betting and gaming sector is to be anticipated in the foreseeable future. However, the member states are largely endeavouring to regulate the online sports betting and online gaming sectors and to establish a licensing system at the national level, even if it is not always in line with the provisions of European law. The European Court of Justice is increasingly shifting the review of legality of national licencing requirements to the level of national courts, which means that the provisions of European law are being increasingly neglected.

The risks of negative effects resulting from the regulatory environment and from existing regulatory legal uncertainties continue to be assessed as medium compared with previous years. If the risks were to materialize, the impact on the net assets, financial position and results of operations would be high. In particular, the focus on a smaller number of markets was taken into account.

Tax risks

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

In recent years, the regulatory environment for the taxation of multinational companies in general, as

well as for bet-at-home.com AG Group in particular, has become considerably more complex, particularly with regard to transfer prices, with companies having to drastically increase their efforts to meet tougher regulatory requirements. The fundamental agreement between states concerning the distribution of the overall tax base will, combined with the pending introduction of a global minimum tax, lead to further fundamental adjustments to the international taxation of multinational companies.

At the same time, however, the certainty that the applied transfer price rates will be accepted by the relevant tax authorities has decreased significantly, particularly as intra-company cross-border transactions are being increasingly investigated by the national tax authorities. The result of these developments are potential tax and interest back payments as well as potential double taxation.

From today's perspective, the tax risk is to be regarded as medium, unchanged to the previous year. Should such a risk materialize, the impact on the financial position, financial performance and cash flows would be high.

C.1.2 Risks from customer requests for reimbursement of gaming losses and licensing risks

Customer requests for reimbursement of gaming losses

bet-at-home supports its customers in their responsible use of gambling with a wide range of measures. Among others, the Group has been cooperating for many years with the Institute for Gambling and Addiction (Institut für Glücksspiel und Abhängigkeit), which actively implements measures for the prevention of addiction in Germany and Austria. In addition, voluntary customer protection measures that go beyond the legal requirements complete the efforts of the bet-at-home.com AG Group to ensure comprehensive player protection. These measures are verified through annual voluntary compliance audits by eCogra, the industry audit association.

Since the beginning of the financial year 2022, customers have been seeking to assert requests for reimbursement of their gambling losses at the online casino, which was offered by bet-at-home.com Entertainment Ltd. (in liquidation), against other Group companies. At the end of the financial year 2022, 35 legal proceedings with a total value in dispute of approximately EUR 5.5 million were pending in Austria. In Germany, other Group companies are also facing lawsuits from customers in connection with their requests for reimbursement of online casino gambling losses. At the end of the financial year 2022, 18 legal proceedings with a total value in dispute of approximately EUR 1.9 million were pending in Germany.

The risk of customer requests reimbursement of gambling losses or damages is to be rated as medium. Should such a risk materialize, the impact on the financial position, financial performance and cash

flows would be medium.

Risk of the loss and/or Revocation of licenses

The Group companies base their offers on various licenses, which entitle them to non-discriminatory access to the markets in the member states of the European Union.

In Germany, bet-at-home.com Internet Ltd. has held a nationwide license to offer sports betting since October 2020 and a nationwide license to offer virtual slot machines since December 2022. The license provisions provide for revocation in the event of repeated serious breaches of the conditions. An audit has not yet taken place. bet-at-home.com Internet Ltd. constantly monitors licensing changes and adjusts internal processes accordingly if changes are required.

The respective Maltese licenses of the Malta Gaming Authority (MGA) are issued subject to an ongoing system audit, whereby the technical equipment of the license holder is examined by the MGA, in particular in terms of functionality and IT security.

In the event that deficiencies are identified during the system audit, the Malta Gaming Authority may impose conditions or revoke the license, provided that

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

The risk of revocation of existing licenses is to be classified as low. Should such a risk materialize, the impact on the financial position, financial performance and cash flows is to be classified as high.

C.1.3 Risks from operating activities

Odds management and bookmaker risk

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

As bet-at-home.com AG Group does not broker sports bets, but acts as a counterparty of its customers, the Group incurs a contractual risk for every bet. This risk is reduced by the highest possible number of customers participating in a bet with different expectations regarding the outcome so that the customers' betting positions balance each other out as much as possible.

bet-at-home.com AG Group also determines betting odds, based on customers' expectations regarding the outcome of bets, and continuously adjusts them until the bet has been closed. To be able to provide customers with products in line with the market, the odds of competitors, and therefore the entire market, are also taken into consideration in addition to the betting odds that can be offered on the basis of the positioning of the Group's own customers.

Due to the strategic reorientation towards comprehensive outsourcing starting 2023, in particular the supply of the online sports betting product, essential aspects of the quota calculation are gradually outsourced to external service providers in the financial year 2023. Critical processes in the area of quota and customer risk management are to be adapted to the new circumstances and to the interaction with external service providers.

The risk in connection with quota management and critical bookmaker processes is to be assessed as low. Should such a risk materialize, the impact on the financial position, financial performance and cash flows would be high.

Technical risks

The products and services offered by the Group require a reliable functioning of a variety of technical systems. Serious disruptions of IT systems, in particular through adverse external influences such as hacker attacks, DDoS attacks, etc. could negatively impact on the Group's financial positions, financial performance and cash flows.

To minimise information security and IT risks, the bet-at-home.com AG Group has personnel structures in the form of a Chief Information Security Officer (CISO) and team. In addition to implementing individual security measures, this team ensures information security in day-to-day operations, investigates any security incidents, and is responsible for establishing an information security policy by means of awareness training, and focuses on the following measures within the bet-at-home.com AG Group, among others:

- Preparing guidelines and processes within the scope of the information security management system (ISMS)
- Risk management based on internationally recognised standards
- Security monitoring (identifying weaknesses and potential threats to hardware and software)
- Employee training and education on security consciousness
- Encryption of confidential data (particularly credit card data and passwords)
- Security of customer ports on user interfaces and transmission routes
- Protection of the productive environment by IDS/IPS, network firewalls and Web application firewall systems
- Operating a centrally managed anti-virus software
- Vulnerability management and monthly vulnerability scans
- Annual penetration tests within the scope of system audits
- Security compliance regarding PCI-DSS, eCogra and established jurisdictions
- Highly redundant infrastructure / ISO 27001 certified data centre provider.

The information security management system (ISMS) used by the bet-at-home.com AG Group has been certified since the middle of 2021 according to the ISO/IEC 27001 international standard.

Extensive outsourcing, in particular of the operation of the customer and payment platform and the online sports betting product, will also lead to a shift in risks in the technology area in 2023 and thus to necessary adjustments to the information security management system. For the period during and immediately after the changeover from the company's own complex system components, which have been optimized and stabilized over many years, to newly configured system components from the outsourcing partner, there will be a temporary increase in technical risks. In the medium and long term, the technical risk in connection with the Group's own system components developed and maintained by the Group will be significantly reduced, due to the decreasing number and reduced complexity.

The Management Board assumes that far-reaching measures have been taken to minimise IT risks, which means that the risks are to be classified as medium. Should such a risk materialize, the impact on the financial position, financial performance and cash flows is to be classified as high.

Compliance risks

Prevention of money laundering and terrorist financing

The basis for the money laundering prevention concept is formed by the requirements of the EU money laundering directives and their national implementations.

The aim of money laundering prevention is to prevent the introduction of illegal assets into the financial and economic cycle.

In an overall assessment, all potential risks relevant to money laundering were analysed. Based on this risk analysis, bet-at-home has implemented a money laundering prevention system that is based on a risk-based approach.

All customers go through a know-your-customer process. This includes, among other things, the unambiguous determination and documentation of customers' identity as well as the origin of assets used during the business relationship or a transaction on an occasion-related basis. As part of continuous monitoring of business relationships, politically exposed persons are identified and comparisons are made with terror and sanctions lists.

The anti-money laundering officer is responsible for ongoing developments and improvements to the overall AML system. Employees are informed about new developments and changes in the area of money laundering and terrorist financing prevention as part of annual training sessions, so that each employee can identify any risky transactions or business relationships at an early stage. Employees are required to report any suspicious circumstances to the anti-money laundering officer.

The anti-money laundering officer acts autonomously and without instructions and is responsible for submitting suspicious activity reports to the relevant competent authority. In order to perform his duties, she or he may call upon expert employees in her or his department.

The management is informed by the anti-money laundering officer at regular intervals about activities and measures to prevent money laundering and terrorist financing.

The sector-specific high money laundering risk potential associated with the fact that the Group companies are domiciled in Malta often leads to the imposition of increased due-diligence requirements on the bet-at-home.com AG Group by banks and payment service providers.

The high-risk rating specific to the sector is reflected, for instance, in stricter periodic KYC (know your customer) processes as well as complex initial requirements when establishing new business relationships with banks and payment service providers.

The limited number of banks willing to cooperate impedes further diversification of business relationships, meaning that the cooperation is focused on a small number of partners with correspondingly high volumes, thus increasing both dependence and default risk. Furthermore, payment service providers assess the online sports betting and online gaming sector as a whole and, in particular, the gambling legal risks of product offerings, differently in individual countries, so that the bet-at-home.com AG Group is faced with restrictions regarding means of payment available to end customers for paying in betting and gaming stakes and receiving betting and gaming winnings. A further consequence could be market entry barriers in the Company's geographical growth, especially as complex country-specific regulations must be fulfilled and it may be impossible to offer all payment options preferred by customers in the respective country. The continuously tightening of regulatory requirements to secure customer credit balances against payment default means that customer funds must be held available in full at all times in the form of liquid funds, additional bank guarantees and liabilities to the licensing authorities must be obtained and therefore excess security should be created, which significantly reduces available cash and cash equivalents. There is a resulting risk of being unable to meet the increasingly restrictive requirements, which decrease profitability, any further and therefore to no longer being able to meet legal licensing requirements and losing access to regulated markets.

The bet-at-home.com AG Group counteracts the above-mentioned compliance risks in the area of banks and payment providers with increased diversification. The Group is continuously working on integrating new business partners for treasury and payment solutions in order to diversify default risks, reduce increases in transaction costs and operate customer payment methods redundantly via several partners in order to prevent downtimes.

The risks in this context are classified as medium. Should such a risk materialize, the impact on the financial position, financial performance and cash flows is to be classified as high.

Risks from pandemics, natural disasters or war

The occurrence of events such as pandemics, natural disasters or a war, which could lead to sustained disruptions in the bet-at-home.com AG Group's ongoing business, cannot be ruled out. The Management Board has taken measures to ensure that business operations can be maintained.

The risks in this context are still considered to be low, but increased compared to the same period of the previous year. Should such a risk materialize, the impact on the financial position, financial performance and cash flows is to be classified as high.

Personnel and employee risk

The further development of the bet-at-home.com AG Group will continue in future to rely heavily on the performance of all employees and managers. With an increasing competition in the market for gambling and betting products, as well as a shortage of skilled workers in the context of ongoing digitalization, there is a growing risk that qualified employees may be poached or that it may not be possible to recruit a sufficient number of suitable new employees. Attractive framework conditions and sufficient prospects for committed employees, as well as ongoing training measures, are intended to successively reduce the personnel and employee risk.

The implementation of two extensive personnel reduction programs in direct succession in 2022 have a negative impact on employee satisfaction and loyalty and thus increase personnel and employee-related risks. The reduced number of personnel increases the risk that potential unforeseen staff departures cannot be compensated for in a timely manner.

In the medium and long term, the personnel and employee risk in critical areas will be reduced by outsourcing and the resulting reduction in the number of employees required in these areas.

The risks in this connection continue to be classified as medium and increased compared with the previous year. Should such a risk materialize, the impact on the financial position, financial performance and cash flows is increased compared with the previous year and is therefore classified as medium.

Deficient performance of external service provider

In order to conduct its operational business, the bet-at-home.com AG Group relies on cooperation with external service providers with relevant expertise and technologies. This mainly affected software products for the casino, games and virtual sports segments, as well as data and voice communication, procurement, installation, development, maintenance and servicing of hardware and software, and payment processing. In the financial year 2023, further important technology components, in particular the development and operation of the customer and payment platform, as well as the online sports betting product, will also be gradually outsourced to external service providers. The outsourcing of the

core components is partly associated with a change in the connected third-party providers for ancillary services, or proven third-party providers are being newly integrated. New components and changes in integration give rise to an increased availability and process risk in the short term, which is countered by forward-looking planning and constant exchange with the external service providers. There is a possibility that one or more external service providers will fail to provide their services, or will not do so in a stable or error-free manner, or that their integration will be incorrect.

It is therefore possible that the bet-at-home.com AG Group could find itself unable to meet its own functional and non-functional obligations with respect to end customers properly or to a desired standard, due to errors or defaults on the part of external service providers engaged. In addition, this could lead to restrictions for customers in terms of general system availability or the range of products or payment methods offered, and even to errors in the settlement of gaming winnings, which could have a negative impact on the Group's earnings situation.

The Management Board assumes that sufficient measures have been taken to minimise these external risks by means of regular system audits, internal reviews and training courses, and ongoing monitoring by the Product Management and Controlling departments. However, the risks in this context will increase as a result of the future outsourcing of further key corporate functions and their performance by outsourcing partners. The risks are therefore assessed as medium and increased compared with the previous year. Should such a risk materialize, the impact on the financial position, financial performance and cash flows is to be classified as high and thus increased compared with the previous year.

C.1.4 Financial risks

Cash and cash equivalents and liquidity risk

Liquidity risk reflects the risk of not being able to provide sufficient liquidity resources in order to meet financial obligations due at any time.

The major uncertainty regarding the future liquidity situation arises from when and to what extent the bet-at-home.com AG Group will still have to make payments to bet-at-home.com Entertainment Ltd. (in liquidation) and to the Maltese tax authorities as part of the winding-up process, or will have its own receivables settled in this context. From today's perspective, a temporary reduction in liquidity of up to EUR 13.9 million is possible, if the bet-at-home.com AG Group first settles all liabilities in this context and only then receives payments on its receivables in an amount that is still undetermined. In addition, the bet-at-home.com AG Group must be in a position to settle liabilities arising from its ongoing

operating business. Furthermore, it is necessary to provide guarantees to licensing authorities as part of regulatory requirements.

If the bet-at-home.com AG Group is unable to provide corresponding collateral in the form of bank guarantees, existing cash and cash equivalents would have to be deposited as security. The remaining freely available liquidity could prove critical even in the event of negative deviations from the existing planning, if, in addition, a significant reduction in liquidity were to occur, due to payments to bet-at-home.com Entertainment Ltd. (in liquidation) and to the Maltese tax authorities.

In this context, the liquidity risk is classified as medium and increased compared to the previous year. Should such a risk materialize, the impact on the financial position, financial performance and cash flows would be classified as high.

Interest rate, currency and exchange rate risks

The interest rate risk associated with investments is considered to be immaterial. Interest rates on bank balances are based on market interest rates depending on the maturities. A possible change in the current interest rate level by 0.5 percentage points would affect the financial result by EUR 177 thousand.

The foreign currency risk relates to exchange rate fluctuations. Despite the Group's international orientation, cash flows are predominantly denominated in the Group currency, the euro. Transactions denominated in currencies other than the euro are of minor significance. Irrespective of this, the foreign currency risk was not hedged in previous years either.

The Group's exposure to interest rate, foreign currency and exchange rate risks is considered to be low and lower than in the previous year. Should such risks materialize, the impact on the financial position, financial performance and cash flows is to be classified as low.

Counterparty default (credit risk)

Credit risk refers to the risk of late payment or payment default by contractual partners. With the exception of receivables from bet-at-home.com Entertainment Ltd. (in liquidation) (reported under non-current other receivables and assets), there is no credit risk. On the assets side, the amounts reported (current receivables and other assets) also represent the maximum credit and default risk, as there are no netting agreements.

The receivables from bet-at-home.com Entertainment Ltd. (in liquidation) recognized as of December 31, 2022 are subject to an increased risk of default, as this company is in insolvency proceedings ("winding up by court") and there is currently no certainty as to the amount of the receivables against the estate to be recognized by the liquidator. The Management Board has addressed the resulting uncertainties in the valuation of the receivable from bet-at-home.com Entertainment Ltd. (in liquidation) by assuming and evaluating various scenarios in the sense of a best possible estimate. If, contrary to expectations, a significantly higher volume of claims against the estate than currently estimated by the Management Board is recognized, this will reduce the quota payment on the claims asserted by the bet-at-home.com AG Group and thus the recovery from these claims. The risk of default on receivables from bet-at-home.com Entertainment Ltd. (in liquidation) is classified as low to medium. Should such a risk materialize, the impact on the financial position, financial performance and cash flows is classified as medium to high.

The default risk with regard to bank balances is to be considered low, but increased compared to the previous year, due to a deterioration in the overall economic situation. Should such a risk materialize, the impact on the financial position, financial performance and cash flows would be high.

C.1.5 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 or department heads of the subsidiaries. The basic components of risk management include the general principles of risk prevention, such as the segregation of duties and the dual control principle, for important processes as part of internal controls. Various partially automated procedures using software systems are also applied.

For risk management purposes, for example, credit assessments and risk system checks in the form of credit card checks, payment verifications, and analyses of player behaviour are carried out on an ongoing basis. In addition, controlling activities in the areas of marketing, partner programme, payment systems, and intercompany clearing were further intensified. In order to reduce legal risks and assess a complex regulatory environment, the company engages reputable external legal advisers.

The Management Board also ensures that any negative developments are identified at an early stage by cross-departmental monitoring systems. For example, IT risks are monitored by voluntarily commissioning external certification bodies (e.g., eCogra), operational risks are monitored by means of automated plausibility checks during the preparation of offers, and financial risks are monitored and reported by means of ongoing analysis of key performance indicators.

The bet-at-home.com AG Group fulfils the requirement under Section 91 (2) of the German Stock Corporation Act (AktG) that it is able to identify at an early stage all significant developments and/or developments that could jeopardize the continued existence of the company by means of an early risk identification system by means of the Group-wide risk management system with uniform framework conditions and standards for the structuring of the early risk identification system.

C.1.6 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, procedures and measures designed to ensure the effectiveness, efficiency and correctness of financial reporting and compliance with relevant legal requirements. There have been no significant changes since the balance sheet 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, as well as designs and monitors the scope and focus of the systems in place based on specific requirements within the Group. Process-integrated and process-independent monitoring measures form the elements of the internal monitoring system.

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

C.2 Opportunities report

Within the last ten years, the European market for online gaming achieved the highest growth worldwide and is expected to continue to grow by approximately 10% per year until 2026. This was stated in various studies by H2 Gambling Capital, most recently in January 2022. According to the studies, this trend is expected to continue, primarily due to a broader acceptance of e-commerce and a global penetration of mobile applications as well as demographic trends, and to help the gambling sector, which is not dependent on economic cycles, to achieve further sustainable growth in the following years.

C.3 Forecast report

In the financial year 2023, the implementation of the strategic reorientation towards increased outsourcing and the corresponding adjustment of key processes, as well as the renewal of revenue growth, will be the key focus areas of the operating activities.

Through a close cooperation with the outsourcing partner, the bet-at-home platforms are tailored to the target markets and at the same time brought up to the latest technological standards. On the one hand, customers will benefit from a much broader betting offering, numerous new functionalities and attractive promotions. On the other hand, the bet-at-home.com AG Group expects some negative effects on the number of existing customers and betting and payment transactions, especially immediately after the migration, due to the necessary adjustment to the new platform.

In the financial year 2023, the number of employees will be maintained at a noticeably reduced level, resulting from the downsizing programs of the previous financial year. The strategic focus of internal resources will be on efficient and significantly improved customer management.

Financial resources, resulting from the reduction in the number of employees and various fixed cost cutting measures, will be used primarily for customer acquisition and marketing measures for existing customers in the financial year 2023.

The increased dominance of sports betting products in the product portfolio and its dependence on a sports event calendar will lead to magnified seasonal differences. This is particularly the case as there is no major off-season sports events, which can impact the sales, in the current year.

Due to a high level of awareness and acceptance of the “bet-at-home” brand, the strategic focus in terms of revenue in the financial year 2023 will be made on the expansion in the core markets of Germany and Austria. In fiscal year 2023, the Group will offer all products in Germany based on national licenses.

The Management Board expects a stable regulatory development in the core market of Germany, with implementation of the statutory deposit limit across providers and products, with the possibility of an increase for all licensed products under the conditions set by the authorities within the scope of regulatory requirements in the first half of 2023. The Management Board intends to further expand the company’s strong market position in the sports betting sector in the core market of Austria, in particular through a targeted marketing.

The Management Board expects an increase in market shares in the existing core markets, due to a more attractive product experience, resulting from a redesign of the platform and the company's sports betting products, as well as focused internal capacities on marketing and customer relations management. National licenses will continue to gain importance in the EU member states and contribute to corresponding legal certainty.

As a result, from today's perspective the Management Board expects the key financial metrics of the bet-at-home.com AG Group in the financial year 2023 to be in the following range:

- Gross betting and gaming revenue: EUR 50 million to EUR 60 million
- EBITDA: EUR -3 million to EUR 1 million

D. 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 combined management report.

D.1 Earnings position of bet-at-home.com AG

	2022		2021		Change	
	EUR'000		EUR'000		EUR'000	%
Revenue	572		833		-261	-31.3
Other operating income	21		73		-52	-71.5
Ordinary operating income	593		906		-313	-34.6
Personnel expenses	-684		-1 464		780	-53.3
Other administrative expenses	-3 799		-1 023		-2 775	271.3
	-4 483		-2 487		-1 996	80.3
Operating income (expenses)	-3 890		-1 581		-2 309	146.0
Income from investments	2 507		149		2 359	1 587.5
Interest received	2		35		-33	-94.3
Interest paid	-153		-11		-143	1 324.5
Net finance income (costs)	2 356		173		2 183	1 262.9
Earnings before taxes	-1 534		-1 408		-126	8.9
Income taxes	-309		111		-419	-378.9
Earnings after taxes	-1 842		-1 298		-545	42.0

Revenue includes income from the transfer of management service charges to subsidiaries.

Personnel expenses relate exclusively to the member(s) of the Management Board of the Company.

The increase in other operating expenses is mainly attributable to expenses on the reconciliation of legal disputes in connection with bet-at-home.com Entertainment Ltd. (in liquidation) amounting to EUR 2,500 thousand.

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

	31.12.2022		31.12.2021		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
<u>Non-current assets</u>						
Financial investments	10 871	49.0	10 871	80.1	0	0.0
<u>Current assets</u>						
Other assets, including						
accruals and deferred income	7 819	35.2	215	1.6	7 605	3 541.3
Receivables from associated companies	2 539	11.4	309	2.3	2 230	722.2
Cash and cash equivalents	962	4.3	2 170	16.0	-1 207	-55.6
	11 321	51.0	2 693	19.9	8 628	320.3
	22 192	100.0	13 565	100.0	8 628	63.6

Financial assets exclusively comprise the investment in bet-at-home.com Entertainment GmbH. The item other assets, including prepaid expenses, comprises receivables from bet-at-home.com

Entertainment Ltd. (in liquidation); please refer to our comments in the notes to the financial statements.

With regard to other assets including prepaid expenses, please refer to our comments in the notes to the financial statements of bet-at-home.com AG.

Receivables from affiliated companies mainly include receivables from dividend entitlements with respect to bet-at-home.com Entertainment GmbH, Linz, Austria, in the amount of EUR 2,500 thousand.

D.3 Financial situation of bet-at-home.com AG

	31.12.2022		31.12.2021		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
Equity	11 576	52.2	13 419	98.9	-1 842	-13.7
Non-current liabilities and provisions						
Other non-current liabilities	10 029	45.2	0	0.0	10 029	
Current liabilities and provisions						
Suppliers	49	0.2	1	0.0	48	4 815.5
Provisions	105	0.5	88	0.6	17	18.9
Other current liabilities	433	2.0	57	0.4	377	664.7
	22 192	100.0	13 565	100.0	8 628	63.6

The item other non-current liabilities comprises intercompany loan liabilities in the amount of EUR 7,529 thousand, as well as liabilities with regards to the reconciliation of legal disputes in connection with bet-at-home.com Entertainment Ltd. (in liquidation) amounting to EUR 2,500 thousand. We also refer to our comments in the notes to the annual financial statements.

E. 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.

F. Additional information required under takeover law (§ 289a and § 315a 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 VI.2 (19) 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 2021 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 2026 by issuing up to 1,403,600 new non-par value bearer shares for cash or non-cash contributions, once or several times, up to an amount of EUR 1,403,600.00. 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.

Furthermore, the Management Board is authorised up until 17 May 2023, by resolution of the general meeting of shareholders of 18 May 2021 with the approval of the Supervisory Board, to acquire treasury shares for an amount of up to 10% of the subscribed capital existing when this authorisation is granted or (if this value is lower) 10% of the subscribed capital existing at the time of enforcement of this authorisation. Together with other treasury shares in the possession of the Company or allocable to the Company in accordance with Sections 71a et seqq. AktG, the acquired shares must at no time exceed 10 % of the Company's subscribed capital. The authorisation must not be exploited for the purpose of trading in treasury shares.

G. 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 is available on bet-at-home.com AG's website at <https://www.bet-at-home.ag/de/corporategovernance>. Further information on corporate governance - such as the rules of procedure for the Supervisory Board, the remuneration systems for the Management Board and the Supervisory Board, and the corporate governance statements for previous financial years - is also available on the bet-at-home.com AG website.

H. Non-financial performance indicators

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

bet-at-home had a total of 5,631,965 registered users as of 31 December 2022 (previous year: 5,543,573). In financial year 2022, bet-at-home received 88,392 new registrations (previous year: 181,695).

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 regards 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.

I. Final provision in accordance with § 312 para. 3 AktG

We hereby declare in accordance with § 312 para. 3 of the German Stock Corporation Act (Aktiengesetz; AktG) and based on the information known to us at the time, we declare that the Company received adequate consideration for all legal transactions with affiliated companies. No actions subject to Section 312 (1) AktG were taken or omitted.

Düsseldorf, 1 March 2023

Marco Falchetto

INDEPENDENT AUDITOR'S REPORT

To bet-at-home.com AG, Düsseldorf

Report on the Audit of the Annual Financial Statements and of the Combined Management Report

Audit Opinions

We have audited the annual financial statements of bet-at-home.com AG, Düsseldorf, which comprise the statement of financial position as of December 31, 2022, the statement of profit or loss for the financial year from January 1, 2022 to December 31, 2022, and notes of 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, 2022 to December 31, 2022.

In accordance with the German legal requirements, we have not audited the items listed in the chapter "Other Information" of this report.

In our opinion, based on the knowledge obtained during the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the company as of December 31, 2022 and of its financial performance for the financial year from January 1, 2022 to December 31, 2022 in compliance with German Legally Required Accounting Principles, 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 annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion does not cover the content of the items of the combined management report listed in the chapter "Other Information" of this report.

In accordance with § 322 para. 3 sentence 1 HGB (Handelsgesetzbuch: German Commercial Code), we declare that our audit has not led to any reservations relating to the

legal compliance of the annual financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the annual 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 in Deutschland e.V. [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 Annual 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) letter (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 annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1, 2022 to December 31, 2022. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; however we do not provide a separate audit opinion on these matters.

In the following we present the audit matters we have determined during our audit to be of particular importance:

- 1. regulatory risks relating to the Group's business activities*
- 2. valuation of receivables due from bet-at-home.com Entertainment Ltd, Malta (in liquidation)*

Our presentation of these key audit matters has been structured as follows:

- a) Description of the matter under consideration (including reference to corresponding disclosures in the consolidated financial statements) and problem definition;
- b) Auditor's response.

1. Regulatory risks relating to the Company's business activities

- a) The Company's net assets, financial position and results of operations are determined by the economic development of its subsidiary bet-at-home.com Entertainment GmbH, Linz, Austria. The economic development of bet-at-home.com Entertainment GmbH, Linz, Austria, continues to be exposed to fundamental risks regarding the regulatory admissibility of the provided services in the areas of online sports betting and online gaming. In particular countries, state-granted monopolies questioning the admissibility of online sports betting and online gaming, contradict jurisdiction of the European Court of Justice, which is favourable for the providers. The European Court of Justice has - in its ruling dated September 8, 2010 - generally declined any discrimination against private providers of online sports betting and online gaming in favour of state-owned monopolies but, at the same time has accepted current legislation for an indefinite transitory period.

Nevertheless, single EU member states continue to try to prevent the offering of online sports betting and online gaming with regulatory measures, supported by technical provider blockings. In case that such measures are successful, it will have an adverse effect in the long-term on the economic situation of bet-at-home.com Entertainment GmbH, Linz, Austria. These actions, provided that important markets are affected to a significant extent, could potentially have a material adverse effect on the results of operations of bet-at-home.com Entertainment GmbH, Linz, Austria, and the company. In principle, the company assumes that it is permissible to offer online sports betting and online gaming on the basis of applicable EU law. All possible regulatory restrictions will also be countered by legal means.

The operating subsidiaries of bet-at-home.com Entertainment GmbH currently operate their business based on the licenses obtained in Malta, and it is assumed that these licenses are valid in all EU countries due to the European freedom to provide services and freedom of establishment, unless national licenses have already been obtained in some EU countries. To the extent that it is legally accepted, efforts are being made to

obtain national licenses in order to reduce the risks regarding the permissibility of offering online sports betting and online gaming. Current regulatory developments in the core markets of Germany and Austria indicate that the trend towards national licensing systems is continuing. For example, the Austrian Federal Ministry of Finance is planning a new independent gambling authority which will be responsible for awarding licenses in the future. The planned reform follows developments in numerous member states of the European Union and will replace the state gambling monopoly with a modern regulation in the form of a licensing system in the future. The outcome of this legal classification of regulatory risks is highly dependent on the legal assessment and evaluation of European and national Austrian legal representatives and, is therefore subject to considerable uncertainty. Against this background and due to the underlying complexity of the legal assessment, this matter was of particular importance in the context of our audit.

A detailed presentation of the regulatory situation with regard to online sports betting and online gaming sector, as well as current developments, can be found more specifically in the Combined Management Report (Section C.1.1).

- b) We continuously follow legal developments and case law in this area. As part of the audit of the financial statements, we received written assessments from consultants specialized in this area of law regulations in addition to the conducted interviews. In addition to our own research and assessments, we held extensive discussions with the legal representatives and the Chairman of the Supervisory Board of bet-at-home.com AG, who specializes in these matters as a lawyer, in order to obtain their assessment of legal developments and risks.

We have verified that bet-at-home.com AG's legal representatives, through regular consultation with specialized advisors and regular internal reporting on these issues, are in a position to assess the regulatory risks in a qualified manner at all times, in order to be able to take any necessary measures in a timely manner.

2. Valuation of receivables due from bet-at-home.com Entertainment Ltd., Malta (in liquidation)

- a) Under the current Austrian Gambling Act (Glücksspielgesetz - GSpG), only Casinos Austria AG, Vienna, Austria, is permitted to offer online gambling (§ 3 GSpG Gambling Monopoly). In the opinion of the Austrian Ministry of Finance, foreign licenses do not entitle the company to offer online casino services to Austrian

customers and are therefore currently classified as un-lawful and illegal. In contrast, bet-at-home.com AG continues to hold the view that the gambling monopoly under Austria's national gambling regulations is contrary to European law.

Due to the current legal situation, bet-at-home.com AG announced in October 2021 that, it would temporarily discontinue providing its online casino services to customers from Austria through the Maltese company bet-at-home.com Entertainment Ltd (in liquidation). In the absence of a positive going-concern forecast, winding up proceedings were applied by the court with respect to this Maltese company on 23 December 2021, as it was no longer in a position to service its liabilities from existing or independently generated funds.

This proposal was approved by the competent Maltese court on May 13, 2022; while an insolvency administrator was appointed at the same time. Due to lack of control, the Maltese company was deconsolidated as of May 13, 2022. From the Group's perspective, there are still receivables from bet-at-home.com Entertainment Ltd. (in liquidation) as of December 31, 2022 with a net carrying amount, derived from the expected returned flows, of EUR 6,993 thousand, which represents around half of the nominal amount that the company is now expected to settle as part of the insolvency proceedings. The insolvency proceedings are expected to be completed by the end of 2024.

Whether and to what extent payment returns are made for claims of receivables from bet-at-home.com Entertainment Ltd. (in liquidation), depends on the outcome of the insolvency procedures. Therefore, the measurement of receivables from bet-at-home.com Entertainment Ltd. (in liquidation) is heavily influenced by the estimates and discretionary assumptions of the legal representatives. Against this backdrop and due to the amount of the receivables from bet-at-home.com Entertainment Ltd. (in liquidation), classified as non-current and recognized as of December 31, 2022, risks from legal disputes, particularly in connection with bet-at-home.com Entertainment Ltd. (in liquidation) and the measurement receivables from bet-at-home.com Entertainment Ltd. (in liquidation), were of particular significance for the audit in our view.

As described in the notes of the consolidated financial statements in section III. "Disclosures on the balance sheet and income statement" and in the combined management report in section C.1.4 "Financial risks" (section: "Default on receivables ("credit risk)"), the legal representatives have taken into account in their estimates and

assumptions that the Maltese bet-at-home.com Entertainment Ltd. (in liquidation) is subject to Maltese insolvency proceedings, the timing and final outcome of which are difficult to be predicted.

In the case of the legal procedures, the information available to the Management Board and the legal department is used to assess, in close consultation with the lawyers and advisor working for bet-at-home.com AG, whether and to what extent provisions need to be made in the statement of financial position.

The information presented and statements made in connection with the insolvency proceedings in Malta, including explanations of the underlying causes and the effects on these financial statements, are provided in Notes section III "Notes to the balance sheet and income statement" and in section C.1.4 "Financial risks" (section: "Default on receivables ("credit risk")") of the combined management report.

- b) As part of our audit, we assessed, among others, the process set up by the company to ensure the recording of court and out-of-court proceedings, the assessment of the course and outcome of the proceedings and an accurate presentation of the balance sheet. In order to assess the accuracy of the receivables valuation affected by the insolvency proceedings, we made a risk-oriented selection and, in addition to the available court decisions, we tested the plausibility and examined the results of the work, opinions and probability-weighted valuation scenarios of experts working for bet-at-home.com AG on the basis of internal and external audit evidence.

Furthermore, in addition to evaluating external lawyers' confirmations on the progress of the insolvency proceedings, we held regular discussions with the internal legal department in 2022 and in the following period up to the completion of the audit of the financial statements to obtain explanations of current developments and reasons that led to the assessments regarding the ongoing proceedings. In each case, we used professional scepticism to assess explanations, information and evidence obtained.

Other Information

The legal representatives are responsible for the "Other Information". This section comprises the following elements, the content of which we have not audited:

- the confirmation regarding the annual financial statements and the combined management report pursuant to § 264 para. 2 sentence 3 HGB respectively § 289 para. 1 sentence 5 HGB,
- the statement on Corporate Governance pursuant to §§ 289f, 315d HGB and the Corporate Governance Report in accordance with principle 23 of the German Corporate Governance Code (2022), to which reference is made in Section G. of the combined management report, and
- the other parts of the annual report with the exception of the audited consolidated financial statements, the audited combined management report and our audit opinion.

Our audit opinions on the annual financial statements and the combined management report do not extend to the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion afterwards.

In accordance with our audit, our responsibility is to read the other provided information and consider whether the other information:

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

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

The executive directors of bet-at-home.com AG are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined the necessity to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

During the financial statements preparation, 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 also responsible for the financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

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 annual 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) that 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 directing the company's financial reporting process, for the preparation of the annual financial statements and of the combined management report.

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

Our objectives are to obtain reasonable assurance about whether the annual 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 annual 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 annual financial statements and on the combined management report.

Reasonable assurance is a high level of certainty but, is not a guarantee that an audit conducted is 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 annual financial statements and this combined management report.

We perform professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, we 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 the 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 annual 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 annual 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 annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and

financial performance of the company in compliance with German Legally Required Accounting Principles.

- evaluate the consistency of the combined management report with the annual financial statements, its conformity with German 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 about 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 that were of most significance during the audit of the annual financial statements of the current period and are therefore defined as the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Audit of the Electronic Reproductions of the Annual Financial Statements and the Combined Management Report Prepared for the Purposes of Disclosure pursuant to § 317 para. 3a HGB

Audit Opinion

We have performed an audit in accordance with § 317 para. 3a HGB to obtaining reasonable assurance that the information contained in the file betathomeJA22.zip (SHA256-Hashcode: f0649b75f3e62fda3c1873c10bc87e4f73577ea7c18073c8fcff928136727ad), assembled for the purpose of disclosure of the reproduction of the annual financial statements and the combined management report (hereinafter also referred to as "ESEF documentation") complying with the requirements for the electronic reporting format ("ESEF format) pursuant to § 328 para. 1 HGB in all material respects. In accordance with the German legal requirements, this audit only covers the transfer of the information of the annual financial statements and the combined management report into the ESEF format and therefore does not include the information contained in these reproductions nor any other information contained in the above-mentioned file.

In our opinion, the reproductions of the annual financial statements and the combined management report contained in the file referred to above and prepared for the purpose of disclosure comply, in all material respects, with the requirements for the for the electronic reporting format pursuant to § 328 para. 1 HGB. Beyond this audit opinion and the audit opinions on the accompanying annual financial statements and the accompanying combined management report for the financial year from January 1, 2022 to December 31, 2022, contained in the aforementioned "Report on the Audit of the Annual Financial Statements and the Combined Management Report", we do not express an opinion on the information contained in these reproductions or on the other information contained in the above mentioned file.

Basis for the Audit Opinion

We have conducted our audit of the reproductions of the annual financial statements and the combined management report contained in the above-mentioned file in accordance with § 317 para. 3a HGB in compliance with the IDW audit standard: Report on the audit of the electronic reproductions of the financial statements and the management report prepared for the purposes of disclosure pursuant to § 317 para. 3a HGB (IDW PS 410(6.2022)). Our responsibility resulting thereafter is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documentation". Our audit firm has applied the requirements for the quality assurance system as specified by the IDW: Requirements for Quality Assurance for Audit Firms (IDW QS 1).

Responsibility of the Executive Directors and the Supervisory Board for the ESEF Documentation

The executive directors are responsible for preparing the ESEF documents, containing the electronic reproductions of the annual financial statements and the combined management report in accordance with § 328 para. 1 sentence 4 no. 1 HGB.

Furthermore, the executive directors are responsible for the internal controls they consider necessary to enable the preparation of the ESEF documents, which are free from material violations - intended or unintended - of the electronic reporting format requirements of § 328 para. 1 HGB.

The supervisory board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Auditor's Responsibility for the Audit of the ESEF Documentation

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from material violations - intended or unintended - of the electronic reporting format requirements of § 328 para. 1 HGB. During the audit, we exercise professional judgement and maintain a critical attitude. In addition

- we identify and assess the risks of material violations - intended or unintended - of the requirements of § 328 para. 1 HGB, we plan and perform audit procedures in response to these risks and we obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- we gain an understanding of the internal controls relevant to the audit of the ESEF documents in order to plan audit procedures that are appropriate in the given circumstances, yet do not aim to express an audit opinion on the effectiveness of these controls.
- we assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents complies with the technical specifications in accordance with of the Delegated Regulation (EU) 2019/815 in the version applicable on the reporting date.

- we assess whether the ESEF documentation provides a consistent XHTML representation of the audited annual financial statements and the audited combined management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on May 17, 2022. We were actually engaged (in the process) by the supervisory board on December 22, 2022. We have been the auditor of bet-at-home.com AG, Düsseldorf, 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).

Other matter - use of the auditor's report

Our audit opinion should always be read in conjunction with the audited annual financial statements and the audited combined management report and the audited ESEF documentation. The annual financial statements and combined management report converted to the ESEF format - including the versions to be published in the Federal Gazette - are merely electronic reproductions of the audited annual financial statements and the audited combined management report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Frederik Hegmanns.

Duisburg, March 1, 2023

PKF Fasselt
Partnerschaft mbB
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
Rechtsanwälte

A. Schienstock
Wirtschaftsprüfer
(German Public Auditor)

Hegmanns
Wirtschaftsprüfer
(German Public Auditor)