



bet-at-home.com AG

Düsseldorf

Financial Statements  
as at 31 December 2023  
Combined Management Report  
for the financial year 2023  
Independent Auditors Report

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### **Disclaimer:**

Translation. German version prevails.

Statement of financial position at 31 December 2023

**ASSETS**

	31.12.2023	31.12.2022
	EUR	EUR
<b>A. Non-current assets</b>		
<b>Financial assets</b>		
Interests in affiliated companies	<b>10,871,313.19</b>	<b>10,871,313.19</b>
<b>B. Current assets</b>		
<b>I. Receivables and other assets</b>		
1. Receivables from affiliated companies	2,722,520.81	2,539,321.96
2. Other assets	7,624,024.18	7,654,389.49
	<u>10,346,544.99</u>	<u>10,193,711.45</u>
<b>II. Cash and cash equivalents</b>	<u>1,258,684.24</u>	<u>962,344.09</u>
	<b>11,605,229.23</b>	<b>11,156,055.54</b>
<b>C. Prepaid expenses</b>	<b>39,292.13</b>	<b>165,033.55</b>
	<u><b>22,515,834.55</b></u>	<u><b>22,192,402.28</b></u>

**EQUITY & LIABILITIES**

	31.12.2023	31.12.2022
	EUR	EUR
<b>A. Equity</b>		
<b>I. Share capital</b>	7,018,000.00	7,018,000.00
<b>II. Capital reserves</b>	7,366,000.00	7,366,000.00
<b>III. Total comprehensive income</b>	<u>-2,254,267.98</u>	<u>-2,807,534.26</u>
	<b>12,129,732.02</b>	<b>11,576,465.74</b>
<b>B. Provisions</b>		
Other provisions	<b>163,799.56</b>	<b>104,740.00</b>
<b>C. Liabilities</b>		
1. Liabilities from goods and services thereof with a residual maturity of up to one year 3,312.66 EUR (FY 2022: 49,135.01 EUR)	3,312.66	49,135.01
2. Liabilities to affiliated companies	7,567,083.33	7,528,750.00
3. Other liabilities thereof taxes 130,061.74 EUR (FY 2022: 316,804.78 EUR) thereof relating to social security 3,598.79 EUR (FY 2022: 2,606.75 EUR) thereof with a residual maturity of up to one year 2,651,906.98 EUR (FY 2022: 374,118.53 EUR)	<u>2,651,906.98</u>	<u>2,933,311.53</u>
	<b>10,222,302.97</b>	<b>10,511,196.54</b>
	<u><b>22,515,834.55</b></u>	<u><b>22,192,402.28</b></u>

**bet-at-home.com AG**

Düsseldorf

**Income Statement  
for the year ended 31 December 2023**

	01.01.-31.12.2023	01.01.-31.12.2022
	EUR	EUR
1. Revenues	764,384.13	572,016.50
2. Other operating income	143,261.29	20,709.23
3. Personnel expenses		
a) Wages and salaries	-679,813.93	-627,777.91
b) Social security contributions and expenses for pensions and other employee benefits thereof for pensions 10,139.32 EUR (FY 2022: 6,098.75 EUR)	-51,742.45 -731,556.38	-56,281.26 -684,059.17
4. Other operating expenses	-2,053,827.71	-3,798,653.50
5. Income from investments thereof from affiliated companies 2,500,000.00 EUR (FY 2022: 2,507,470.00 EUR)	2,500,000.00	2,507,470.00
6. Other interest and similar income thereof from affiliated companies 0.00 EUR (FY 2022: 0.00 EUR)	0.00	1,989.00
7. Interest and similar expenses thereof from affiliated companies 152,395.83 EUR (FY 2022: 85,937.50 EUR)	-170,878.83	-153,342.22
8. Income tax expense	101,883.78	-308,532.00
<b>9. Earnings after taxes = Net profit for the year</b>	<b>553,266.28</b>	<b>-1,842,402.16</b>
10. Loss/Profit carried forward from previous year	-2,807,534.26	-965,132.10
<b>11. Accumulated loss/profit</b>	<b>-2,254,267.98</b>	<b>-2,807,534.26</b>

# **bet-at-home.com AG, Düsseldorf**

## **Notes to the Financial Statement 2023**

### **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. of the German Commercial Code (HGB) and in accordance with the relevant provisions of the German Stock Corporation Act (AktG). Pursuant to Section 267 (3) sentence 2 of the German Commercial Code (HGB) in connection with Section 264d of the German Commercial Code (HGB), the Company is a large capital company, due to 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, other assets and bank balances 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 to the point of time when 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 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 7,623,051.24 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 2025 and the receivables are expected to be serviced from the assets at that time.

Whether the expected inflow actually materialises, 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.

In June 2023, following adoption by the Maltese government, the Gambling Act Bill No. 55 came into force. This Bill is intended to protect local gambling companies in Malta. Invoking an exception in the EU Enforcement Regulation, foreign court rulings that

conflict with the Maltese gambling will not be recognised, with reference to Maltese "public policy". The conformity of Bill No. 55 with EU law is being variously questioned. At the request of the European Parliament, the EU Commission is currently examining the question of conformity of Bill No. 55 with EU law. In view of this fact, BaH together with its Maltese legal advisors have been continuously assessing and examining possible effects of this amendment - in particular with regard to judicial winding-up proceedings of bet-at-home.com Entertainment Ltd (in liquidation).

The subscribed capital amounts to EUR 7,018,000.00 as of December 31, 2023 (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, 2023 (previous year: EUR 7,366,000.00).

By resolution of the Annual General Meeting on May 18, 2021, the Management Board is authorised, 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, the Management Board is authorised by resolution of the general meeting of shareholders on 26 May 2023, with the consent of the Supervisory Board, to acquire treasury shares until May 25 2025 for an amount of up to 10% of the share capital of the Company existing when this authorisation is granted, or (if this value is lower) 10% of the share capital existing at the time of enforcement of this authorisation. In this context, the shares acquired following this authorisation, together with other shares of the Company, which the Company already acquired and still holds or which are attributable to the Company pursuant to Section 71a et seq. of the German Stock Corporation Act (AktG), should at no time exceed 10% of the share capital. The authorisation should not be used for the purpose of trading in treasury shares.

Other provisions include expenses for legal and tax advice and for the audit of the financial statements in the amount of EUR 163,799.56 (previous year: EUR 104,740.00). 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 7,567,083.33 (previous year: EUR 7,528,750.00).

Other liabilities include in particular liabilities amounting to EUR 2,500,000.00 (previous year: EUR 2,500,000.00) from reconciliation of legal disputes in connection with bet-at-home.com Entertainment Ltd. (in liquidation), which will become payable in the second 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 764,384.13 (previous year: EUR 572,016,50).

Personnel expenses relate exclusively to the member of the Management Board.

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 1,000,000.00 (previous year: EUR 2,500,000.00).

Income from investments from dividend-like income from Maltese affiliated companies (previous year: EUR 7,470.00) were not distributed in 2023. In the financial year 2023, bet-at-home.com Entertainment GmbH, Linz, distributed dividends in the amount of EUR 2,500,000.00 (previous year: EUR 2,500,000.00).

Interest expenses include expenses from discounting of receivables in the amount of EUR 0.00 (previous year: EUR 67,386.00).

Taxes on income and earnings include refunds from the completed 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, has held a controlling interest in the parent company of the bet-at-home.com AG Group since 5 September 2009. Betclic Everest Group SAS (company registration no. 501 420 939) prepares consolidated financial statements for the smallest group of affiliated companies in which the consolidated financial statements of bet-at-home.com AG are included. FL Entertainment N.V., Netherlands, which is listed on the Amsterdam stock exchange, is in turn the ultimate

Classification: Public

parent company of Betcliv Everest Group SAS, Paris/France, and prepares consolidated financial statements for the largest group of affiliated companies.

The member of the Management Board in the financial year 2023 was:

- 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 2023 amounts to EUR 564,999.90 (previous year: EUR 849,784.91 taking into account the members of the Management Board who resigned in 2022). The short-term variable remuneration for the 2023 financial year amounts to EUR 125,000.00 (previous year: EUR 281,200.00).

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

Marco Falchetto, the sole member of the Management Board was remunerated with a fixed remuneration of EUR 439,999.90 in the financial year 2023.

Remuneration (in EUR)	Marco Falchetto
	CEO
	<b>2023</b>
Fixed compensation	439,999.90
Consulting services	0.00
<b>Total</b>	<b>439,999.90</b>
One-year variable compensation	222,700.00
Long-term management bonus	0.00
Share-based compensation	0.00
Multiple-year variable compensation	0.00
<b>Total</b>	<b>662,699.90</b>
Utility expenses	0,00
<b>Total compensation</b>	<b>662,699.90</b>

In the financial year 2023, the company paid contributions in the amount of EUR 10,139.32 (previous year: EUR 6,098.75) 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 2023 as in the previous year.

Allocations granted (in EUR)	Marco Falchetto			
	CEO			
	2022	2023	2023 (Min)	2023 (Max)
Fixed remuneration	325,367.19	439,999.90	439,999.90	439,999.90
Consulting services	0.00	0.00	0.00	0.00
<b>Total</b>	325,367.19	439,999.90	439,999.90	439,999.90
VV1	0.00	125,000.00	0.00	500,000.00
VV2	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>125,000.00</b>	<b>0.00</b>	<b>500,000.00</b>
Utility expenses	0.00	0.00	0.00	0.00
<b>Total compensation</b>	<b>325,367.19</b>	<b>564,999.90</b>	<b>439,999.90</b>	<b>939,999.90</b>

The Supervisory Board included the following members in the financial year 2023:

- 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.

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 2023 (previous year: EUR 40,000.00). In addition, necessary expenses were reimbursed. Ms. Giraudon and Mr. Riahi waived their compensation in the financial year 2023.

Investments held in the following companies in the financial year 2023:

Company, head office	Share of capital	Equity in EUR as of 31/12/2023	Profit for the period in EUR 01/01-31/12/2023
bet-at-home.com Entertainment GmbH, Linz (Austria)	direct 100 %	25,336,759.93	3,756,037.05
Entertainment Beteiligungsholding GmbH, Linz (Austria)	indirect 100 %	-37,166.38	-155.94
bet-at-home.com Niederlande GmbH, Linz (Austria)	indirect 100 %	-494,088.34	-78,089.53
bet-at-home.com Holding Ltd., Mosta (Malta)	direct 2 % indirect 100 %	3,245,207.70	121,766.03
bet-at-home.com International Ltd., Mosta (Malta)	direct 2 % indirect 100 %	-815,252.90	-267,701.16
bet-at-home.com Internet Ltd., Mosta (Malta)	direct 2 % indirect 100 %	333,499.66	138,508.25
Jonsden Properties Ltd., Gibraltar	indirect 100 %	335,960.84	15,788.42

### **Notifications pursuant to Section 33 (1) sentence 1 WpHG in the financial year 2023**

The Company did not receive any voting rights notifications in the financial year 2023.

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

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

website at [www.bet-at-home.ag](http://www.bet-at-home.ag) under the Corporate Governance section.

## **VII. 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 5, 2024

Marco Falchetto

Summary of fixed assets as at 31 December 2023

	At cost				Accumulated depreciation				Carrying amount	
	Balance at	Additions	Disposals	Balance at	Balance at	Additions	Disposals	Balance at	31.12.2023	31.12.2022
	01.01.2023			31.12.2023	01.01.2023			31.12.2023		
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>I. Property and equipment</b>										
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
<b>II. Financial assets</b>										
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	<b>10,873,687.76</b>	<b>0.00</b>	<b>0.00</b>	<b>10,873,687.76</b>	<b>2,374.57</b>	<b>0.00</b>	<b>0.00</b>	<b>2,374.57</b>	<b>10,871,313.19</b>	<b>10,871,313.19</b>

# Combined Management Report 2023

bet-at-home.com AG, Düsseldorf

## A. Economic status of the Group

### A.1 Business model

The bet-at-home.com AG Group (hereinafter also referred to as "BAH Group") operates as an online sports betting and gaming company via its operational Maltese group companies. With more than 5.7 million registered customers, the Group is one of the leading providers in the German-speaking countries.

The wide-ranging offerings on bet-at-home websites include sports betting and online casino. In the financial year 2023, the sports betting offer comprised more than 1 million events on over 55 types of sport and e-sport, including around 1 million live events. The BaH Group has companies in Germany, Austria, Malta and Gibraltar.

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 offer 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

bet-at-home.com AG, Düsseldorf, as the parent company, 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, provides numerous services in the areas of IT, finance, customer management and law for other Group companies. The Group 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 Mosta, Malta.

### A.2 Development activities and outsourcing

By concluding an agreement in 2022, bet-at-home.com AG changed its original approach of extensive in-house development towards an increased outsourcing. This decision was driven by increasingly complex technological requirements and an increased cost pressure. It was possible due to a growing range of cost-effective and high-quality commercial industry solutions.

In February 2023, after months of preparation, the bet-at-home.com Internet Ltd. offering licensed in Malta was outsourced to the external service provider EveryMatrix Holding plc. The outsourcing of the German-licensed offering to www.bet-at-home.de was successfully completed in October 2023. From now on, the Group will focus exclusively on those customer and revenue-related components that cannot be created and operated externally, or only to an insufficient extent. The operational focus will be made on efficient and effective customer management and marketing. The reduction in internal complexity and necessary resource requirements associated with the increased outsourcing has already had a positive effect on the earnings situation of the BaH Group, due to cost savings in the IT area. This strategic realignment will continue to form the basis for a lean and cost-efficient organisational structure in the future.

## **B. Business report**

### **B.1 Overall economic and industry situation**

In the financial year 2023, the EU economy lost momentum after a robust post-pandemic recovery, with private consumption largely stagnating as nominal wage growth continued to lag behind inflation. At the same time, the EU labour market remained resilient and companies retained jobs despite major changes in the production structure. Industrial development was held back by weak demand and high energy costs. Following the monetary tightening measures over the course of the year, inflation is likely to fall further. However, uncertainty and downside risks have increased, mainly due to the protracted Russian aggression against Ukraine and the conflict in the Middle East. The energy markets appear to be the most vulnerable, as renewed disruptions to energy supplies could potentially have a significant impact on energy prices, global production and overall price levels. According to the latest estimates of the European Commission from February 2024, GDP in the EU have increased by 0.5% in 2023 and is expected to increase by 0.9% in 2024.

Based on past experience in the BaH Group's key markets, it can be concluded that business development in the online sports betting and online gaming sector is largely independent of overall economic developments in the respective markets. In the past, the BaH Group's business has therefore proven to be consistently resistant to crises. Despite inflation, no significant impact on gaming behaviour attributable to the overall economic situation was identified in the 2023 financial year.

The higher penetration of mobile devices, increasing online affinity and mobile gaming as an established sales channel will continue to be the main drivers of the online gaming market. According to currently available estimates, H2 Gambling Capital expects online gross gaming revenues to have increased by 9% in 2023. The commercial potential of individual online gambling markets will largely depend on the organisation of the respective national regulatory requirements in the future.

## **B.2 Business trend**

### (1) Highlights in the financial year 2023

By the end of the financial year 2022, the Group already succeeded in achieving a significantly higher legal and planning certainty in Germany for all products offered by receiving a licence for virtual slot machines and extending the licence for sports betting until the end of 2027.

Following a decline in customer activity in **Germany**, due to the introduction of concession requirements starting the financial year 2021, the client base has developed largely stable. The introduction of cross-product and cross-provider monthly betting limits on 1 July 2022, as well as of the notification of increased betting limits to the nationwide LUGAS database from the second quarter 2023 had an impact on deposit behaviour of customers. Due to a comprehensive comparison of licensed providers by the supervisory authority with participation of the so-called Gambling Council, a practicable, albeit notably limited, betting offer could be ensured in the meantime. By agreement with the authority, however, the offering can be continuously expanded in the future. Massive restrictions on licensed providers in the area of virtual slot machines and the ban on banking games, combined with insufficient measures against non-licensed providers, continue to have a significant negative impact on the business performance of the BaH Group. At the end of 2023, the supervisory authority announced that further approval of an increased monthly deposit limit per customer would be subject to additional conditions in future, which could also have a negative impact on the business result.

With a gross betting and gaming revenue at EUR 46.2 million, the forecasted range of revenue, which was adjusted in October 2023, between EUR 44 million and EUR 48 million was achieved. The initial EBITDA forecast of EUR -3 million and EUR 1 million for the financial year 2023 was reached by posting an EBITDA of EUR 0.8 million. EBITDA before special items<sup>\*</sup>, which was introduced in 2023 as a new control parameter, amounted to EUR 2.3 million for the financial year 2023. The forecast for the financial year 2024 is based on the EBITDA before special items<sup>\*</sup> as an alternative performance measure.

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<sup>\*</sup> EBITDA before special items: for definition refer to Section 3.5 “Other financial information – EBITDA before special items as an alternative performance measure” of the combined annual report

(2) Human resources and social security

The average number of employees (excluding the Management Board) in the Group in the financial year 2023 amounted to 101 (previous year: 177). As of the reporting date, the Group employed 99 employees (previous year: 109).

Despite the implementation of two successive restructuring programs in the previous year, the targeted personnel development of highly qualified employees remains the basis for the Group's further development. Moreover, intensive professional development is a central cornerstone of human resources management. The personnel reductions and far-reaching internal restructuring have resulted in a stronger focus on key business areas and significantly improved operational efficiency.

### **B.3 Group situation**

#### **B.3.1 Earnings position**

All information on the financial performance relates to the financial year 2023. For detailed information on discontinued operations in the previous year, please refer 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 2023 amounts to EUR 42,339 thousand, which is below the previous year's level (previous year: EUR 49,068 thousand).

Gross revenue from online gaming (gaming revenue less paid out winnings) from continuing operations decreased by EUR 627 thousand compared to the previous year's level to EUR 3,837 thousand (previous year: EUR 4,464 thousand). Online gaming primarily includes slots for the German market.

Gross betting and gaming revenue from continuing operations in the financial year 2023 amounted to EUR 46,176 thousand and was thus below the previous year's level (previous year: EUR 53,532 thousand). The main factors for the reduction were the introduction of cross-product and cross-provider deposit limits in Germany starting mid-2022, obligation to notify about increased betting limits starting the second quarter 2023 as well as losses from the migration of customers from the own .com and .de platforms to the system of EveryMatrix. Gross betting and gaming revenue is an important financial performance indicator for the Group.

The betting fees or taxes and gambling levies payable in various countries reduced earnings by EUR 10,058 thousand during the financial year 2023 (previous year: EUR 11,396 thousand). In addition, value-added tax regulations for electronically supplied services decreased earnings by EUR 28

thousand (previous year: EUR 99 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 2023 amounted to EUR 36.1 million (previous year: EUR 42.0 million).

In the financial year 2023, the Group's **earnings position** was as follows:

	01.01.-	01.01.-
	31.12.2023	31.12.2022
	EUR '000	EUR '000
Gross betting and gaming revenue	46,176	53,532
Net betting and gaming revenue	36,090	42,036
Total operating income	39,104	45,482
EBT* (earnings before taxes)	-1,431	-690
EBIT** (earnings before interest and taxes)	-835	-105
EBITDA*** (earnings before interest, taxes, depreciation and amortisation)	807	2,105
EBITDA before special items**** (earnings before interest, taxes, depreciation and amortisation before special items)	2,361	4,361

\* 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

\*\*\*\* EBITDA before special items: for the definition refer to Section 3.5 "Other financial information – EBITDA before special items as an alternative performance measure" of the combined management report

Advertising expenses amount to EUR 17,029 thousand in the financial year 2023 (previous year: EUR 13,628 thousand). The increase in advertising expenditure was a result of intensified marketing of the company's brand with a large-scale advertising campaign and numerous bonus promotions.

Personnel expenses decreased significantly by EUR 4,855 thousand to EUR 8,653 thousand in the financial year 2023, due to the reduction in headcount in 2022.

### 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 31 December 2023, the **financial situation** was as follows:

	31.12.2023 EUR'000	31.12.2022 EUR'000
Earnings before taxes	-1,431	-690
Cash flows from operating activities	159	-5,018
+ Cash flows from investing activities	-343	-874
+ Cash flows from financing activities	-498	-770
= Net cash from operating, investing and financing activities		
+ Cash and cash equivalents at the beginning of period	-682	-6,662
= Cash and cash equivalents at the end of period	35,327	41,989
	34,645	35,327

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 31 December 2023, **net assets** were as follows:

<b>Assets</b>	31.12.2023 EUR'000	31.12.2022 EUR'000
Non-current assets	18,047	18,773
Current assets		
Tax receivables	1,196	5,113
Other receivables and assets	2,890	3,449
Cash and cash equivalents	34,645	35,327
	56,779	62,662

The non-current assets item includes receivables in the amount of EUR 10,035 thousand due from bet-at-home.com Entertainment Ltd. (in liquidation) from various transactions. Refer to the comments in the notes to the consolidated financial statements (Section VII.2. Note (12)).

<b>Equity and liabilities</b>	31.12.2023 EUR'000	31.12.2022 EUR'000
Group equity	27,444	28,949
Non-current liabilities (liabilities and provisions)	9,275	11,792
Current liabilities (liabilities and provisions)	20,060	21,921
	56,779	62,662

The equity ratio as of 31 December 2023 increased to 48.3% (previous year: 46.2%) despite a decline in equity resulting from the total consolidated result for 2023 in the amount of EUR -1,505 thousand. The consolidated balance sheet total decreased from EUR 62,662 thousand to EUR 56,779 thousand.

Non-current liabilities include liabilities from leases in the amount of EUR 1,409 thousand (previous year: EUR 1,437 thousand), liabilities in the amount of EUR 7,773 thousand (previous year: EUR 7,773 thousand) due to bet-at-home.com Entertainment Ltd. (in liquidation), resulting from ongoing business transactions with this company until 13 May 2022, as well as provisions for employee benefits in the amount of EUR 93 thousand (previous year: EUR 82 thousand).

Current liabilities include other provisions in the amount of EUR 3,027 thousand (previous year: EUR 1,903 thousand), trade payables in amount of 1,655 thousand (previous year: EUR 1,548 thousand), tax liabilities in the amount of 7,213 thousand (previous year: EUR 11,852 thousand), liabilities to customers (contractual liabilities according to IFRS 15) amounting to EUR 4,281 thousand (previous year: EUR 4,940 thousand), lease obligations according to IFRS 16 amounting to EUR 322 thousand (previous year: EUR 443 thousand), and other liabilities amounting to EUR 3,561 thousand (previous year: EUR 1,235 thousand).

As in the previous year, no financing measures were carried out in the financial year 2023.

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

In the financial year 2023, the economic situation of the Group's business, which since 2022 has been predominantly represented by the online sports betting segment, was overall positive, due to implemented restructuring measures and the outsourcing of key corporate functions. However, possible additional requirements by the German supervisory authorities and customer requests for reimbursement of gaming losses continue to represent a risk.

### **B.3.5 Other financial information – EBITDA before special items\* as an alternative performance measure**

The combined management report and the financial statements of the BaH Group are prepared in accordance with applicable accounting standards. In addition to disclosures and key figures required therein, the BaH Group publishes for the first time in the financial year 2023 “EBITDA before special items” as an alternative performance measure (APM), which is not subject to these regulations and for which there is no generally accepted reporting standard (non-IFRS measure). Although the data has been extracted or derived from the consolidated financial statements, neither this data nor the underlying assumptions have been audited or reviewed. This key figure should therefore only be regarded as supplementary information. The Management Board assumes that EBITDA before special items is a more suitable indicator for assessing operating activities, as it is not affected by amortisation, depreciation and impairment or special items. The BaH Group calculates this non-IFRS performance indicator with the aim to enable comparability of its performance over time and with companies from the industry. It is achieved by making certain adjustments to the consolidated balance sheet or consolidated income statement items prepared in accordance with the applicable accounting standards. Adjustments may result from different calculation and measurement methods, irregular business activities and special effects that may impact the informative value of this item. The EBITDA before special items thus calculated applies to all periods and is used both internally by the Management Board and the Supervisory Board to manage the business and externally to assess the Group's performance and efficiency of the BaH Group. EBITDA before special items is intended to represent the Group's operating result excluding special items, i.e. effects that are special in terms of their nature and amount for management of the Group. These may include restructuring, legal cases in connection with customer claims, closures or disposals of parts of the company ("transactions with subsidiaries") or impairment losses or reversals of impairment losses. When calculating this non-IFRS key indicator, EBITDA is increased by extraordinary expenses and reduced by extraordinary income.

The Management Board should exercise prudent judgement when classifying expenses and income as non-recurring or exceptional and ensure that the classification appropriately reflects the nature of the item.

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\* For the definition of "EBITDA before special items " please refer to Section VI. "Other financial information - EBITDA before special items as an alternative performance measure" of the notes to the consolidated financial statements.

## **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 the BaH 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. The outsourcing of key company processes to the external service provider in 2023 will result in a shift of responsibilities in some areas, particularly in the area of IT risks. For example, IT risks are monitored and reported through the voluntary appointment of external certification bodies (such as eCogra), operational risks through ongoing controls and business monitoring, while financial risks through an ongoing analysis of key financial performance indicators.

Policies on the use of financial instruments are also part of this risk management system. 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 are 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 enable fair market access, and allow to enhance the existing offer. 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 BaH Group cannot rely on a national license, business activities within the European Economic Area are offered on the basis of licenses for online gaming and online sports betting granted in Malta, which 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 in 2023 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 slot machine 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. A Europe-wide tender for the concessions is expected in the second half of 2024.

- Based on the transitional regulation as of September 2020, a licence for virtual slot machines was granted in the third 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 offering in May 2021. Following a comprehensive market analysis conducted in 2023, the Management Board does not plan to return to the Polish market.
- 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 31 December, 2021 as part of its initiated liquidation. The continuation of the sports betting offering is being evaluated on an ongoing basis by the operational management, as well as the Management Board together with its advisors.
- In **Malta**, a new regulation (Bill No. 55) of the Gambling Act came into force at the end of June 2023. Citing an exception in the EU Enforcement Regulation, foreign court rulings that contradict the Maltese Gambling Act are not be recognised, with reference to Maltese public policy. The Management Board together with its Maltese advisors are continuously reviewing a potential impact of this amendment, in particular in relation to the legal winding-up proceedings of bet-at-home.com Entertainment Ltd (in liquidation) and the recoverability of recognised receivables from bet-at-home.com Entertainment Ltd. (in liquidation). It can be assumed that the liquidation proceedings will be delayed beyond the financial year 2024, due to pending supreme court proceedings to review the EU conformity of Maltese Bill No. 55.
- 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. Due to a negative decision of the Supreme Court, the offering was discontinued in the fourth quarter of 2023 and the Croatian market was closed.

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, at the political level, the European Parliament, on the initiative of the EU Commission, passed in 2011 a legislative initiative with the aim of harmonizing national sports betting and gambling regulations. 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 existing regulatory legal uncertainties continue to be assessed as low to medium compared with previous years. If the risks were to materialize, the impact on the net assets, financial position and results of operations of the Group would be high. In particular, the focus on a smaller number of markets was considered.

### Tax risks

Those countries, in which the operational Maltese companies within the BaH 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 BaH 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 BaH 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, 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. In 2020, bet-at-home.com Entertainment GmbH (Austria) entered into a tax ruling with the tax authorities in Austria, which will be evaluated on an annual basis from 2023 onwards to ensure that it is up to date.

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 1 January 2017. 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. 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 2.9 million for the years since 2017. N As at the reporting date, the Management Board does not expect this to result in a potential outflow of resources.

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. took legal action before the national courts against the appeal decision of the tax authorities issued in the second half of 2022; a final legally effective decision is not expected before the end of 2024.

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

The BaH Group 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 BaH Group to ensure comprehensive player protection. These measures are verified through annual voluntary compliance audits by eCogra, the industry audit association.

Despite these endeavours, the Group continues to be exposed to legal actions from customers who claim back their gaming losses in court. This had the following impact on the BaH Group's companies in the 2023 financial year:

- In Austria, following the initiation of insolvency proceedings against the Maltese bet-at-home.com Entertainment Ltd. (in liquidation), customers, with the support of companies financing proceedings, increasingly directed their claims for reimbursement of gambling losses in the online casino against other Group companies and their executive bodies in 2023. Through attractive settlement solutions and proactive litigation, the Management Board has succeeded in largely limiting a future risk. At the end of 2023, eight legal

proceedings with a total value in dispute of around EUR 4.3 million were still pending in Austria. The Management Board expects hitherto favourable case law to be confirmed, meaning that the fundamental risk from customer claims in Austria can be classified as low.

- In Germany, customers are also attempting to reclaim their losses from sports betting and casino games from the Group companies in court. At the end of 2023, 27 legal proceedings with a total value in dispute of around EUR 2.8 million were pending in court. The customers base their claims on the lack of national gambling licences at the time of gambling losses. In addition to eligibility for a licence and official acquiescence, these claims are based in particular on customers' positive knowledge. Furthermore, such claims are generally time-barred after three years from the date of the plaintiff's knowledge, whereby the Group has held licences for both sports betting and casino games since the end of 2022. In accordance with the Management Board's risk assessment, provisions have been recognised in the balance sheet. The fundamental risk from customer claims in Germany can be classified as overall medium, which is why a risk provision was recognised in accordance with this risk assessment by the Management Board.

Should such a risk materialize, the impact on the financial position, financial performance and cash flows of the Group would be from medium to high.

#### 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 November 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. However, the competent supervisory authority regularly reviews the legally compliant implementation of regulatory requirements. bet-at-home.com Internet Ltd. constantly monitors licensing changes and adjusts internal processes if changes are required. When implementing regulatory requirements relating to technology components, the Group is increasingly reliant on its external technological partners. The corresponding implementation projects are prioritised and specified by internal Group experts.

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.

The Group also holds a sports betting licence from Ireland, which was extended for a further two years

in the third quarter of 2023.

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

Incorrectly estimated odds or manual errors made by bookmakers may result in higher customer payouts and consequently lead to a loss of revenue. With the strategic decision to increasingly rely on outsourcing, central odds management processes were transferred to an external partner. The implementation of comprehensive hedging systems by the outsourcing partner and continuous monitoring of quotas through market comparisons actively contribute to minimising the risk of incorrectly estimated odds.

The continuous development of the Group's own data platform by the internal IT team helps to strengthen the ability to monitor core processes and evaluate the performance of the external service provider.

The risks associated with inaccurate odds estimates and critical bookmaking processes are classified as medium, due to cross-company and more complex processes. Should such a risk materialize, the impact on the financial position, financial performance and cash flows of the Group is to be classified as of medium significance.

#### 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 BaH 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 BaH 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 BaH Group has been certified since the middle of 2021 according to the ISO/IEC 27001 international standard.

As part of the strategic realignment, which involves the increased outsourcing, the main transaction systems, in particular operation of the customer and payment platform as well as of the online sports betting product, are now performed by an external partner. The data platform created and operated within the Group supports operational processes and management decisions. This transfer of risks to the outsourcing partner has led to necessary adjustments to the information security management system in the technology area. For its part, the external partner undertakes now numerous measures

to minimise information security and IT risks.

The transition from the company's own system components in 2023, which have been optimised and stabilised over years, to newly configured system components from the outsourcing partner, results in significantly increased technical and procedural risks in the short term. In the medium and long term, the technical and process-related risk from the changed interaction between in-house and outsourced system components will gradually decrease, in particular, due to numerous stabilisation measures that have already been initiated and other measures that are already planned.

The Management Board assumes that far-reaching measures have been taken to minimise IT risks. However, the risks are to be classified as lower compared to the previous year, but still as medium. Should such a risk materialize, the impact on the financial position, financial performance and cash flows of the Group 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, the BaH Group 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 risks in this context are classified as low. Should such a risk materialize, the impact on the financial position, financial performance and cash flows of the Group is to be classified as medium.

#### *Risks from business relationships in connection with financial service providers*

Companies in the online gaming industry face increasing compliance requirements, due to a continuously changing and increasingly complex regulatory landscape for financial service providers. The more complex regulations result from higher requirements for banks to meet strict standards in areas such as financial transparency, risk management, customer identification and money laundering prevention. In sectors with a high potential for money laundering, such as the online gaming industry, these requirements lead to increased due-diligence obligations, particularly with regard to periodical KYC (know-your-client) processes and establishment of new business relationships.

In the reporting period, a long-standing payment service provider of the BaH Group unilaterally cancelled its business relationship, due to changes in internal guidelines, providing a transitional period. The BaH Group is working intensively on the prompt implementation of new business relationships with alternative payment service providers for all affected Group companies. The limited number of banks willing to co-operate makes it more difficult to establish business relationships and increases dependence on a small number of partners, which can lead to increased default risks.

In addition, regulatory changes in individual countries could lead to further restrictions in the area of payment service providers and create more difficult market entry conditions and geographical barriers to growth.

The BaH Group addresses these challenges with an increased diversification. The integration of new business partners for treasury and payment transaction solutions serves to spread the risk, reduce surcharges in transaction costs and increase the reliability of customer payment methods.

The risks associated with the default of payment service providers are classified as high. Should such a risk materialize, the impact on the financial position, financial performance and cash flows of the Group 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 BaH 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 to be classified as low. Should such a risk materialize, the impact on the financial position, financial performance and cash flows of the Group is to be classified as high.

### Personnel and employee risk

The further development of the BaH 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 personnel reduction programs in 2022 led to a significant decrease in the number of employees. Therefore, the responsibility for critical business processes is now carried out by fewer employees. The extensive strategic realignment of the BaH Group to the increased outsourcing and numerous technical integration projects connected with it led to additional workload for individual employees. Recruiting qualified personnel remains challenging, due to the current macroeconomic situation, general scepticism of potential employees towards the online gaming industry and an overheated labour market. This increases the risk that any unforeseen personnel departures cannot be compensated for in a timely manner by internal resources or new external recruits.

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

### Deficient performance of external service provider

In order to conduct its operational business, the BaH 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 course of the 2023 financial year, further important technology components, in particular the development and operation of the customer and payment platform, as well as the online sports betting product, were 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 intensive communication 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 BaH 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. In addition, regulatory changes are often announced by responsible authorities with a short time for preparation, and these can often have far-reaching technical implications. By outsourcing key components, there is an increased risk that the external partner will not implement necessary adjustments in a specified timeframe, to a required extent or with a required quality. This is accompanied by an increased risk that system failures or restrictions will not be detected and remedied promptly to the desired standard, as the employees of the BaH Group have no or only indirect access to the system monitoring of service partners and are therefore dependent on their quality assurance processes for detection and remediation.

To minimise external risks, decisive measures, such as regular system audits, internal reviews, training and ongoing monitoring by the Product Management and Controlling departments, were taken. The continuous investment in an internal data platform significantly improves the possibilities of system monitoring in order to recognise potential errors in both our own service provision and in the performance of external service providers at an early stage and rectify them promptly. However, it should be noted that the risks of errors in the provision of services by external service providers increase in proportion to the extent to which key corporate functions are outsourced and performed by outsourcing partners. The risks are therefore assessed to be medium and increased compared with the previous year. Should such a risk materialize, the impact on the financial position, financial performance and cash flows of the Group 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 BaH 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 BaH 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 BaH 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 BaH 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. Constantly increasing regulatory requirements for securing customer credit balances against payment defaults lead to liquidity commitment and over-collateralisation, which reduces available liquidity and increases the risk of non-compliance with licensing conditions and loss of access to regulated markets.

The remaining freely available liquidity could prove challenging 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 unchanged as medium. Should such a risk materialize, the impact on the financial position, financial performance and cash flows of the Group 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 maturities. A possible change in the current interest rate level by 0.5 percentage points would affect the financial result by EUR 173 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 still considered to be low and decreased compared to the previous year. Should such risks materialize, the impact on the financial position, financial performance and cash flows of the Group 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 other non-current receivables and assets), there is no considerable credit risk. On the assets side, the amounts reported (current receivables and other assets) also represent the maximum credit and default risk. There are no offsetting possibilities.

The default risk relating to bank balances is still considered to be low and is estimated to be lower than in the previous year, due to an improvement in the overall economic situation. Should such a risk materialize, the impact on the financial position, financial performance and cash flows of the Group would be classified as high.

There are risks relating to reduced cash flows from receivables from bet-at-home.com Entertainment Ltd (in liquidation). The receivables from bet-at-home.com Entertainment Ltd. (in liquidation) recognised as at 31 December 2023 continue to be subject to an increased risk of default as the company is in liquidation ("winding up by court"). There is no certainty regarding claims to be recognised by the official receiver against the estate. There is uncertainty that claims from gambling losses cannot be asserted or can only be asserted to a limited extent due to the asserted or changed Maltese legal situation. In addition to receivables from ongoing business relationships until 13 May 2022, this also applies to receivables from bet-at-home.com Entertainment Ltd (in liquidation) acquired during the liquidation phase. In addition, there is uncertainty regarding the extent of receivables from bet-at-home.com Entertainment Ltd (in liquidation) that can still be filed by third parties and recognised by the official receiver. The higher the extent of the receivables recognised by the official receiver, the lower the quota payment to the BaH Group will be, and vice versa. The existing uncertainties regarding the valuation of receivables from bet-at-home.com Entertainment Ltd. (in liquidation) have been addressed by the Management Board by assuming and assessing various scenarios in the sense of a best estimate. The risk that the cash flows from the liquidation of bet-at-home.com Entertainment Ltd. (in liquidation) are lower than estimated in its valuation has decreased compared to the previous year, but is still classified as low to medium. If this risk materialises, the impact on the net assets, financial position and results of operations continues will be classified as medium to 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.

The outsourcing of central business areas in the financial year 2023 has led to significant changes in the nature, possibilities and scope of risk monitoring in these areas. Despite the transfer of executive responsibility for these outsourced workflows and technological components to the outsourcing partner, it remains essential for the Group to ensure adequate risk management. This is ensured through continuous investment in adapting, expanding and improving the corresponding risk management systems. In particular, numerous projects have been initiated to establish and expand the Group's own data platform in accordance with the latest technological standards. This includes measures for the real-time processing of a large number of data streams provided by the outsourcing partner, as well as their integration with data from the legacy systems and customer behaviour forecasts using machine learning. For risk management purposes, 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 BaH 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 BaH Group comprises all principles, procedures and measures designed to ensure the effectiveness, efficiency and correctness of financial reporting and compliance with relevant legal requirements. Apart from additional internal control and risk management measures in relation to the outsourcing of core processes in 2023, there were no significant changes compared to the previous year.

The Management Board of BaH 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 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 accounting documents provide reliable and traceable information.

### **C.2 Opportunities report**

Within the last ten years, the European market for online gaming achieved a significant growth worldwide and is expected to continue to grow by approximately 7% per year until 2027. This was stated in various studies by H2 Gambling Capital, most recently in December 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**

Through the outsourcing and redesign of the platform and its sports betting product, as well as focus of internal capacities on marketing and customer relationship management, the Group has taken significant steps to stabilise the business. The focus on core competencies and outsourcing of tasks have already allowed to reduce internal complexity and minimise resource requirements in the past financial year. This has had a positive impact on the BaH Group's earnings situation and will continue to form the basis for a lean and cost-efficient structure going forward.

The strategic transformation will be continued in the financial year 2024. In terms of in-house development, the Group will focus exclusively on those customer- and revenue-relevant components,

which cannot be developed and operated externally, or only to an insufficient extent. In terms of technological development, the internal focus is made on the creation and introduction of an innovative customer loyalty programme based on real-time data processing and machine learning. In addition, continuous investment in the internal data platform enables core value creation processes to be increasingly automated and their efficiency and effectiveness to be constantly increased. In close cooperation with EveryMatrix, the online casino and sports betting product as well as the customer platform are constantly being improved and adapted to customer needs and legal requirements of the German-speaking market.

Due to a high awareness and acceptance of the "bet-at-home" brand in the core markets of Germany and Austria, the BaH Group aims to further expand its market position in the sports betting segment in the financial year 2024 through a set of planned targeted marketing measures. Particular attention will be paid to the first half of 2024, especially to the start of the 2024 European Football Championship, which will take place in the core market of Germany. The Management Board expects the upcoming European Football Championship to provide positive momentum for business development.

Further regulatory developments are to be expected in Germany, in particular additions in relation to the authorised betting offer and further regulatory requirements regarding the system of limits for customers. The configuration of these requirements will significantly influence the way, in which the online gaming market is channelled to licensed providers, and will therefore have a considerable impact on the Group's earnings opportunities in the German core market.

The consolidated financial result in previous financial years was significantly impacted by the fact that Austrian and German customers, with the support of companies financing legal proceedings, claimed their gaming losses back from the Group's companies in court. Due to the favourable case law up to date, statutory provisions on the statute of limitations and far-reaching settlement solutions that have already been reached, the future risk in Austria can now be classified as significantly lower. In Germany, there is still legal uncertainty, due to inconsistent case law. As of today, it is difficult to predict future developments. The Management Board further endeavours to gradually reduce the future risk through active risk management and successful litigation.

Due to numerous challenges in the competitive environment and far-reaching adjustments required by the strategic transformation, the financial year 2024 is considered to be challenging and will continue to require further classic turnaround management. Thanks to extensive initiatives and supported by the European Football Championship, the Management Board expects for the financial year 2024:

- Gross betting and gaming revenue: EUR 45 million to EUR 53 million
- EBITDA before special items\* : EUR -1 million to EUR 2.5 million

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\* For the definition of "EBITDA before special items" please refer to Section 3.5. "Other financial information - EBITDA before special items as an alternative performance measure" of the combined management report.

## 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).

The combined management report of bet-at-home.com AG has been consolidated with the combined management report of the bet-at-home.com AG Group. bet-at-home.com AG is the management holding company of the 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

	2023	2022	Change	
	EUR'000	EUR'000	EUR'000	%
Revenue	764.4	572.0	192.4	33.6
Other operating income	143.3	20.7	122.6	591.8
Ordinary operating income	907.6	592.7	314.9	53.1
Personnel expenses	-731.6	-684.1	-47.5	6.9
Other administrative expenses	-2,053.8	-3,798.7	1,744.8	-45.9
	-2,785.4	-4,482.7	1,697.3	-37.9
<b>Operating income (expenses)</b>	<b>-1,877.7</b>	<b>-3,890.0</b>	<b>2,012.2</b>	<b>-51.7</b>
Income from investments	2,500.0	2,507.5	-7.5	-0.3
Interest received	0.0	2.0	-2.0	-100.0
Interest paid	-170.9	-153.3	-17.5	11.4
<b>Net finance income (costs)</b>	<b>2,329.1</b>	<b>2,356.1</b>	<b>-27.0</b>	<b>-1.1</b>
<b>Earnings before taxes</b>	<b>451.4</b>	<b>-1,533.9</b>	<b>1,985.3</b>	<b>-129.4</b>
Income taxes	101.9	-308.5	410.4	-133.0
<b>Earnings after taxes</b>	<b>553.3</b>	<b>-1,842.4</b>	<b>2,395.7</b>	<b>-130.0</b>

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 1,000 thousand.

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

	31.12.2023		31.12.2022		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
<u>Non-current assets</u>						
Financial investments	10,871.3	48.3	10,871.3	49.0	0.0	0.0
<u>Current assets</u>						
Other assets, including						
accruals and deferred income	7,663.3	34.0	7,819.4	35.2	-156.1	-2.0
Receivables from associated companies	2,722.5	12.1	2,539.3	11.4	183.2	7.2
Cash and cash equivalents	1,258.7	5.6	962.3	4.3	296.3	30.8
	11,644.5	51.7	11,321.1	51.0	323.4	2.9
	<b>22,515.8</b>	<b>100.0</b>	<b>22,192.4</b>	<b>100.0</b>	<b>323.4</b>	<b>1.5</b>

Financial assets exclusively comprise the investment in bet-at-home.com Entertainment GmbH.

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, in the amount of EUR 2,500 thousand.

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

	31.12.2023		31.12.2022		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
Equity	12,129.7	53.9	11,576.5	51.4	553.3	4.8
Non-current liabilities and provisions						
Other non-current liabilities	7,567.1	33.6	10,028.8	44.5	-2,461.7	
Current liabilities and provisions						
Suppliers	3.3	0.0	49.1	0.2	-45.8	-93.3
Provisions	163.8	0.7	104.7	0.5	59.1	56.4
Other current liabilities	2,651.9	11.8	433.3	1.9	2,218.6	512.0
	<b>22,515.8</b>	<b>100.0</b>	<b>22,192.4</b>	<b>100.0</b>	<b>323.4</b>	<b>1.5</b>

The item "Other non-current liabilities" comprises intercompany loan liabilities in the amount of EUR 7,567 thousand. The item "Other current liabilities" comprises 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. 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 (Sections 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 VII.2, Note (17) 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 (Authorized Capital I). The shareholders shall be offered 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 by resolution of the general meeting of shareholders of 26 May 2023, with the consent of the Supervisory Board, to acquire treasury shares until 25 May 2025 for an amount of up to 10% of the share capital of the Company existing when this authorisation is granted, or (if this value is lower) 10% of the share capital existing at the time of enforcement of this authorisation. In this context, the shares acquired following this authorisation, together with other shares of the Company, which the Company already acquired and still holds or which are attributable to the Company pursuant to Section 71a et seq. of the German Stock Corporation Act (AktG), should at no time exceed 10% of the share capital. The authorisation should not be used 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, including the declaration of conformity in accordance with Section 161 of the German Stock Corporation Act (AktG), is available on bet-at-home.com AG's website at <https://www.bet-at-home.ag/de/corporate-governance/>. 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's website.

## **H. Non-financial performance indicators**

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

The BaH Group had a total of 5,712,143 registered users as of 31 December 2023 (previous year: 5,631,965). In financial year 2023, bet-at-home recorded 80,178 new registrations (previous year: 88,392).

The high standards of functioning software based on state-of-the-art technology and carefully planned and implemented innovations are among the most important assets within the Group. With regards to software development, amount of work performed by each employee is individually assessed and recorded by project teams in order to be able to sustainably plan and evaluate the IT project hours. Internal and external operational processes are continuously evaluated on the basis of key figures and adjusted if necessary.

## **I. Final provision in accordance with Section 312 para. 3 AktG**

We hereby declare in accordance with Section 312 para. 3 of the German Stock Corporation Act (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) of the German Stock Corporation Act (AktG) were taken or omitted.

Düsseldorf, 5 March 2024

Marco Falchetto

## **Translation, German version prevails**

### **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, 2023, the statement of profit or loss for the financial year from January 1, 2023 to December 31, 2023, 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, 2023 to December 31, 2023.

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, 2023 and of its financial performance for the financial year from January 1, 2023 to December 31, 2023 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, 2023 to December 31, 2023. 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 and problem definition
- b) Auditor's response
- c) Reference to further information

*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 services offered by its Maltese subsidiaries in the areas of online sports betting and online gaming. The operating business of the subsidiary of bet-at-home.com Entertainment GmbH is currently conducted on the basis of licences obtained in Malta, and it is assumed that these are valid in all EU member states due to the European principles of freedom to provide services and freedom of establishment, unless national licences have already been obtained in some EU member states. Insofar as this is legally possible, the aim is to obtain national licences in order to reduce the risks with regard to the permissibility of offering 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 business activities of the Group 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 markets important for the company 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 executive directors continue to assume that it is permissible to conduct business activities and 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.

Current regulatory developments in the core markets of Germany and Austria indicate that the trend towards national licensing systems is continuing. The outcome of the classification of regulatory risks is highly dependent on the legal assessment and evaluation of European and national case law by the Executive Directors and is therefore subject to considerable uncertainty.

Against this background and due to the underlying complexity of the legal assessment, this matter was of a key audit matter in the context of our audit.

- b) We continuously follow legal developments and case law in this area. As part of the audit of the financial statements, we received written valuations from consultants specialized in this area of law regulations in addition to the conducted interviews. In addition to our own research and valuations, we held extensive discussions with the executive directors 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 executive directors, through regular consultation with specialized advisors and regular internal reporting on these issues, are in a position to assess regulatory risks in a qualified manner at all times, in order to be able to take any necessary measures in a timely manner.

- c) The company's disclosure on the regulatory situation in the online sports betting and online gaming sector, as well as current developments, are contained in particular in the Combined Management Report (Section C.1.1 "Regulatory and tax risks").

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

- a) 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 with respect to this Maltese company were applied. These were approved by the 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 on 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, 2023 with a net carrying amount, derived from the expected returned flows, of EUR 7,623 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 2025. In the event of legal proceedings, the information available to the executive directors and the Group's legal department and in close consultation with the lawyers and advisors working for bet-at-home.com AG is used to determine whether and to what extent provisions should be recognised.

The valuation process implemented by the company to determine the fair value of receivables from bet-at-home.com Entertainment Ltd (in liquidation) takes into account the lack of observability of market prices. There is a risk for the financial statements that the acquisition value underlying the valuation of receivables from bet-at-home.com Entertainment Ltd (in liquidation) is not recoverable and therefore not measured at an appropriate amount. There is also a risk that disclosures on the valuation of receivables from bet-at-home.com Entertainment Ltd. (in liquidation) in the notes to the consolidated financial statements are not appropriate. 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 valuation of receivables from bet-at-home.com Entertainment Ltd. (in liquidation) is heavily influenced by the estimates and discretionary assumptions of the executive directors.

Due to significance of the amount of receivables from bet-at-home.com Entertainment Ltd. (in liquidation) for the consolidated financial statements of bet-at-home.com AG, the complexity of the valuation and uncertainties associated with the valuation, due to judgements and estimates made by the executive directors, the valuation of receivables from bet-at-home.com Entertainment Ltd. is a key audit matter in the context of our audit.

- b) We obtained first of all an understanding of the procedure for determining the fair values in the context of valuation of receivables from bet-at-home.com Entertainment Ltd (in liquidation) and assessed whether the company's valuation procedure is sufficient and appropriate. As part of our audit, we assessed, among others, the process set up by the Group to ensure the recording of court and out-of-court proceedings, the assessment of the progression 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 recognised 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 2023 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.

- c) The company's disclosures 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 the 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.

#### *Other Information*

The executive directors 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 misstatements, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or errors.

In preparing the annual financial statements, the executive directors are responsible for assessing the company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are 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 misstatements, 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 misstatements 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 the internal control system 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 betathomeJA23.zip (SHA256-Hashcode:

dcfc0595f0e84a6f34a6ee89d65c016e64f9271c972c32bb214725ea332f6d9b), 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, 2023 to December 31, 2023, 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 (06.2022)). 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 QMS 1 (09.2022)).

#### *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 false representations 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 26, 2023. We were actually engaged (in the process) by the supervisory board on December 27, 2023. 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 5, 2024

PKF Fasselt  
Partnerschaft mbB  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft  
Rechtsanwälte

A. Schienstock  
Wirtschaftsprüfer  
(German Public Auditor)

Hegmanns  
Wirtschaftsprüfer  
(German Public Auditor)