



bet-at-home.com AG

Düsseldorf

Financial Statements
as at 31 December 2021
Combined Management Report
for the financial year 2021
Independent Auditors Report

Table of content

Statement of financial position at 31 December 2021

Income Statement for the period from 1 January to 31 December 2021

Notes to the financial statements 2021

Combined Management Report 2021

Independent Auditors Report

Disclaimer:

The Financial Statement Report 2021 is a translation of the valid German version.

Statement of financial position at 31 December 2021

ASSETS

	31.12.2021		31.12.2020
	EUR	EUR	EUR
A. Non-current assets			
Financial assets			
Interests in affiliated companies			10 871 313,19
B. Current assets			
I. Receivables and other assets			
1. Receivables from affiliated companies	308 846,96		20 462 877,51
2. Other assets	<u>110 899,53</u>		<u>244 687,38</u>
		419 746,49	<u>20 707 564,89</u>
II. Cash and cash equivalents		<u>2 169 754,07</u>	<u>1 554 196,09</u>
		2 589 500,56	<u>22 261 760,98</u>
C. Prepaid expenses			103 842,40
			<u>207 808,44</u>
			<u>13 564 656,15</u>
			<u>33 340 882,61</u>

EQUITY & LIABILITIES

	31.12.2021		31.12.2020
	EUR	EUR	EUR
A. Equity			
I. Share capital	7 018 000,00		7 018 000,00
II. Capital reserves	7 366 000,00		7 366 000,00
III. Total comprehensive income	<u>-965 132,10</u>		<u>17 877 414,36</u>
		13 418 867,90	<u>32 261 414,36</u>
B. Provisions			
Other provisions		88 124,34	147 440,00
C. Liabilities			
1. Liabilities from goods and services thereof with a residual maturity of up to one year EUR 999,60 (FY 2020: EUR 38.361,37)	999,60		38 361,37
2. Other liabilities thereof taxes EUR 50.415,15 (FY 2020: EUR 141.907,05) thereof relating to social security EUR 4.749,16 (FY 2020: EUR 6.516,83) thereof with a residual maturity of up to one year EUR 56.664,31 (FY 2020: EUR 758.136,86)	<u>56 664,31</u>		<u>893 666,88</u>
		57 663,91	<u>932 028,25</u>
			<u>13 564 656,15</u>
			<u>33 340 882,61</u>

**Income Statement
for the year ended 31 December 2021**

	01.01.- 31.12.2021	01.01.- 31.12.2020
	EUR	EUR
1. Revenues	832 962,67	1 051 816,26
2. Other operating income	72 745,96	67 410,57
3. Personnel expenses		
a) Wages and salaries	-1 339 786,95	-2 123 960,11
b) Social security contributions and expenses for pensions and other employee benefits thereof for pensions EUR 13.574,28 (FY 2020: EUR 17.902,87)	<u>-123 775,21</u> -1 463 562,16	<u>-149 060,86</u> -2 273 020,97
4. Other operating expenses	-1 023 181,58	-1 110 943,84
5. Income from investments thereof from affiliated companies EUR 148.587,00 (FY 2020: EUR 20.199.880,00)	148 587,00	20 199 880,00
6. Other interest and similar income thereof from affiliated companies EUR 0,00 (Vorjahr EUR 0,00)	35 052,00	170 161,98
7. Interest and similar expenses thereof from affiliated companies EUR 0,00 (FY 2020: EUR 0,00)	-10 764,42	-3 905,54
8. Income tax expense	<u>110 614,07</u>	<u>-223 984,27</u>
9. Earnings after taxes = Net profit for the year	-1 297 546,46	17 877 414,19
10. Profit carried forward from previous year	<u>332 414,36</u>	<u>0,17</u>
11. Accumulated loss/profit	<u><u>-965 132,10</u></u>	<u><u>17 877 414,36</u></u>

bet-at-home.com AG, Düsseldorf

Notes to the Financial Statement 2021

I. Disclosures to the Financial Statement

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

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

II. Disclosures on accounting and valuation methods

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

Property, plant and equipment are stated at cost less scheduled depreciation. Depreciation is calculated on a straight-line basis over the expected useful lives of the assets and in accordance with tax regulations. The useful life of property, plant and equipment is three to five years.

Financial assets were recognized at cost. Receivables and other assets were measured at their nominal value.

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

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

Liabilities were recognized at the settlement amount.

III. Disclosures on the balance sheet and income statement

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

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

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

The subscribed capital amounts to EUR 7,018,000.00 as of December 31, 2021 (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, 2021 (previous year: EUR 7,366,000.00). By resolution of the Annual General Meeting on May 18, 2021, the Management Board is authorized, with the approval of the Supervisory Board, to increase the Company's subscribed capital by up to EUR 1,403,600.00 by May 17, 2026 by issuing up to 1,403,600 no-par value bearer shares on one or more occasions in return for cash contributions and/or contributions in kind (Authorized Capital I).

Other provisions include EUR 88,124.34 (previous year: EUR 147,440.00) in expenses for legal and tax advice and for the audit of the financial statements. The provisions have a remaining term of less than one year.

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

Sales include income from the recharging of costs in the amount of EUR 832,962.67 (previous year: EUR 1,051,816.26).

Personnel expenses relate exclusively to the two Management Board members.

Income from investments of EUR 148,587.00 (previous year: EUR 154,880.00) results from dividend-like income from Maltese affiliated companies. No dividend was distributed by bet-at-home.com Entertainment GmbH in fiscal year 2021 (previous year: EUR 20,045,000.00).

Income taxes include a refund of corporate income tax for the calendar year 2018.

IV. Other information

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

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

Equal members of the Management Board in fiscal year 2021 were:

- Franz Ömer, Graduate engineer, Management Board member, Ansfelden (Austria);
- Michael Quatember, Master's degree, Management Board member, Linz (Austria).

Mr. Marco Falchetto, Management Board member, Linz (Austria), was appointed as Management Board member with effect from February 21, 2022.

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

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

Management Board members Franz Ömer and Michael Quatember were remunerated by Group companies in fiscal year 2021 with fixed compensation of EUR 1,020 thousand (previous year: EUR 1,020 thousand) and with variable compensation in the form of a management bonus of EUR 934 thousand (previous year: EUR 1,090

thousand). In addition, compensation for consulting services in the amount of EUR 400 thousand (previous year: EUR 400 thousand) was paid by a Group company. For the financial years 2019 to 2021, share-based remuneration was agreed for each Management Board member, calculated in each case on the basis of a fixed percentage of the difference between the average share price in the observation period of the respective financial year and a reference price (based on the total number of shares). The criteria for the share-based compensation component were not met for the 2020 financial year. Accordingly, no compensation was paid in 2021 (previous year: EUR 410 thousand).

Cash inflow (in EUR)	Franz Ömer		Michael Quatember	
	CEO		CEO	
	2021	2020	2021	2020
Fixed compensation	600,000.00	600,000.00	420,000.00	420,000.00
Consulting services	400,000.00	400,000.00	0.00	0.00
Total	1,000,000.00	1,000,000.00	420,000.00	420,000.00
One-year variable compensation	384,001.74	471,500.24	384,001.74	471,500.24
Long-term management bonus	83,205.92	73,748.42	83,205.92	73,748.42
Share-based compensation	0.00	204,876.53	0.00	204,876.53
Multiple-year variable compensation	83,205.92	278,624.95	83,205.92	278,624.95
Total	467,207.66	750,125.19	467,207.66	750,125.19
Supply costs	0.00	0.00	0.00	0.00
Total compensation	1,467,207.66	1,750,125.19	887,207.66	1,170,125.19

The Company also assumed the costs of an accident insurance policy in the amount of EUR 1 thousand (previous year: EUR 1 thousand) for the benefit of a Management Board member in the financial year 2021 and bore the costs of contributions incurred in accordance with the Austrian Corporate Employee and Self-Employed Pension Act (BMSVG) in the amount of EUR 14 thousand (previous year: EUR 18 thousand).

Allocations granted (in EUR)	Franz Ömer				Michael Quatember			
	CEO				CEO			
	2020	2021	2021 (Min)	2021 (Max)	2020	2021	2021 (Min)	2021 (Max)
Fixed compensation	600,000.00	600,000.00	600,000.00	600,000.00	420,000.00	420,000.00	420,000.00	420,000.00
Consulting services	400,000.00	400,000.00	400,000.00	400,000.00	0.00	0.00	0.00	0.00
Total	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	420,000.00	420,000.00	420,000.00	420,000.00
One-year variable compensation	384,001.74	0.00	0.00	573,750.00	384,001.74	0.00	0.00	573,750.00
Long-term management bonus	83,205.92	0.00	0.00	101,250.00	83,205.92	0.00	0.00	101,250.00
Share-based compensation	0.00	0.00	0.00	10,675,000.00	0.00	0.00	0.00	4,875,000.00
Multiple-year variable compensation	83,205.92	0.00	0.00	10,776,250.00	83,205.92	0.00	0.00	4,976,250.00
Total	467,207.66	0.00	0.00	11,350,000.00	467,207.66	0.00	0.00	5,550,000.00
Supply costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total compensation	1,467,207.66	1,000,000.00	1,000,000.00	12,350,000.00	887,207.66	420,000.00	420,000.00	5,970,000.00

The Supervisory Board comprised the following members in fiscal year 2021:

- Martin Arendts, attorney at law, Grünwald (Germany) (chairman);
- Véronique Giraudon, Management Board, Paris (France) (Vice Chairwoman);
- François Riahi, Management Board, Paris (France) (since 18 May 2021);
- Nicolas Béraud, Management Board, Bordeaux (France) (until 18 Mai 2021).

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 a member of the supervisory boards of Betclic Everest Group SAS, Paris (France), Banijay Group SAS, Paris (France), Estoublon Holding SASU, Paris (France), and LOV Hotel Collection Holding SASU, Paris (France).

The Chairman of the Supervisory Board received fixed remuneration of EUR 40 thousand in fiscal year 2021 (previous year: EUR 40 thousand). In the previous year, a former member of the Supervisory Board received EUR 10 thousand. In addition, necessary expenses were reimbursed. Ms. Giraudon, Mr. Riahi and Mr. Béraud waived their compensation in fiscal year 2021.

Investments were held in the following companies in fiscal year 2021:

Company, head office	Share of capital	Equity in EUR as of 31/12/2021	Profit for the period in EUR 01/01.-31/12/2021
bet-at-home.com Entertainment GmbH, Linz (Austria)	direct 100 %	17,736,766.10	-8,983,342.18
bet-at-home.com Holding Ltd., Portomaso (Malta)	direct 2 % indirect 100 %	7,623,986.32	6,075,943.78
bet-at-home.com Entertainment Ltd., Portomaso (Malta)	direct 2 % indirect 100 %	-14,492,185.18	-14,732,535.23
bet-at-home.com International Ltd., Portomaso (Malta)	direct 2 % indirect 100 %	-307,732.22	-234,159.65
bet-at-home.com Internet Ltd., Portomaso (Malta)	direct 2 % indirect 100 %	99,991.21	7,428,981.26
Jonsden Properties Ltd., Gibraltar	indirect 100 %	298,446.07	-10,619.99

Notifications pursuant to section 33 (1) sentence 1 WpHG in the financial year 2021

The Company did not receive any voting rights notifications in fiscal year 2021.

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

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

VI. Material subsequent events

In the absence of a positive going concern forecast, winding-up proceedings were applied for by the court in respect of bet-at-home.com Entertainment Ltd. on December 23, 2021, particularly as the company is no longer able to service its liabilities with existing or independently generated funds.

On February 14, 2022, a hearing on the application for winding-up of bet-at-home.com Entertainment Ltd. was held before the First Hall, Commercial Division (Commercial Law Division of the Civil Court) in Malta. No resolutions were passed at the hearing on February 14, 2022. The next hearing will be held on May 13, 2022.

Mr. Marco Falchetto was appointed Management Board member of bet-at-home.com AG with effect from February 21, 2022. Mr. Franz Ömer will leave the Management Board at the regular expiry of his appointment at the end of February 2022 and at his own request. At the same time, Mr. Michael Quatember will also leave the Management Board at the regular expiry of his appointment and at his own request.

No other events have occurred in the period between the end of the 2021 financial year and the preparation of the annual financial statements that could have a material impact on the Company's business performance or position.

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

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

VIII. Declaration of the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the combined management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Düsseldorf, 25 February 2022

Franz Ömer

Michael Quatember

Marco Falchetto

Summary of fixed assets as at 31 December 2021

	At cost					Accumulated depreciation					Carrying amount	
	Balance at 01/01/2021	Additions	Reclassifications	Disposals	Balance at 31/12/2021	Balance at 01/01/2021	Additions	Reclassifications	Disposals	Balance at 31/12/2021	31/12/2021	31/12/2020
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Property and equipment												
Furniture and fixtures, office equipment	2 374,57	0,00	0,00	0,00	2 374,57	2 374,57	0,00	0,00	0,00	2 374,57	0,00	0,00
II. Financial assets												
Holdings in affiliated companies												
bah Entertainment GmbH	10 871 313,19	0,00	0,00	0,00	10 871 313,19	0,00	0,00	0,00	0,00	0,00	10 871 313,19	10 871 313,19
	10 873 687,76	0,00	0,00	0,00	10 873 687,76	2 374,57	0,00	0,00	0,00	2 374,57	10 871 313,19	10 871 313,19

Combined 2021 Management Report

bet-at-home.com AG, Düsseldorf

A. Economic status of the Group

A.1 Business model

bet-at-home.com AG group operates as an online sports betting and gaming company via its operational Maltese group company. With more than 5.5 million registered customers, the Group is one of the most successful providers in Europe.

The wide-ranging offerings on www.bet-at-home.com include sports betting, casino, games, and virtual sports. In 2021, sports bets were placed on more than 1,000,000 events in over 50 types of sport including 206,000 live events. bet-at-home has companies in Germany, Austria, Malta and Gibraltar. The development of the company can be attributed to its 260 employees as at 31 December 2021.

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

The different online sport betting and online gaming licences are held by the Maltese group company. These licences allow the Group to organise and market online sports betting and online casinos in its sales markets in Germany, Western Europe, Eastern Europe and in other countries.

bet-at-home.com AG Group structure in detail

The parent company, bet-at-home.com AG, Düsseldorf, was listed on the regulated market of the Frankfurt Stock Exchange in the Prime Standard section. All operating activities are carried out exclusively by indirect associates.

bet-at-home.com AG holds 100% of bet-at-home.com Entertainment GmbH. This company, which as its registered office in Linz, Austria, is mainly responsible for the continuous transfer of technology within the Group as well as for further developing its internally developed software and provides services for other group companies. The company holds its international online sports betting licenses and online gaming licenses for casino, poker, games and virtual sports via bet-at-home.com Holding Ltd., which has its registered office in St. Julian's, Malta.

Since 2009, bet-at-home.com AG has been a member of the Betclix Everest Group SAS, Paris, France, a French group specialising in online gambling and online sports betting.

A.2 Development activities

The most important assets of the Group include functioning, state-of-the-art software that has been continuously expanded and developed since the beginning. In January 2021, software development focussed on creating a platform for the German market which meets the conditions for German sports betting licenses as well as the adjustment of the online casino products to the German transitional regulations until the start of the licensing process in mid-2021. The 'seamless wallet' solution was also developed further, which enables customers to transfer between different payment modalities and facilitates the implementation of innovative product solutions in the future. At the same time, sports betting and casino products for the mobile and desktop platform have been constantly enhanced and optimised. The main factor in this sector are the IT employees. Internally produced assets are not capitalised according to IAS 38 as the requirements of IAS 38.57 are not fulfilled.

B. Business report

B.1 Overall economic and industry situation

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

The Management Board assumes that the entire market for sports betting and games of chance will continue to develop along positive lines in the long term. The branch-related regulatory framework conditions in the European member states are characterised by increasing efforts to establish licence systems for private providers of online games of chance and online sports betting, with the result that national licences within individual countries are becoming increasingly important. However, this is offset by the risk that private providers of online games may be excluded from product segments in individual countries, especially since measures conflicting with European law are specifically provided for in certain cases.

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

B.2 Business trend

(1) Significant events during the 2021 financial year

In February 2021, bet-at-home.com Internet Ltd. realised the conditions of the Germany-wide sports betting licence, which it had received in November 2020, in the core market **Germany** by implementing its own Germany platform for German customers. Legal constraints, such as a complicated registration process and limited betting product range had a negative effect on customer activity particularly in the first half of 2021 and the UEFA Cup fell short of expectations. Even though long-term legal security was obtained in the core market of Germany through licensing, the attractiveness of the remaining licensable online gaming sector in Germany is undermined by limitations and official requirements. The online gaming segment has thus fallen below expectations due to the ban on popular games such as roulette and blackjack.

In **Poland**, the group companies bet-at-home.com Internet Ltd. and bet-at-home.com Entertainment Ltd. had originally maintained their offer since July 2017 in spite of enforcement measures (e.g. IP blocking and payment blocking measures) by the authorities and have taken legal action against the discriminatory regulations. In order to ensure that it would not be excluded from potential future licensing procedures in Poland, the Group withdrew its offer from the Polish market (at least temporarily) at the end of May 2021, which had a negative effect on turnover and earnings in the 2021 financial year that extended beyond the previous limitations in Poland.

However, the 2021 financial year was mainly characterised by increasing legal disputes in the sphere of conflict between fundamental freedoms within the European Union and national monopoly regulations. In **Austria** in particular, the increase in customer complaints seeking reimbursement for gaming losses from the online casino created a huge burden for the Group. Although the bet-at-home.com AG Group still considers the online casino monopoly under the national Austrian gaming regulations to be contrary to European law and therefore considers the Maltese bet-at-home.com Entertainment Ltd. (the group company whose main operation was running the online casino) to be a lawful online casino provider (including) for customer in Austria, it is unclear based on a decision of the Austrian Supreme Court in October 2021 whether the bet-at-home.com AG Group will be able to enforce its legal opinion before the Austrian courts in the near future. As a result, the online casino was withdrawn in October 2021 by bet-at-home.com Entertainment Ltd. for customers in Austria.

In order to adapt the Group's cost structure to the reduced revenue, the Management Board and Supervisory Board decided to restructure the Austrian group service company at the beginning of December 2021. The restructuring plan provides for measures consisting of a programme to increase

efficiency and reduce costs and a single reduction of 65 employees.

As it was not foreseeable at the end of the 2021 financial year whether the online casino could be made available again for customers in Austria in the near future, it was not possible to maintain the business of bet-at-home.com Entertainment Ltd.

Due to a lack of positive forecasts for continued business, court proceedings (winding up by the court) were initiated on 23 December 2021 against this Maltese company, in particular as this company is no longer in position to meet its liabilities with existing or independently generated resources.

The competent court in Malta had not yet reached a legal decision at the time of preparation of this combined management report.

As announced in ad hoc notifications during the year, the original forecasts for the 2021 financial year have not been attained, with a gross betting and gaming revenue of between EUR 106 million and EUR 118 million, and EBITDA between EUR 18 million and EUR 22 million, due to the negative influencing factors outlined above.

(2) Human resources and social security

During the 2021 financial year, the average number of staff (excluding the Management Board) employed by the Group amounted to 272 (previous year: 289). As at the 2021 reporting date, the Group employed 260 staff (previous year: 284). In spite of the structuring plan announced in December 2021, which also includes the ordinary termination of 65 group employees, targeted staff development for our highly qualified employees still forms the basis for the group's continued development. Another key component of staff development is intensive further professional training.

B.3 Group situation

B.3.1 Earnings position

All disclosures concerning the earnings position relate to continued operations. Reference is made specifically to the consolidated financial statements Section V. "Discontinued Operation (IFRS 5)" for detailed information on the discontinued operation. The previous year's figures have been adjusted accordingly.

In 2021, the gross online sports betting revenue (bets less paid out winnings) from continued operations amounted to EUR 56.6 million, down on the previous year's figure of EUR 52.6 million.

The gross revenue from online gaming (gaming revenue less paid out winnings) from continued operations was up compared with the previous year, amounting to EUR 2.8 million (previous year: EUR 2.0 million). Online gaming comprises the products Casino, Games and Virtual Sports.

Gross betting and gaming revenue from continued operations thus amounted to EUR 59.3 million in the 2021 financial year, up compared with the previous year (EUR 54.6 million). The gross betting and gaming revenue is a crucial financial performance indicator for the Group.

The betting fees or taxes and gambling levies payable in various countries decreased earnings by EUR 11,737 thousand during the 2021 financial year (previous year: EUR 9,537 thousand). In addition, VAT regulations for electronic service providers decreased earnings by EUR 45 thousand (previous year: EUR 157 thousand).

Taking into consideration betting taxes and gambling levies and the tax payable due to the VAT regulations for electronic service providers, net gaming revenue in 2021 amounted to EUR 47.6 million (previous year: EUR 44.9 million).

During the 2021 financial year, the Group's **earnings position** was as follows:

	01.01.- 31/12/2021	01.01.- 31/12/2020
	EUR'000	EUR'000
		adjusted
Gross betting and gaming revenue	59 347	54 623
Net betting and gaming revenue	47 564	44 929
Total operating income	51 565	48 586
EBT (earnings before taxes) *)	11 432	11 032
EBIT (earnings before interest and taxes) **)	11 673	11 158
EBITDA (earnings before interest, taxes, depreciation and amortisation) ***)	13 970	13 180

*) 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

In 2021, advertising expenses increased to EUR 11,867 thousand (previous year: EUR 8,842 thousand). The increased advertising expenses have been incurred by international advertising campaigns in the form of TV ads, posters and online media in connection with the UEFA Cup in June and July 2021. Personnel expenses in 2021 decreased marginally by EUR 1,069 thousand to EUR 18,604

thousand.

B.3.2 Financial situation

All disclosures concerning the financial situation relate to continued operations. Reference is made specifically to the consolidated financial statements Section V. "Discontinued Operation (IFRS 5)" for detailed information on the discontinued operation. The previous year's figures have been adjusted accordingly.

As at 31 December 2021, the **financial situation** was as follows:

	31/12/2021	31/12/2020
	EUR'000	EUR'000
		adjusted
Earnings before taxes	11 432	11 032
Cash flows from operating activities	10 495	18 148
+ Cash flows from investing activities	-1 896	-1 216
+ Cash flows from financing activities	-18 417	-14 881
= Net cash from operating, investing and financing activities	-9 818	2 051
+ Cash and cash equivalents at 1 January	51 807	49 756
= Cash and cash equivalents at 31 December	41 989	51 807

The decline in cash flow from current operating activities mainly stems from the results from the discontinued operation and the decrease in assets in the context of assets held for closure.

The cash flows from investing activities include payments for additions to assets.

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

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

B.3.3 Net assets

As at 31 December 2021, **net assets** were as follows:

Assets	31/12/2021	31/12/2020
	EUR'000	EUR'000
Non-current assets	8 388	7 403
Current assets		
Tax receivables	8 381	24 806
Prepayments	1 329	1 428
Other receivables and assets	2 867	4 692
Short-term deposits	0	5 000
Cash and cash equivalents	41 989	51 807
Assets held for closure	12 830	0
	75 783	95 136

The absolute decrease in cash and cash equivalents primarily resulted from the distribution of a dividend in May 2021 in the amount of EUR 17,545 thousand, corresponding to EUR 2.50 per share (previous year: EUR 2.00).

The derivation of assets held for closure amounting to EUR 12,830 thousand is explained in the consolidated financial statements Section V. "Discontinued Operation (IFRS 5), to which specific reference is made.

Equity and liabilities	31/12/2021	31/12/2020
	EUR'000	EUR'000
Group equity	17 042	50 893
Non-current liabilities (provisions)	891	1 769
Current liabilities (liabilities and provisions)	57 850	42 474
	75 783	95 136

The equity ratio at 31 December 2021 stood at 22.5% (previous year: 53.5%). The decline in equity stems from the dividend distribution in May 2021 amounting to EUR 17.5 million (EUR 2.50 per share) and the group result for the period totalling EUR -16,306 thousand (previous year: EUR 23,294 thousand).

Long-term debts include lease obligations amounting to EUR 794 thousand (previous year: EUR 1,695 thousand) and provisions for employee benefits amounting to EUR 97 thousand (previous year EUR 74 thousand).

Short-term debts include trade payables amounting to EUR 1,432 thousand (previous year: EUR 4,004 thousand), tax liabilities amounting to EUR 14,608 thousand (previous year EUR 27,306 thousand), other provisions amounting to EURO 1,709 thousand (previous year: EUR 1,419 thousand), liabilities to customers (contractual liabilities according to IFRS 15) amounting to EUR 5,437 thousand (previous year: EUR 5,908 thousand), lease obligations according to IFRS 16 amounting to EUR 900 thousand (previous year: EUR 872 thousand), liabilities relating to assets held for closure amounting

to EUR 27,322 thousand (previous year: EUR 0 thousand) and other liabilities amounting to EUR 6,443 thousand (previous year: EUR 2,966 thousand).

Financing measures were not required during the 2021 financial year.

B.3.4 Overall evaluation of the Group's situation

The economic situation of the group in terms of continued operations, which currently consists mainly of the online sport bets segment, is generally positive even though the court proceedings filed will continue to tie up a considerable amount of resources.

C. Opportunity and risk report

C.1 Risk report

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

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

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

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

C.1.1 Regulatory and tax risks

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

The Management Board will continue to closely monitor future developments and strive to obtain online sport betting and gaming licences in countries facilitating fair market access, in an effort to enhance legal certainty. There is a risk that individual countries may illegally block customers from private gaming offers in other countries through provider blocks and payment provider blocks, particularly as such measures are explicitly planned in some new legislation.

Regulatory environment and risks from existing legal uncertainties

Apart from in individual countries whose governments issue their own licenses, bet-at-home.com AG Group bases its activities within the European Union, essentially with gaming and sports betting licenses issued in Malta. In the legal opinion of bet-at-home.com AG Group, these are effective in all EU member countries due to the freedom of movement within the EU, as long as the regulations regarding online gaming and sports betting continue to violate EU law in the respective member country.

Individual member countries' decisions to implement discriminatory regulatory measures which have a worse impact on private online betting and gaming providers than government providers and are therefore prohibited in accordance with EU law may prevent bet-at-home.com AG Group from obtaining comprehensive legal protection against such measures within the time required. A temporary exclusion from individual markets may result in bet-at-home.com AG Group incurring unsustainable losses due to the collapse of income, even should the measures subsequently be proven to be illegal.

The 2021 financial year was characterised by increasing legal disputes in the sphere of conflict between fundamental freedoms within the European Union and national monopoly regulations, where the jurisdictions in many countries showed a clear leaning towards national regulations enforcing bans. In Austria in particular, the increase in customer complaints seeking reimbursement for gaming losses from the online casino created a huge burden for the Group.

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

The bet-at-home.com AG group is responding to these legal and regulatory developments and will be applying for additional licences in individual EU member countries. In order to ensure that licence applications are not jeopardised, store closures are sometimes necessary which lead to loss in revenue in the short term.

The regulatory developments in the 2021 financial year were as follows:

- In **Germany**, a new gaming treaty came into effect as of 1 July 2021, in which the existing sports betting licenses are extended until 31 December 2022 and the online casino market has been opened for the first time. These regulations provide for Germany-wide licences for virtual automated games and the possible granting of a licence for gambling games on the Internet at country level. bet-at-home.com Internet Ltd. applied for a licence for virtual automated games immediately after their enforcement and expects to be awarded one in the first half of 2022.

The individual federal states are further left to decide for themselves whether or not to issue their own licenses for traditional gambling games, such as roulette and blackjack, to private providers or if these licenses should be exclusively reserved for casinos. The number of licenses is to be linked to the number of casinos in each federal state. It will become clear during 2022 which federal states are working towards this kind of award procedure for private online providers such as bet-at-home. At the end of 2021, only the North Rhine-Westphalia region had decided to open up the market to gambling games.

In September 2020, the federal states already agreed on a transitional regulation until the effective date of the gaming treaty. It stated that companies which provide online games of chance in compliance with the expected future regulations of the State Treaty on Games of Chance 2021 shall be excluded from enforcements and sanctions due to them not holding a German license. On the basis of these transitional provisions, the Group company concerned restricted the Casino offer on 15 September 2020 and approved requirements such as monthly payment limits. This has created significant losses in the online casino segment in the German core market.

The Management Board welcomes the improved legal certainty with regard to casino products in addition to the existing Germany-wide sports betting licenses.

- On 1 April 2017, an amendment to the gambling laws of **Poland** already became effective. It generally enables private providers to apply for a sports betting license. One single online casino license was issued to the government provider, which constitutes illegal discrimination against foreign providers under EU law. The sports betting policy also contains unattractive general economic conditions as well as illegal provisions under EU law. Since July 2017, the Group was subject to enforcement measures by the authorities such as IP blocking and payment blocking. The bet-at-home offer was originally maintained. The Group took legal action against the discriminatory regulations. No further products are being offered in the Polish market since 1 June 2021 as this would result in exclusion from future licensing procedures. This will have a negative impact on sales and income in the second half of 2021 that exceeds the previous restrictions in Poland. A decision was made at the end of 2021 after an in-depth evaluation to apply for a sports betting licence through a recently founded Polish company. In spite of some uncertainties, it is expected that sports betting will be resumed in Poland at the end of 2022.
- On 1 January 2019, an amendment to the Swiss gambling laws came into effect which permits **Swiss** providers only to provide online sports betting and gambling services. It aims to stop foreign providers from entering the Swiss market. In accordance with this gambling law, the implementation regulations for blocking the IPs of non-licensed providers came into effect on 1 July 2019. On 3 September 2019, the authorities published a blacklist which also contained the Group's domains. These domains were blocked a few days later. The Group decided to appeal against these measures and to maintain its offer until the date of a legally binding ruling. The Casino had to be discontinued in the context of the requested winding-up of the Maltese bet-at-home.com Entertainment Ltd.

The Maltese companies bet-at-home.com Internet Ltd. and bet-at-home.com Entertainment Ltd. were asked by the Swiss financial authorities in July 2016 to register for national VAT. Following a comprehensive legal review and repeated correspondence with the authorities, bet-at-home.com Entertainment Ltd. was registered in September 2018. The Company paid VAT for Swiss casino sales with retrospective effect as of 1 January 2017 and has been paying this liability in regular instalments since. The Company does not see any legal grounds for paying VAT for the periods from 2013 to 2016 that are requested by the financial authorities. No provisions have been recognised for this, because a potential outflow of resources is not considered likely. The potential risk amounts to EUR 1.3 million.

bet-at-home.com Internet Ltd. decided to register for VAT in Germany with reservations and

to transfer the financial data in October 2019. The Company has achieved that any tax demands from the authorities will be suspended until a final court ruling has been issued. This also applies to the matter described above regarding bet-at-home.com Entertainment Ltd. 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 2.1 million for the years since 2017. Provisions were not recognised either for this as at 31 December 2021.

The two Maltese companies received tax rulings in December 2020 for the period from 2013 to 2016 or 2017, which have been appealed against to the authorities. An official decision is expected in the first half of 2022. However, legal action could be taken before the national courts, which would mean that a final decision would not be reached before 2024.

In spite of continuing regulatory efforts, betting and gaming providers continue to be targeted by legislative interventions aiming to terminate the offering and advertising of their activities, based in particular on regulations enforcing bans in the gambling sector. This continued to produce the following effects on the companies within the bet-at-home.com AG Group during the 2021 financial year:

- In spite of voluntary customer protection measures for comprehensive player protection that extend beyond the legal requirements, the Maltese Group company bet-at-home.com Entertainment Ltd. in **Austria** has already been faced with claims from customers for the reimbursement of gaming losses from the online casino over recent financial years as reported. The bet-at-home.com AG Group continues to maintain that the online casino monopoly under the national Austrian gaming regulations is contrary to European law and therefore considers the Group company concerned to be a lawful online casino provider in Austria. Not least because of the necessity derived from the current rulings by the Court of Justice of the European Union to perform repeated checks, which also applies to the Austrian courts, which in bet-at-home.com AG Group's opinion do not perform this check to the required extent, bet-at-home.com AG Group expects a positive development regarding the rulings, particularly for the appeals before the supreme courts, by the end of the first half of 2022.

However, on the basis of a negative decision of the Austrian Supreme Court in October 2021, it was unclear whether the bet-at-home.com AG Group would be able to enforce its legal opinion before the Austrian courts in the foreseeable future. A decision was therefore made in October to temporarily remove the online casino offer in Austria. Although the bet-at-home.com AG group assumes that its action is lawful under European law and that the claims are inadmissible under civil law, by continuing to offer the online casino in Austria pending legal clarification of the matter, it would have faced a steadily growing potential risk over an unforeseeable period, which overall seems unacceptable. A decision as to whether the online

casino offer will be reintroduced in Austria will be made in future depending on the development of the legal framework conditions.

- In June 2018, the Dutch gaming regulators issued fines in the amount of EUR 410,000.00 against two Maltese Group companies. The companies are accused of having illegitimately addressed Dutch citizens, particularly through the use of the Dutch language and/or corresponding bonus offer. Comprehensive legal measures have been implemented against these penalties. In a final court ruling in March 2021, the fines were reduced to EUR 300,000.00. They have since been paid.
- In June 2019, the website www.bet-at-home.com in Croatia was blocked. The Group regards Group company concerned as a legitimate provider, especially as the national regulations state that only stationary license holders may offer online sports bets and games and therefore foreign companies throughout Europe are being discriminated against. Comprehensive appeals have therefore been launched against these blocking measures. In April 2021, a complaint about the unfavourable rulings was submitted to the supreme court with the aim of presenting the case to the Court of Justice of the European Union to determine the illegality of the Croatian gaming regulations with regard to European law.
- In August 2021, the **Slovenian** authorities appealed to the Maltese courts for legal assistance for the collection of an administrative penalty amounting to EUR 33,000. The Slovenian gambling law fundamentally contradicts the basic principles of European law, particularly as only national stationary casino providers can obtain a licence to offer services on the Internet. The Maltese courts dropped the proceedings in November 2021.

At the political level, the European Parliament already adopted a legislative initiative in support of a proposal by the EU Commission in 2011 targeted at harmonising national sports betting and gambling laws. The first step will be to largely harmonise gambler and data protection regulations as well as control mechanisms. Due to diverging interests among member states and national tax authorities, substantial further harmonisation of relevant national sports betting and gambling regulations is not anticipated in the foreseeable future. However, the member countries primarily aim to regulate the online sports betting and gaming sector and to establish a licensing system at national level, even if this does not always comply with the provisions of EU law. The European Court of Justice is increasingly shifting the verification of national licensing requirements to the national courts, which means that the specifications of European law are being increasingly neglected.

The risks of negative effects resulting from the regulatory environment and existing regulatory legal

uncertainties remain medium in a year-on-year comparison. Should such risk occur, the impact on the financial position, financial performance and cash flows would be high.

Tax risks

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

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

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

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

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

Customer requests for reimbursement of gaming losses

bet-at-home always implements a multitude of measures to support its customers in their responsible use of gaming. As a result, the Company has been cooperating for many years with organisations such as the Institut für Glücksspiel und Abhängigkeit, which actively implements measures for the prevention of addiction in Germany and Austria. Voluntary customer protection measures that by far exceed legal requirements complete the endeavours of bet-at-home.com AG Group to provide cus-

tomers with comprehensive protection. These measures are verified through voluntary annual compliance audits by eCogra, the industry association.

As has already been pointed out, the Maltese group company bet-at-home.com Entertainment Ltd. was exposed during the 2021 financial year to ever increasing legal claims from customers in Austria for the reimbursement of online casino gaming losses. As the bet-at-home.com AG Group continues to maintain that the online casino monopoly under the national Austrian gaming regulations is contrary to European law, bet-at-home has reacted to this development and, with the support of renowned lawyers and university professors, has continued to invest in efforts to ward off claims by gamers during the recognition of Maltese licences by the courts in Austria.

Sixteen court proceedings with a total amount in dispute of around EUR 20.9 million were pending at the end of the 2021 financial year in Austria (31.12.2020: EUR 4.8 million). Provisions relating to Austrian customer complaints including ancillary costs of proceedings were formed for a total amount of EUR 24.2 million in the discontinued operation at 31 December 2021. No further significant customer complaints were received prior to the preparation date which have not been recorded in the provision on 31 December 2021.

The Company is also exposed to legal claims by a Maltese company for the reimbursement of online casino gaming losses in Germany. Court proceedings with a total amount in dispute of around EUR 0.7 million were pending at the end of the 2021 financial year in Germany. Whilst the current jurisdiction of the Austrian courts accepts reimbursement claims from gamers solely on the grounds of a lack of a national gaming licence, certain German courts consider that the fact that gamers were or must have been aware of the lack of a national licence stands in the way of a transaction reversal. Provisions were not recognised for this as at 31 December 2021.

The risk of customers' claims for the reimbursement of gaming losses in continued operations remains medium compared to the previous years. Should such risk occur, the impact on the financial position, financial performance and cash flows would be high.

Risk of the loss and/or Revocation of licenses

The operational Group companies base their offers on different licences, which grant non-discriminatory access to the markets of member states of the European Union and Great Britain.

The respective Maltese licenses are issued by the Malta Gaming Authority (MGA) subject to a compulsory ongoing system audit during which the MGA audits the technical equipment of the licensee,

particularly in terms of its functionality and IT security.

The Malta Gaming Authority can issue covenants or revoke a license if deficiencies are found during the system audit if

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

The UK Gambling Commission (UKGC) previously performed compliance assessment every two years. The UKGC regularly focussed these assessments on gamer protection and anti-money laundering regulations. Previous assessments were completed without any major findings, which is also to be expected for future assessments. bet-at-home.com Internet Ltd. also continuously monitors changes to licensing laws and adjust internal processes if and when required.

In 2021 financial year, the bet-at-home.com AG Group companies once again met the terms and conditions of the license and successfully concluded all system audits, which is why the risk of a revocation of licenses remains low. Should such risk occur, the impact on the financial position, financial performance and cash flows would be high.

C.1.3 Risks from operating activities

Odds management and bookmaker risk

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

the financial position, financial performance and cash flows would be low.

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

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

Technical risks

The products and services offered by the Group depend on the reliable functioning of numerous technical systems. Any serious disruption of the IT systems, particularly through adverse external influences such as hacker attacks, DDos attacks, etc., could negatively affect the Group's financial position, financial performance and cash flows.

To minimise the information security and IT risks, bet-at-home.com AG Group has personnel structures in the form of a Chief Information Security Officer (CISO) and team. These employees implement individual security measures to ensure IT security during ongoing operations, investigate potential security-related incidents, are responsible for establishing the information security policy by providing awareness training, and focus their activities on measures such as the ones stated below within bet-at-home.com AG Group:

- Preparing guidelines and processes within the scope of the information security management system (ISMS);
- Risk management based on internationally recognised standards;
- Security monitoring (identifying weaknesses and potential threats to hardware and software);
- Employee training and education on security consciousness.
- Encryption of confidential data (particularly credit card data and passwords);
- Security of customer ports on user interfaces and transmission routes;
- Protection of the productive environment by IDS/IPS, network firewalls and Web application firewall systems;

- Operating a centrally managed anti-virus software;
- Vulnerability management and monthly vulnerability scans;
- Annual penetration tests within the scope of system audits;
- Security compliance regarding PCI-DSS, eCogra and established jurisdictions;
- Highly redundant infrastructure / ISO 27001 certified data centre provider

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

The Management Board assumes that these are extensive measures for minimising IT risks, meaning that these risks are medium. Should such risk occur, the impact on the financial position, financial performance and cash flows would be high.

Compliance risks

Money laundering and the financing of terrorism create significant challenges for the international financial system. To counteract these cross-border threats, the EU issued joint regulations for combating money laundering and the financing of terrorism (EU Money Laundering Directive). The supranational EU risk analysis and the national risk analyses of the member countries, which were based on it, assessed online games of chance as having an increased risk. The high money-laundering risk potential specific to the sector linked to the head offices of individual operating companies in Malta often resulted in constraints requiring increased duty of care being issued against bet-at-home.com AG Group from banks and payment service providers.

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

The limited number of banks willing to cooperate impedes the further diversification of business relationships, meaning that cooperations are focussed on a small number of partners with correspondingly high volumes, thus increasing both dependence and default risk. Furthermore, payment service providers assess the online sports betting and online gaming sector as a whole and, in particular, the risk created by game of chance products, differently in individual countries so that bet-at-home.com AG Group is faced with restrictions regarding means of payment available to end customers for paying in betting and gaming fees and receiving betting and gaming winnings. A further consequence could be market entry barriers in the Company's geographical growth, especially as complex country-specific

regulations must be fulfilled and it may be impossible to offer all payment options preferred by customers in the respective country. The continuously tightening regulatory requirements to secure customer credit balances against payment default result in customer funds having to be held available in full for payout at any time, additional bank guarantees and liabilities to the licensing authorities having to be obtained and therefore excess security being created, which significantly reduces available cash and cash equivalents. There is a resulting risk of being unable to meet the increasingly restrictive requirements, which decrease profitability, any further and therefore to no longer being able to meet legal licensing requirements and losing access to regulated markets.

bet-at-home.com AG Group counteracts the above compliance risks regarding banks and payment providers with increased diversification. The Company continuously endeavours to integrate new business partners for treasury and payment solutions and thus manage default risks, reduce increases in transaction fees and redundantly operate customer payment methods across several partners in order to prevent downtimes.

The respective risks and potential effects on the financial position, financial performance and cash flows are medium.

Risks from pandemics and natural disasters

The occurrence of events such as pandemics or natural disasters, which significantly or permanently impair the ongoing operations of bet-at-home.com AG Group, cannot be ruled out. The Management Board has implemented measures to ensure that the operating business can be maintained decentrally via home offices.

The risks in this regard are regarded as low. Should such risk occur, the impact on the financial position, financial performance and cash flows would be high.

Personnel and employee risk

The economic success of bet-at-home.com AG Group will continue to primarily rely on the performance of all employees and executives. The growing competition in the gaming and betting products market, combined with the skills shortage in the context of increased digitisation, brings with it an increased risk of qualified employees being enticed away by competing companies and of not being able to hire a sufficient number of suitable new employees. The personnel and employee risk is to be successively reduced by implementing attractive general conditions and sufficient prospects for committed employees as well as ongoing employee training.

The risks in this regard are regarded as average. Should such risk occur, the impact on the financial position, financial performance and cash flows would be low.

Deficient performance of external service providers

bet-at-home.com AG Group depends on cooperations with external service providers with corresponding specialist knowledge and technologies for its operations. This primarily pertains to all software products for the Casino, Games and Virtual Sports segments, such as data and voice communication, procurement, installation, development, care and maintenance of hardware and software as well as payment processes. There is a possibility that one or several external service providers provide their services not at all, not on time or incorrectly.

bet-at-home.com AG Group may therefore find itself in a position of being unable to fulfil its own obligations as required or on time due to errors or failures to perform of the external service providers engaged. This may also go hand in hand with a limitation of the Group's products, right up to the incorrect invoicing of winnings, which may have a negative impact on the Group's cash flows.

The Management Board assumes that regular - system audits, internal reviews and training as well as ongoing monitoring by the Product Management and Controlling department are sufficient to minimise these external risks. These risks are therefore regarded as constant compared with the previous year. Should such risk occur, the impact on the financial position, financial performance and cash flows would be medium.

C.1.4 Financial risks

Cash and cash equivalents and liquidity risk

Liquidity exposure reflects the risk that the Group will have insufficient resources to meet its financial obligations as they fall due. Due to the current negative cash flow within the bet-at-home.com AG group, the liquidity risk in the 2021 financial year is classified as average.

Default risk relating to bank balances must be considered minor as the lending institutions concerned are A-rated banks. Should such risk occur, the impact on the financial position, financial performance and cash flows would be high.

Interest rate, currency and exchange rate risks

The interest rate risk associated with investments is considered insignificant. The interest rates on

the bank balances depend on the market interest rates, which depend on the maturities. A change in the currently low level of interest by 0.5% would change the financial result by EUR 210 thousand (previous year: EUR 284 thousand).

Currency risk relates to exchange rate differences. Despite the Group's international orientation, most cash flows are denominated in the group's functional currency, the euro, particularly as the group withdrew its offer in Poland on 31.05.2021. Transactions denominated in other currencies were of minor importance. In spite of this, the currency risk was not hedged in previous years either.

The Group's interest rate, currency and exchange rate risks remain low, like in the previous year. Should such risk occur, the impact on the financial position, financial performance and cash flows would be low.

Counterparty default (credit risk)

Credit risk is the risk of payment delays or defaults by counterparties. As there are no netting agreements, the amounts stated on the assets side (receivables and other assets) represent the maximum exposure to credit and default risk. The risk of counterparty default within the Group remains low compared with the previous year. Should such risk occur, the impact on the financial position, financial performance and cash flows would be low.

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 and department heads of the subsidiaries. Among the basic components of risk management are general principles for risk prevention, such as the segregation of duties and applying the four eyes principle for important internal controls. Various partially automated procedures using software systems are also applied.

Risk management measures include continuously performing credit ratings and auditing the risk control system through credit card checks, payment verifications and analyses of gaming behaviour. In addition, we have further intensified our controlling activities in the marketing, partner programme, payment systems and intercompany clearing subsegments. Reputable external legal advisers are engaged to reduce legal risks and take into account the complex regulatory environment.

The Management Board is also responsible for identifying negative developments in good time by employing cross-departmental monitoring systems. For example, IT risks are monitored and reported

through the voluntary appointment of external certification bodies (such as eCogra), operational risks through automated plausibility checks during the preparation of offers and financial risks through the ongoing analysis of key financial performance indicators.

We fulfil the requirement according to § 91 para. 2 AktG that all major developments and/or any that threaten the continued existence of the company have to be recognised in good time by an early risk recognition system by our group-wide risk management system with standard framework conditions and standards for the structuring of the early risk recognition system.

C.1.6 Group accounting-related internal control and risk management system

The internal control and risk management system of the bet-at-home.com AG Group comprises all principles, processes and measures aimed to ensure the effectiveness, profitability and orderliness of the accounting system and compliance with the relevant legal requirements. There have been no material changes since the reporting date.

The Management Board of bet-at-home.com AG is responsible for the internal control and risk management system required for protecting against risks and designs and monitors the scope and focus of the systems in place on the basis of specific requirements within the Group. Monitoring measures integrated and not integrated in the processes are the components of the internal monitoring system.

The measures of the internal control system focus on the orderliness and reliability of the Group's accounting system and ensure that business transactions are reported completely, on time and in compliance with the legal and statutory requirements.

The Group's consolidation and accounting policies also ensure that assets and liabilities are stated, measures and reported accurately in the consolidated financial statements. The policies also ensure that the accounting documents provide reliable and traceable information.

C.2 Opportunities report

Within the past 10 years, the European online gaming market recorded the highest growth in the world and is expected to continue growing by 9.2 % per annum until 2026. This was again confirmed by various studies by H2 Gambling Capital, most recently in January 2022. According to recent studies, this trend will continue in the wake of broad-based acceptance of e-commerce and the global penetration of mobile applications and demographic trends and help the gambling sector – which does

not depend on the state of the economy – on its way to further sustained growth in the years to come.

C.3 Forecast report

Since national licences in the EU member countries are set to become more important, bringing with them increased legal certainty, the bet-at-home.com AG Group is planning to apply for national licences for online sport betting and online gaming in the Netherlands and Poland during the 2022 financial year. As things stand at the moment, it is likely that licences will be issued in the second half of 2022 at the earliest. One-off costs such as provisions relating to corporate law, consultancy fees and set-up fees will be required for the preparation of the licensing processes. In addition, it is expected that a cross-product betting limit will be introduced in the core market of Germany for the online sports betting and online gaming segments in the first half of 2022.

Taking into account the planned market entries in Poland and the Netherlands, the effects of the discontinuation of the online casino in Austria, the implementation of additional licensing provisions in Germany, the introduction of the approved restructuring plan and the requested winding-up of the Maltese bet-at-home.com Entertainment Ltd., the Management Board estimates that the bet-at-home.com AG Group will generate gross betting and gaming revenue of between EUR 50 million and EUR 60 million in the 2022 financial year. The bet-at-home.com AG Group expects to obtain a balanced EBITDA of between EUR -2 million and EUR 2 million for the 2022 financial year. This does not take into account any deconsolidation effects associated with the Maltese bet-at-home.com Entertainment Ltd.

It is expected that the number of staff will fall around 180 by 31 December 2022 following the introduction of the restructuring plan.

D. Notes to the Financial Statements of bet-at-home.com AG

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

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

report of bet-at-home.com AG Group. Bet-at-home.com AG is the management holding company of bet-at-home.com AG Group and as such depends to a significant extent on the development of the bet-at-home.com Group in terms of business trend, position and expected development, including all related material opportunities and risks, which are disclosed in this combined management report.

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

	2021	2020	Change	
	EUR'000	EUR'000	EUR'000	%
Revenue	833	1 052	-219	-20,8
Other operating income	73	67	5	7,9
Ordinary operating income	906	1 119	-214	-19,1
Personnel expenses	-1 464	-2 273	809	-35,6
Administrative expenses	-1 023	-1 111	88	-7,9
	-2 487	-3 384	897	-26,5
Operating income (expenses)	-1 581	-2 265	684	-30,2
Income from investments	149	20 200	-20 051	-99,3
Interest received	35	170	-135	-79,4
Interest paid	-11	-4	-7	175,6
Net finance income (costs)	173	20 366	-20 193	-99,2
Earnings before taxes	-1 408	18 101	-19 510	-107,8
Income taxes	111	-224	335	-149,4
Earnings after taxes	-1 298	17 877	-19 175	-107,3

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

Personnel expenses relate exclusively to the two Management Board members with equal rights, Franz Ömer and Michael Quatember.

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

	31/12/2021		31/12/2020		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
<u>Non-current assets</u>						
Financial investments	10 871	80,1	10 871	32,6	0	0,0
<u>Current assets</u>						
Other assets, including						
accruals and deferred income	215	1,6	452	1,4	-238	-52,5
Receivables from associated companies	309	2,3	20 463	61,4	-20 154	-98,5
Cash and cash equivalents	2 170	16,0	1 554	4,7	616	39,6
	2 693	19,9	22 470	67,4	-19 776	-88,0
	13 565	100,0	33 341	100,0	-19 776	-59,3

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

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

	31/12/2021		31/12/2020		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
Equity	13 419	98,9	32 261	96,8	-18 843	-58,4
Current liabilities and provisions)						
Suppliers	1	0,0	38	0,1	-37	-97,4
Provisions	88	0,6	147	0,4	-59	-40,2
Other current liabilities	57	0,4	894	2,7	-837	-93,7
	13 565	100,0	33 341	100,0	-19 776	-59,3

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

Freely available cash and cash equivalents were invested in fixed-income securities. The Group believes that the risk relating to the use of these financial instruments is very minor.

F. Additional information required under takeover law (§ 289a and § 315a HGB)

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

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

The general meeting of shareholders on 18 May 2021 resolved to authorise the Management Board of the parent company, with the Supervisory Board's consent, to increase the Company's share capital by 17 May 2026 by issuing up to 1,403,600 new non-par value bearer shares for cash or non-cash contributions, once or several times, up to an amount of EUR 1,403,600.00. The shareholders shall be invited to purchase new shares. However, the Management Board is authorised, upon approval by the Supervisory Board, to exclude the shareholders' subscription right in certain cases.

Furthermore, the Management Board is authorised up until 17 May 2023, by resolution of the general meeting of shareholders of 18 May 2021 with the approval of the Supervisory Board, to acquire treasury shares for an amount of up to 10% of the subscribed capital existing when this authorisation

is granted or (if this value is lower) 10% of the subscribed capital existing at the time of enforcement of this authorisation. Together with other treasury shares in the possession of the Company or allocable to the Company in accordance with Sections 71a et seqq. AktG, the acquired shares must at no time exceed 10 % of the Company's subscribed capital. The authorisation must not be exploited for the purpose of trading in treasury shares.

G. Explanation regarding the management of bet-at-home.com AG in accordance with Section 289f HGB and the Group in accordance with Section 315d HGB as well as the corporate governance report

The current corporate governance statement can be accessed on the website of bet-at-home.com AG at <https://www.bet-at-home.ag/de/corporategovernance>. The corporate governance report is also published there.

H. Non-financial performance indicators

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

bet-at-home had a total of 5,543,573 registered users on 31 December 2021 (previous year: 5,361,878). In 2021 financial year, bet-at-home received 181,695 new registrations (previous year: 123,089).

The high standards of functioning software based on state-of-the-art technology and internally developed innovations are among the key assets within the Group. With regard to software development, the work performed by each employee is individually assessed and recorded by project teams to be able to sustainably plan and evaluate the IT project hours.

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

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

Düsseldorf, 25 February 2022

Franz Ömer

Michael Quatember

Marco Falchetto

INDEPENDENT AUDITOR'S REPORT

To bet-at-home.com AG, Düsseldorf

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

Audit Opinions

We have audited the annual financial statements of bet-at-home.com AG, Düsseldorf, which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss for the financial year from January 1, 2021 to December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of bet-at-home.com AG, Düsseldorf for the financial year from January 1, 2021 to December 31, 2021. In accordance with the German legal requirements, we have not audited the items listed in the chapter "Other Information" of this report.

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

- the accompanying 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 at December 31, 2021 and of its financial performance for the financial year from January 1, 2021 to December 31, 2021 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.

Pursuant to § 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, 2021 to December 31, 2021. 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; we do not provide a separate audit opinion on this matter.

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

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

Regulatory risks relating to the Company's business activities

- a) The Company's net assets, financial position and results of operations are determined by the economic development of its subsidiary bet-at-home.com Entertainment GmbH, Linz, Austria. The economic development of bet-at-home.com Entertainment GmbH, Linz, Austria, continues to be exposed to fundamental risks regarding the regulatory

admissibility of the provided services in the areas of online sports betting and online gaming. In specific countries, state-granted monopolies questioning the admissibility of online sports betting and online gaming, contradict jurisdiction of the European Court of Justice, which is favourable for the providers. The European Court of Justice has - in its ruling dated September 8, 2010 - generally declined any discrimination against private providers of online sports betting and online gaming in favour of state-owned monopolies but at the same time has accepted current legislation for an indefinite transitory period.

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

The operating subsidiaries of bet-at-home.com Entertainment GmbH currently operate their business on the basis of licenses obtained in Malta, and it is assumed that these licenses are valid in all EU countries due to the European freedom to provide services and freedom of establishment, unless national licenses have already been obtained in some EU countries. To the extent legally possible, efforts are being made to obtain national licenses in order to reduce the risks regarding the permissibility of offering online sports betting and online gaming. Current regulatory developments in the core markets of Germany and Austria indicate that the trend towards national licensing systems is continuing. For example, the Austrian Federal Ministry of Finance has created a new independent gambling authority with effect from January 1, 2022, which will be responsible for awarding licenses in the future. The announced reform follows the development in numerous member states of the Euro-pean Union and will replace the state gambling monopoly with a contemporary regulation in the form of a licensing system in the future. The outcome of this legal classification of regulatory risks is highly dependent on the legal assessment and evaluation of European and national, Austrian legal representatives and is therefore subject to considerable uncertainty. Against this background and due to the underlying complexity of the legal assessment, this matter was of particular importance in the context of our audit.

A detailed presentation of the regulatory situation in the online sports betting and online gaming sector and current developments is contained in particular in the Combined Management Report (Section C.1.1).

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

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

Other Information

The legal representatives are responsible for the other information. The other information comprise 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 and
- the statement on Corporate Governance pursuant to §§ 289f, 315d HGB and the Corporate Governance Report in accordance with No 3.10 of German Corporate Governance Code, to which reference is made in Section G. of the combined management report.

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 thereon on.

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

- is materially inconsistent with the annual financial statements, the combined management report or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the 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 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. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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 responsible for 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) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

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

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

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

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

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

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

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

- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the

current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

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 attached file betathomeJA21.zip (SHA256-Hashwert: 40ebe571a2d44fa220dd45eff9a0901e27949e9654e855e3c238252b397f0211), 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") comply with the requirements for the electronic reporting format ("ESEF format) pursuant to § 328 para. 1 HGB in all material respects. In accordance with 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 attached 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, 2021 to December 31, 2021, 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 attached file in accordance with § 317 para. 3a HGB in compliance with the IDW draft 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). Our responsibility resulting thereafter is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documentation". Our audit firm has applied the requirements for the quality assurance system as specified by the IDW: Requirements for Quality Assurance for Audit Firms (IDW QS 1).

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

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

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

The executive directors are also responsible for submitting the ESEF documents together with the auditor's report and the attached audited annual financial statements and audited combined management report as well as other documents to be disclosed to the operator of the Federal Gazette [Bundesanzeiger].

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 18, 2021. We were engaged by the supervisory board on November 9, 2021. 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

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, February 25, 2022

PKF Fasselt
Partnerschaft mbB
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
Rechtsanwälte

A. Schienstock
Wirtschaftsprüfer
(German Public Auditor)

F. Hegmanns
Wirtschaftsprüfer
(German Public Auditor)