

bet-at-home

LIFE IS A GAME!



INTERIM FINANCIAL REPORT

as at 30 June 2021

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REPORT BY THE MANAGEMENT BOARD

REPORT BY THE MANAGEMENT BOARD

Ladies and gentlemen, dear shareholders,

in the first half of 2021, the bet-at-home.com AG Group was confronted with regulatory challenges in individual core markets, resulting in gross betting and gaming revenue of EUR 56.8 million in the first, down 8.8% year-on-year. A key reason for this is the impact of the new legal regulations in the core market of Germany, where, for example, a complex registration process and a limited betting offering had a negative impact on customer activity in the first half of 2021. Although long-term legal certainty was gained in the core market of Germany as a result of the licensing, the upcoming implementation of cross-product monthly stake limits for the online sports betting and online gaming segments is expected to lead to further revenue losses in Germany in the upcoming months. In addition, the online gaming segment in Germany developed below expectations in the first half of 2021 due to the ban on popular games such as roulette and blackjack. The attractiveness of the remaining licensable online gaming offering suffers from the limitations and regulatory restrictions.

The decline in EBITDA in the first half of 2021 to EUR 5.4 million resulted from higher marketing expenses, especially in connection with the European Football Championship, the recognition of provisions in connection with customer lawsuits in Austria in the amount of EUR 3.2 million, the discontinuation of the Polish business as of June 1, 2021 due to legal changes, and the declining results in the online gaming segment in Germany.

Due to the aforementioned influencing factors, we adjusted our revenue and earnings guidance in July and now expect gross betting and gaming revenue of between EUR 100 million and EUR 110 million and EBITDA of between EUR 8 million and EUR 10 million in fiscal year 2021.

The Annual General Meeting of bet-at-home.com AG on May 18, 2021 adopted the resolution proposed by the Management Board and Supervisory Board to distribute a dividend of EUR 2.50 per share with vast majority. This corresponds to a dividend yield of 5.6% on the day of the Annual General Meeting.

We would like to express our special thanks to our business partners and shareholders for the trust they have placed in us. In addition, we would like to thank our employees for their excellent work and high level of commitment.

Franz Ömer
CEO

Michael Quatember
CEO



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REPORT BY THE SUPERVISORY BOARD

Dear ladies and gentlemen,

for the bet-at-home.com-AG Group, the first half of 2021 was characterized by regulatory developments which, on the one hand, burdened the revenue and earnings situation in the current financial year due to the required implementation of licensing conditions, especially in the core market of Germany, but which, on the other hand, mean increased legal certainty and predictability for the future.

In order to protect the health of our shareholders, employees and service providers, the Supervisory Board, together with the Management Board, has decided in view of the pandemic situation to hold this year's Annual General Meeting in May 2021 once again as a virtual Annual General Meeting. At this virtual Annual General Meeting on May 18, 2021, all proposed resolutions were approved by majority vote, including the payment of a dividend of EUR 2.50 per share.

Furthermore, the Annual General Meeting elected Mr. François Riahi to the Supervisory Board of our Company until the end of the Annual General Meeting that resolves on his discharge for the fiscal year 2025. Mr. Riahi succeeds Mr. Nicolas Béraud, who prematurely resigned his mandate at the end of the Annual General Meeting on May 18, 2021.

The Supervisory Board has continuously monitored the development of the bet-at-home.com AG Group. It fulfilled its duties and obligations under the law and the Articles of Association and regularly monitored the work of bet-at-home.com AG's Management Board and provided ongoing advisory support.

In view of the pandemic situation, the Supervisory Board of bet-at-home.com AG met on March 16, 2021, May 18, 2021 and July 8, 2021, in each case by means of video conferences, at which in particular the corporate strategy was discussed with the Management Board. At the Supervisory Board meeting on March 16, 2021, the annual financial statements, the consolidated financial statements, the combined management report, the dependency report and the audit procedures and reports were discussed with the auditors appointed by the Annual General Meeting, PKF FAS-SELT Partnerschaft mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft Rechtsanwälte, Duisburg.

There was a continuous exchange of information and opinions within the Supervisory Board. Several resolutions were adopted by circular resolution. As in the past, no committees were formed in view of the fact that there are only three members of the Supervisory Board.

During the reporting period, the Management Board informed us on an ongoing basis about the strategy, business development, financial position and significant business transactions, regulatory developments, tax issues and risks. The strategic development, current and planned business figures, the sponsorship and marketing concept, anti-money laundering measures, legal and

regulatory developments in the gaming and betting sector, developments with regard to customer reclaims of gaming losses, and ongoing administrative and court proceedings were discussed and debated with the Management Board. We were able to satisfy ourselves of the proper conduct of business.

Our special thanks go to the Management Board of bet-at-home.com AG and all employees of the Group.

Düsseldorf, July 2021

Supervisory Board



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THE SHARE

Development of the share in the first half of 2021

Within the first half of 2021, the bet-at-home.com AG share recorded an increase of 19.31% and was thus able to outperform both DAX (+13.21%) and SDAX (+8.51%) during the reporting period, despite the dividend discount of 2.50 per share and a dividend yield of 7.85% as of December 31, 2020.

From a low of EUR 32.30 in the reporting period on January 4, 2021, the bet-at-home.com AG share reached its highest price in the first half of 2021 at EUR 47.35 on April 16, 2021. The average trading volume of the bet-at-home share in the reporting period was EUR 368,000 per trading day.



Investor Relations

Even in times of existing travel restrictions, bet-at-home is committed to open and active communication with institutional investors, analysts, financial journalists, private investors and other interested parties, with the aim of conveying a true picture of the company and thus meeting the expectations of the capital market in terms of transparency and sustainably strengthening long-term confidence in the stock on the capital market. To achieve this goal, numerous individual and group meetings were held in the first half of 2021 with investors, analysts and journalists from the financial capitals of Europe and the USA by means of video conferences. In this way, personal contact with investors and interested parties was intensified and maintained. The Management Board and Investor Relations Management mainly presented the quarterly reporting, the strategic objectives and the market environment.

Discussions with analysts and investors focused on regulatory developments in the individual markets, above all the impact of licensing sports betting and online gaming offerings in the core market of Germany, as well as the future growth potential of the dynamic online sports betting and online gaming industry and strategic issues relating to the future use of the bet-at-home.com AG Group's cash and cash equivalents.

Dividend

In order to enable our shareholders to participate in the company's success through profit distributions in addition to any gains in share price performance, bet-at-home.com AG has pursued a continuous distribution policy since the 2011 financial year.

The virtual Annual General Meeting on May 18, 2021, adopted the proposal of the Management Board and Supervisory Board to distribute a dividend of EUR 2.50 per share. This corresponds to a dividend yield of 7.85% at the year-end closing price 2020.

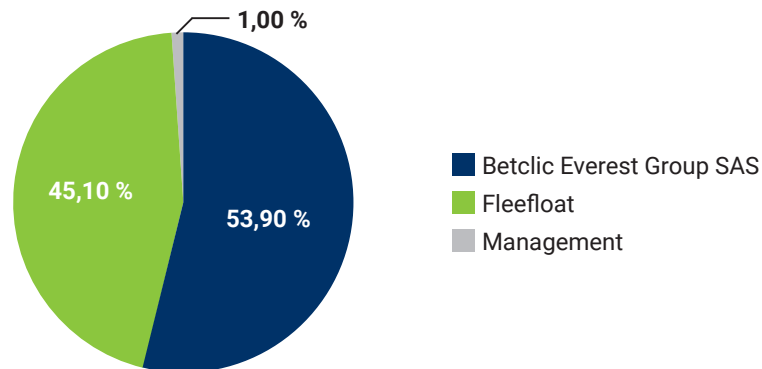
Dividend per share (dividend yield in %)	
FY 2020	EUR 2.50 (7.85%)
FY 2019	EUR 2.00 (3.78%)
FY 2018	EUR 6.50 (14.19%)
FY 2017	EUR 7.50 (7.21%)
FY 2016	EUR 7.50 (9.38%)
FY 2015	EUR 2.25 (4.66%)
FY 2014	EUR 0.60 (2.08%)
FY 2013	EUR 0.40 (2.36%)
FY 2012	EUR 0.30 (2.70%)
FY 2011	EUR 0.30 (2.44%)

Stable shareholder structure

With Betcltic Everest Group SAS and its 53.9% stake, the company has a stable core shareholder with its sights set on the long term. Betcltic Everest, France, is a European group with shares in online gaming providers based in France that invests in strong brands like bet-at-home, Betcltic, Everest Poker and Expekt. Société des Bains de Mer (SBM) with head office in Monaco (ISIN: MC0000031187) and a broad portfolio of casinos, hotels and restaurants, as well as the LOV Group founded by Stéphane Courbit with focus on companies with increasing growth and deregulation hold equal shares in the Betcltic Everest Group SAS.

The management of bet-at-home holds 1.00% of the shares, resulting in a total free float of 45.10% as of the reporting date of June 30, 2021.

Despite having a strong core shareholder, bet-at-home.com AG sees itself as a public company. As part of its investor relations activities, the company has always exceeded the transparency and information requirements of the Prime Standard segment of the German regulated market.



Financial calendar 2021

08/11/2021	Quarterly Statement Q1-Q3 2021
07/03/2022	Full Year Results 2021

Key share data

ISIN	DE000A0DNAY5
Securities identification number	A0DNAY
Ticker symbol	ACX
Trading segment	Regulated market (Prime Standard)
Research Coverage	Edison Investment Research (London) Frankfurt Main Research AG (Frankfurt) Hauck & Aufhäuser (Hamburg)

Fundamentals as at 30 June 2021

Total number of shares	7,018,000
Market capitalisation	EUR 266.7 million
Cash and cash equivalents	EUR 41.8 million
Enterprise value	EUR 224.9 million

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CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

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CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

at 30 June 2021, bet-at-home.com AG, Düsseldorf

ASSETS

		Note	30/06/2021		31/12/2020
		No.	EUR	EUR	EUR
A.	Non-current assets				
1.	Intangible assets		892,483.94		881,500.02
2.	Goodwill	(8)	1,369,320.30		1,369,320.30
3.	Leased office buildings	(9)	2,063,878.14		2,499,146.69
4.	Property and equipment	(10)	3,663,770.59		2,616,535.88
			7,989,452.97		7,366,502.89
B.	Current assets				
1.	Receivables from taxes	(11)	21,997,169.94		24,805,642.85
2.	Own advance payments	(12)	2,163,863.32		1,427,653.19
3.	Other receivables and assets	(13)	3,643,242.20		4,728,747.30
4.	Short-term fixed deposits	(14)	5,000,000.00		5,000,000.00
5.	Cash and cash equivalents	(15)	36,837,985.23		51,807,043.25
			69,642,260.69		87,769,086.59
Total assets			77,631,713.66		95,135,589.48

EQUITY & LIABILITIES

		Note	30/06/2021		31/12/2020
		No.	EUR	EUR	EUR
A.	Equity				
1.	Share capital	(16)	7,018,000.00		7,018,000.00
2.	Capital reserves	(16)	7,366,000.00		7,366,000.00
3.	Total comprehensive income	(16)	20,033,412.94		36,508,604.44
			34,417,412.94		50,892,604.44
B.	Non-current liabilities				
1.	Provisions for employee benefits	(17)	74,223.98		74,223.98
2.	Lease liabilities	(17)	1,247,643.02		1,694,578.61
3.	Deferred income	(17)	172,736.58		0.00
			1,494,603.58		1,768,802.59
C.	Current liabilities				
1.	Trade payables	(18)	4,377,986.45		4,004,449.99
2.	Liabilities from taxes	(19)	23,518,297.84		27,305,634.04
3.	Short-term provisions	(20)	4,209,610.35		1,418,728.56
4.	Customer payables	(21)	6,383,531.60		5,907,507.39
5.	Lease liabilities	(22)	886,012.63		871,581.86
6.	Other liabilities	(23)	2,291,097.29		2,966,280.61
7.	Deferred income	(24)	53,160.98		0.00
			41,719,697.14		42,474,182.45
Total equity and liabilities			77,631,713.66		95,135,589.48



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CONSOLIDATED INTERIM STATEMENT OF INCOME

for the Period from 1 January to 30 June 2021, bet-at-home.com AG, Düsseldorf

	Note	01/01 - 30/06/2021	01/01 - 30/06/2020
	No.	EUR	EUR
Gross betting and gaming revenue	(1)	56,800,561.49	62,307,123.71
Betting fees and gambling levies	(1)	-11,925,877.67	-10,874,737.60
VAT on electronic services	(1)	-578,805.31	-2,372,129.13
Net betting and gaming revenue		44,295,878.51	49,060,256.98
Other operating income	(2)	964,876.05	772,262.74
Total operating income		45,260,754.56	49,832,519.72
Personnel expenses	(3)	-9,939,960.35	-9,804,669.41
Advertising expenses	(4)	-16,725,677.36	-13,598,177.85
Other operating expenses	(4)	-13,173,591.74	-10,587,983.32
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		5,421,525.11	15,841,689.14
Depreciation and amortisation	(5)	-1,116,907.56	-926,120.39
Earnings before interest and taxes (EBIT)		4,304,617.55	14,915,568.75
Financial result	(6)	-126,177.64	-49,573.55
Earnings before taxes (EBT)		4,178,439.91	14,865,995.20
Taxes on income and earnings	(7)	-3,108,631.41	-4,917,791.83
Consolidated profit for the period		1,069,808.50	9,948,203.37

Earnings per share		
Basic earnings per share	0.152437803	1.417526841
Diluted earnings per share	0.152437803	1.417526841

IFRS – CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the Period from 1 January to 30 June 2021, bet-at-home.com AG, Düsseldorf

	01/01 - 30/06/2021	01/01 - 30/06/2020
	EUR	EUR
Consolidated profit for the period	1,069,808.50	9,948,203.37
Items that are potentially reclassifiable to profit or loss:	0.00	0.00
Items that are not potentially reclassifiable to profit or loss:	0.00	0.00
Other comprehensive income	0.00	0.00
Comprehensive income	1,069,808.50	9,948,203.37



CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

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CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

for the Year Ended 30 June 2021, bet-at-home.com AG, Düsseldorf

	Note	30/06/2021	30/06/2020
	No.	TEUR	TEUR
Earnings before taxes (EBT)		4,178	14,866
+ Depreciation of non-current assets	(5)	1,117	926
+/- Increase/decrease in provisions		2,791	-255
-/+ Increase/decrease in trade and other receivables not attributable to investing or financing activities		3,158	-1,023
+/- Increase/decrease in trade and other payables not attributable to investing or financing activities		-3,387	-2,436
- Payments for income taxes		-3,109	-4,918
= Cash flows from operating activities		4,748	7,160
- Acquisition of assets (excluding investments)		-1,740	-775
= Cash flows from investing activities		-1,740	-775
- Redemption of lease liabilities		-433	-419
- Payments to shareholders (dividends)		-17,545	0
= Cash flows from financing activities		-17,978	-419
= Net cash from operating, investing and financing activities		-14,969	5,966
+ Cash and cash equivalents at 1 January		51,807	49,756
= Cash and cash equivalents at 30 June	(15)	36,838	55,722

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CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021, bet-at-home.com AG, Düsseldorf

	Share capital	Capital reserves	Total comprehensive income	Total equity
	EUR	EUR	EUR	EUR
As at 01/01/2020	7,018,000.00	7,366,000.00	27,250,566.64	41,634,566.64
Profit for the year	0.00	0.00	9,948,203.37	9,948,203.37
Total recognised gains and losses	0.00	0.00	9,948,203.37	9,948,203.37
Dividend distribution	0.00	0.00	0.00	0.00
As at 30/06/2020	7,018,000.00	7,366,000.00	37,198,770.01	51,582,770.01

	Share capital	Capital reserves	Total comprehensive income	Total equity
	EUR	EUR	EUR	EUR
As at 01/01/2021	7,018,000.00	7,366,000.00	36,508,604.44	50,892,604.44
Profit for the year	0.00	0.00	1,069,808.50	1,069,808.50
Total recognised gains and losses	0.00	0.00	1,069,808.50	1,069,808.50
Dividend distribution	0.00	0.00	-17,545,000.00	-17,545,000.00
As at 30/06/2021	7,018,000.00	7,366,000.00	20,033,412.94	34,417,412.94



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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2021, bet-at-home.com AG, Düsseldorf

I. GENERAL DISCLOSURES AND ACCOUNTING PRINCIPLES

bet-at-home.com AG, having its registered office in Düsseldorf, Tersteegenstrasse 30, and registered as a holding company with the trade register of the Düsseldorf District Court under number HRB 52673, has prepared its interim consolidated financial statements for the six-month period ended 30 June 2021 in accordance with international accounting standards.

The interim consolidated financial statements for the period ended 30 June 2021 of bet-at-home.com AG have been prepared in accordance with the currently applicable International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS), as adopted by the European Union, taking into consideration the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The group management report for the six-month period ended 30 June 2021 has been prepared in accordance with the provisions of the German Commercial Code [HGB].

These interim consolidated financial statements were generally prepared using the same accounting policies as applied to the previous year's consolidated financial statements as at 31 December 2020.

The following standards / amendments to standards have already been published, but were not yet mandatory for the consolidated financial statements for the period ended 30 June 2021:

Standard	Content	Issued in	Date of EU endorsement	Mandatory for reporting periods beginning on or after
Standards				
IFRS 17	Insurance contracts	May 2017	t.b.a.	01.01.2023
Amendments				
IFRS 3	Reference to the 2018 framework concept	May 2020	Jun 2021	01.01.2022
IAS 1	Classification of debt as non-current and current Disclosure of accounting methods	Jan 2020 Feb 2021	t.b.a.	01.01.2023
IAS 8	Definition of accounting estimates	Feb 2021	t.b.a.	01.01.2023

Standard	Content	Issued in	Date of EU endorsement	Mandatory for reporting periods beginning on or after
IAS 12	Deferred taxes relating to assets and liabilities from a single transaction	May 2021	t.b.a.	01.01.2023
IAS 16	Property, plant and equipment Income before an asset is ready to use	May 2020	Jun 2021	01.01.2022
IAS 37	Contracts that incur costs – Costs of contractual fulfilment	May 2020	Jun 2021	01.01.2022
DIVERSE	Improvements (Annual Improvements 2018 to 2020) of the International Financial Reporting Standards	May 2020	Jun 2021	01.01.2022
IFRS 16	Covid-19-Related Rent Concessions (Deferrals, Waivers)	Mar 2021	t.b.a.	01.04.2021

It is not anticipated that the initial application of the standards and interpretations stated above will have any significant effect on the future presentation of bet-at-home.com AG Group's financial position, financial performance and cash flows.

As in the previous year, these standards were not applied on a voluntary basis, with the exception of the amendment to IFRS 16.

The core business of the Company's associates is sports betting and casino and poker games, which is exclusively offered online.

These interim consolidated financial statements are denominated in euros.

The consolidated income statement has been prepared in accordance with the nature of expense method.

Since 5 September 2009, Betclik Everest Group SAS, Paris, France has held a controlling interest in the bet-at-home.com group parent. Betclik Everest Group SAS (company registration no. 501 420 939) prepares consolidated financial statements for the largest circle of group companies that are included in the consolidated financial statements of bet-at-home.com AG.

Totals in amounts and percentages are subject to rounding differences.

II. CONSOLIDATED GROUP

General information

The interim consolidated financial statements include the accounts of bet-at-home.com's Austrian subgroup Entertainment GmbH, which has its registered office in Linz, Austria. The subgroup accounts of bet-at-home.com Entertainment GmbH include five subsidiaries (second-tier subsidiaries of bet-at-home.com AG) in which bet-at-home.com Entertainment GmbH holds all direct and indirect voting rights. bet-at-home.com AG holds all voting rights in bet-at-home.com Entertainment GmbH.

In addition to the group parent, bet-at-home.com AG, the following subsidiaries and/or fully consolidated second-tier subsidiaries in the first half of 2021:

- bet-at-home.com Entertainment GmbH, Linz, Austria (100% interest);
- bet-at-home.com Holding Ltd., Portomaso, Malta (100% interest);
- bet-at-home.com Entertainment Ltd., Portomaso, Malta (100% interest);
- bet-at-home.com International Ltd., Portomaso, Malta (100% interest);
- bet-at-home.com Internet Ltd., Portomaso, Malta (100% interest);
- Jonsden Properties Ltd., Gibraltar (100% interest).

bet-at-home.com AG holds 2% each of the shares in the four Maltese companies due to former requirements under Maltese company law.

There are no non-controlling interests in group equity. The consolidated profit (loss) for the year does not comprise amounts attributable to shareholders of other companies.

Changes in the consolidated group

There were no changes in group entities in the first half of 2021.

III. BASIS OF CONSOLIDATION

All financial statements included in the interim consolidated financial statements have been prepared in accordance with the same accounting policies. The separate financial statements of consolidated domestic and international entities and the Austrian subgroup accounts were all prepared as at the group reporting date and consolidated in accordance with International Financial Reporting Standards on the basis of a fictitious legal entity. The interim consolidated financial statements for the period ended 30 June 2021 have not been audited.

In accordance with IFRS 3.85 (limited retrospective application), from 1 January 2004 IFRS 3 (Business Combinations) and the revised standards IAS 36 (Impairment of Assets) and IAS 38 (Intangible Assets) were applied early with retrospective effect to the Maltese second-tier subsidiaries, which were included in the Austrian subgroup accounts for the first time in 2004. Capital is consolidated by applying the revaluation method. The investment carrying amounts have been offset against the subsidiaries' proportional revalued equity capital (purchase accounting). The initial consolidation of the Maltese second-tier subsidiaries did not result in any excess or deficit.

The difference of EUR 2 thousand uncovered during the initial consolidation of Jonsden Properties Ltd., which was initially included in the Austrian subgroup accounts in 2008, was stated as goodwill on account of a lack of identifiable assets and fully written off in the same year.

Jonsden Properties Ltd. has joint venture agreements with both bet-at-home.com Internet Ltd. and bet-at-home.com Entertainment Ltd in accordance with IAS 31.3 (agreement for shared conduct of business), according to which each venturer uses its own assets, incurs its own expenses and liabilities and raises its own funding while carrying out all economic activities on a joint venture basis.

The Austrian subgroup was consolidated for the first time as at 31 December 2005. All hidden reserves to be recognised were disclosed in the Austrian IFRS subgroup accounts. The subgroup was therefore consolidated based on the subgroup's equity as determined using the acquisition method. The initial consolidation resulted in a surplus of EUR 1,052 thousand. This surplus was recognised as goodwill in the consolidated financial statements. There was no evidence of impairment of the goodwill.

As part of the consolidation of intercompany debts, intercompany trade receivables and loans and other receivables were eliminated against the corresponding payables and provisions. As part of the consolidation of intercompany revenues and expenses, revenues from intercompany trade receivables were eliminated against expenses from intercompany trade payables. Interim results from intercompany trade receivables were – insofar as in existence– eliminated, unless they were of subordinated importance. Any discounts and other entries affecting only profit or loss were eliminated in preparing the consolidated financial statements.

IV. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures in the notes to the interim consolidated financial statements and in the consolidated income statement. These estimates and related assumptions are based on historical information and other factors deemed appropriate under the circumstances, and which serve as the basis for assessing the carrying

amounts of assets and liabilities that cannot be derived from other sources. Actual outcomes may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements made in applying IFRS with a significant effect on the amounts recognised in the consolidated financial statements and estimation uncertainties that may give rise to the risk of having to make material adjustments to recognised assets and liabilities in the coming financial years, were as follows:

- Estimating the likelihood of a positive outcome of pending civil-law and administrative proceedings and changes in the regulatory environment.
- Goodwill, the customer base and software was tested for impairment based on the expected future cash flows and interest rates.

Intangible assets and property, plant and equipment

Acquired intangible assets and office equipment are measured at cost less write-downs.

No internally produced intangible assets are capitalised. The development costs incurred in 2019, 2020 and the first half of 2021 do not meet the recognition criteria of IAS 38.

Assets subject to wear and tear are written down over their estimated useful lives using the straight-line method. The following useful lives were applied for estimating the depreciation and amortisation rates:

	Years
Operating and office equipment	3-10
Customer base	2
Software	3

If an asset acquired during the financial year is used for more than six months, the depreciation or amortisation charge recognised for the asset in the subgroup accounts will be the full annual amount; in the case of a shorter period of use, half the annual amount or the monthly amount is used. In the Austrian subgroup, assets acquired at a cost of EUR 0.8 thousand or less are fully written down in the year of acquisition and immediately recognised as disposals. In Germany, such items are written down on a pro rata temporis basis. Assets acquired at a cost of EUR 150 or less are expensed in full in the year of acquisition. The different approach does not have any material impact on the Group's financial position, financial performance and cash flows.

Intangible assets with finite useful lives and items of property, plant and equipment are tested for impairment. If there is evidence of impairment, the recoverable amounts for the relevant assets are determined. If the recoverable amount of an asset is lower than its carrying amount, an impairment loss is recognised.

Goodwill

Goodwill has an indefinite useful life and is not amortised, but tested annually for impairment instead („impairment-only” approach). If the recoverable amount of goodwill, which is the higher of its fair value less costs to sell and its value in use, is lower than its carrying amount, an impairment loss is recognised.

Leased office buildings

Leases in accordance with IFRS 16 are recognised in the consolidated statement of financial position as from 2019. This results in the recognition of non-current assets as well as current and non-current liabilities. The application of IFRS 16 in the Group, which was performed according to the modified retrospective method, pertains to the presentation of lease liabilities for office spaces in Duesseldorf, Linz and Malta. Most of these have indefinite terms. The Management Board assumed a remaining term of five years for the majority as at 1 January 2019.

The effect from the initial application of IFRS 16 resulted in a EUR 4,240 thousand increase of total assets as at 1 January 2019. In the income statement, the effect of IFRS 16 is reflected in amortisation of right-of-use assets as well as interest paid on the lease liabilities.

Financial assets and liabilities

Financial assets and liabilities are recognised as soon as contractual rights or obligations are incurred. These transactions are recognised as at the measurement date. They are derecognised as soon as control over such contractual rights (including the asset) ceases. This is usually the case when the asset is sold or all cash flows relating to the asset are directly transferred to an independent third party.

Cash and cash equivalents and short-term deposits

bet-at-home.com AG treats cash, demand deposits and time deposits with remaining maturities of up to three months as cash and cash equivalents. Long-term deposits with maturities between three to a maximum of 12 months are stated as short term deposits.

Receivables and other assets

In accordance with IFRS 9, receivables and other assets as well as cash and cash equivalents must be allocated to the „at amortised cost” category . A credit risk does not exist. The debtors are usually financial and similar institutions with excellent credit ratings. No defaults worth mentioning have occurred in the past and are not expected to occur in the future.

Provisions for severance pay (redundancy pay)

Due to historic legal contractual obligations, bet-at-home.com Entertainment GmbH must render a one-off severance payment (redundancy payment) to employees if their contract is terminated or upon retirement. The amount depends on the number of years of service and the relevant salary level at the time of severance (redundancy) or retirement.

A provision is made for such obligations. An actuary performed the calculated in accordance with IAS 19 “Employee benefits” for the consolidated financial statements for the period ended 31December 2020 and the value was recognised in income accordingly.

As the anticipated actuarial gains and losses pertain to one employee only, they are expected to be low again. The actuarial gains and losses are therefore stated in personnel expenses. The interest costs – like employee service costs– remain in personnel expenses and are not recognised in finance in come (costs).

Other provisions

Other provisions are recognised if it appears likely that legal or actual obligations to third parties due to past events may occur, but have not occurred yet. However, it must be probable that these obligations will result in future cash outflow. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date. When a reasonable estimate is not possible, no provision is recognised but this is disclosed in the notes to the consolidated financial statements instead.

Trade payables

Trade payables are recognised at cost, which is equal to the settlement amount.

Revenue recognition

bet-at-home.com AG Group generates its revenue from the conclusion and processing of sports bets and the provision of various other online games in the Online Gaming division. In line with

the practices in the industry, the net revenue from bets and/or wagers placed by customers and pay-outs to customers is initially recognised as gross betting and gaming revenue. The net betting and gaming revenue recognised in the consolidated income statement is the amount left after deducting betting fees and gaming levies as well as any VAT on electronic services payable on this revenue.

All of the bets originally recognised at the Maltese second-tier subsidiary are recognised in relation to dates if the underlying bets have already been decided, subject to the wagers placed until the reporting date. Bets deducted from the customers' clearing accounts before the reporting date where the sport events underlying the bets only take place after the reporting date (pending bets) are recognised as financial liabilities to customers in accordance with IFRS 9.

Income taxes

In the 2020 financial year, the income tax refund from the Maltese tax entity, in which all Maltese group companies are combined for income tax purposes, was recognised in the financial statements of the same year, as was done in previous years.

Deferred taxes are determined in accordance with IAS 12 (Income Taxes) using the balance sheet liability method. Deferred taxes are computed on the basis of an income tax rate of around 31% for Germany and 25% for Austria and about 5% for Malta (taking tax refunds into account) respectively.

Net finance income (costs)

Net finance income (costs) includes all interest and similar income on financial assets. Interest is recognised on an accrual basis.

V. COMMENTS ON INDIVIDUAL ITEMS OF THE CONSOLIDATED INCOME STATEMENT, CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONSOLIDATED STATEMENT OF CASH FLOWS AND THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The following sections provide information on items of the consolidated income statement, consolidated statement of financial position, consolidated statement of cash flows and the consolidated statement of changes in equity. The previous year's comparative figures were taken from the IFRS consolidated financial statements of bet-at-home.com AG, Düsseldorf, as at 30 June 2020 and/or 31 December 2020.

V.1. COMMENTS ON INDIVIDUAL ITEMS OF THE CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

The consolidated income statement was prepared in accordance with the nature of expense method.

(1) Betting and gaming revenue and segment reporting

For clarity of presentation of the interim consolidated financial statements, betting and gaming revenue is shown in the consolidated income statement. The composition of the betting and gaming revenue is presented in these notes to the interim consolidated financial statements.

The Group operates in the online sports betting and online gaming products and operating segments. The Online Gaming segment comprises casino, poker, games and virtual sports.

These operating segments correspond to the Group's internal organisational and managerial structure and the internal accounting system. The gross betting and gaming revenue was defined as segment income.

Segment reporting in accordance with IFRS 8

01/01 - 30/06/2021	Operating segments			Group total
	Online sport bets	Online gaming (casino, poker, games, virtual sports)	Non-allocated segments / consolidation	
	EUR'000	EUR'000	EUR'000	EUR'000
Betting and gaming volume	257,196	675,124	0	932,320
Paid out winnings	-224,898	-650,621	0	-875,519
Gross betting and gaming revenue	32,298	24,503	0	56,801
Betting fees and gambling levies	-6,054	-5,872	0	-11,926
VAT on electronic services	-30	-549	0	-579
Net betting and gaming revenue	26,214	18,082	0	44,296
Segment assets	19,330	13,334	44,968	77,632

01/01 - 30/06/2020	Operating segments		Non-allocated segments / consolidation	Group total
	Online sport bets	Online gaming (casino, poker, games, virtual sports)		
	EUR'000	EUR'000	EUR'000	EUR'000
Betting and gaming volume	200,061	1,261,210	0	1,461,272
Paid out winnings	-177,752	-1,221,212	0	-1,398,965
Gross betting and gaming revenue	22,309	39,998	0	62,307
Betting fees and gambling levies	-4,172	-6,703	0	-10,875
VAT on electronic services	-104	-2,268	0	-2,372
Net betting and gaming revenue	18,033	31,027	0	49,060
Segment assets	12,145	16,712	73,160	102,017

The segment assets correspond to the respective total assets of the company operating within the segment.

Segment reporting – supplementary information

Betting and gaming revenue can be presented by geographic segment based on player country as follows:

	01/01 – 30/06/2021		01/01 – 30/06/2020	
	EUR'000	in %	EUR'000	in %
Germany	158,079	17%	495,211	34%
Eastern Europe	128,984	14%	194,557	13%
Western Europe (other)	645,257	69%	771,503	53%
	932,320	100%	1,461,272	100%

Countries with similar markets are grouped together by region.

(2) Other operating income

	01/01 – 30/06/2021	01/01 – 30/06/2020
	EUR'000	EUR'000
Exchange rate gains	208	227
Income from the derecognition of illegal betting account balances	272	131
Income from the release of provisions	4	42
Other	481	372
	965	772

(3) Personnel expenses

Breakdown of personnel expenses:

	01/01 – 30/06/2021	01/01 – 30/06/2020
	EUR'000	EUR'000
Salaries	7,837	7,728
Expenses for severance (redundancy) pay and company pension plan contributions	1,952	1,911
Expenses for statutory social contributions and pay-based levies and statutory contributions	113	108
Other social contributions	37	57
	9,940	9,805

Expenses for severance (redundancy) pay and employee pension funds include payments in accordance with the Austrian Staff and Self-Employment Provisions Act [BMSVG „new termination benefits“] totalling EUR 113 thousand (1 January to 30 June 2020: EUR 108 thousand).

Changes in staffing were as follows:

	Reporting date		Average	
	30/06/2021	30/06/2020	01/01 – 30/06/2021	01/01 – 30/06/2020
Employees	277	288	281	290
Management Board of the parent company and managing directors of bet-at-home.com Entertainment GmbH	2	2	2	2

(4) Advertising and other operating expenses

These expenses include the following items:

	01/01 – 30/06/2021	01/01 – 30/06/2020
	EUR'000	EUR'000
Advertising expenses		
Advertising costs	9,393	5,737
Bonuses and vouchers	4,333	5,719
Sponsoring	2,390	1,536
Jackpot expenses	609	607
	16,726	13,598

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	01/01 – 30/06/2021	01/01 – 30/06/2020
	EUR'000	EUR'000
Other operating expenses		
Damage events in connection with customer claims	2,822	0
Additional transaction costs	2,798	2,995
Software provider expenses	1,844	3,178
Legal, audit and advisory fees	1,645	804
Information services and software maintenance	1,601	1,320
Additions to provisions for impairment losses on receivables, loan losses and claims	941	630
Exchange rate differences and similar expenses	263	338
Costs for the preparation of financial statements, general meeting of shareholders and stock exchange costs	244	186
Supervisory Board compensation	20	30
Other costs	996	1,107
	13,174	10,588

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(5) Depreciation, amortisation and write-downs

	01/01 – 30/06/2021	01/01 – 30/06/2020
	EUR'000	EUR'000
Amortisation and write-downs of intangible assets	114	97
Write-down of leased office building	435	435
Depreciation and write-downs of property, plant and equipment	562	377
Write-downs of low-value assets	6	17
	1,117	926

(6) Net finance income (costs)

	01/01 – 30/06/2021	01/01 – 30/06/2020
	EUR'000	EUR'000
Finance income		
Interest receivable and similar income	0	1
Finance costs		
Interest expenses from lease agreements	-37	-50
Other financial expenses	-89	0
	-126	-50

In the first half of 2021, other finance costs pertained to finance costs relating to bank deposits in the amount of EUR 78 thousand.

(7) Taxes on income

This item can be presented as follows:

	01/01 - 30/06/2021	01/01 - 30/06/2020
	EUR'000	EUR'000
Current income taxes	3,094	4,701
Taxes from previous periods	1	220
Deferred taxes	14	-3
	3,109	4,918

V.2. COMMENTS ON ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 JUNE 2021

(8) bis (10) Non-current assets

A breakdown of non-current assets and changes in these assets during the first half of 2021 is presented in the consolidated statement of changes in non-current assets (appendix to the notes).

(8) Goodwill

Composition:

	30/06/2021	31/12/2020
	EUR'000	EUR'000
Acquisition of Wetten-Schwechat business unit	155	155
Acquisition of the Starbet International Ltd. business unit	162	162
Take-over of bet-at-home.com Entertainment GmbH, Linz, Austria	1,052	1,052
	1,369	1,369

Acquisition of the „Wetten-Schwechat“ business unit

The goodwill remaining after the purchase price allocation in accordance with IFRS 3 amounted to EUR 155 thousand. Pursuant to IFRS 3, this goodwill is not subject to systematic amortisation; it is tested for impairment annually instead. There was no objective evidence of impairment.

Acquisition of the Starbet International Ltd. business unit

In accordance with IFRS 3, this asset deal must be treated in the same way as a share deal. Therefore, initial consolidation was carried out at the date of acquisition pursuant to IFRS 3. Once the disclosed difference had been allocated to identifiable assets, the remainder (EUR 162 thousand) was recognised as goodwill. There was no objective evidence of impairment.

Acquisition of bet-at-home.com Entertainment GmbH, Linz

As at 31 December 2005, the subsidiary bet-at-home.com Entertainment GmbH, including its subgroup, was consolidated for the first time. All hidden reserves to be recognised were disclosed in the Austrian IFRS subgroup accounts. The subgroup was therefore consolidated based on the subgroup's equity as determined using the acquisition method. The initial consolidation resulted

in a surplus of EUR 1,052 thousand. This surplus was recognised as goodwill in the consolidated financial statements. There was no evidence of impairment of the goodwill.

(9) Leased office buildings

Leased office buildings (application of IFRS 16) pertain to the rights of use from existing rent and lease agreements within bet-at-home.com AG Group for the office spaces in Düsseldorf, Linz and Malta.

(10) Property, plant and equipment

A breakdown of non-current assets and changes in these assets during the first half of 2021 is presented in the consolidated statement of changes in non-current assets (appendix to the notes).

(11) Tax receivables

Tax receivables include the following items:

	30/06/2021	31/12/2020
	EUR'000	EUR'000
Tax refund claim 2020 (tax refund Malta)	3,574	3,574
Tax refund claim 2019 (tax refund Malta)	48	4,875
Tax refund claim previous years tax audit Austria (BAH Internet Ltd)	8,372	8,372
Tax refund claim previous years tax audit Austria (BAH Entertainment Ltd)	7,308	7,308
Corporation tax advance payment Austria	963	0
Other	1,732	676
	21,997	24,806

(12) Own prepayments

Own prepayments pertain to prepayments under advertising, sponsoring and maintenance agreements.

(13) Other receivables and assets

All receivables and other assets have residual maturities of up to one year and comprise the following:

	30/06/2021	31/12/2020
	EUR'000	EUR'000
Receivables from payment service provider	3,041	4,289
Other receivables	602	440
	3,643	4,729

(14) Short-term deposits

	30/06/2021	31/12/2020
	EUR'000	EUR'000
Cash at bank (maturities > 3 months)	5,000	5,000

(15) Cash and cash equivalents

	30/06/2021	31/12/2020
	EUR'000	EUR'000
Cash at bank (maturities < 3 months) and in hand	36,838	51,807

Any cash and cash equivalents and short-term deposits used for securing liabilities may only be disposed of with limitations. As at 30 June 2021, cash and cash equivalents included pledged funds in the amount of EUR 380 thousand (31 December 2020: EUR 380 thousand), which are available within three months if required at short notice.

(16) Group equity

Breakdown of the Group's equity:

	30/06/2021	31/12/2020
	EUR'000	EUR'000
Share capital	7,018	7,018
Capital reserves	7,366	7,366
Consolidated net profit for the period	20,033	36,509
	34,417	50,893

For more information on group equity, please also refer to the consolidated statement of changes in equity included in the interim consolidated financial statements.

The Group's share capital is divided into 7,018,000 no-par-value shares.

The general meeting of shareholders on 18 May 2016 resolved to increase the share capital of the issuer by EUR 3,509,000.00 to EUR 7,018,000.00 through a capital increase from the Company's own funds by issuing 3,509,000 new shares. As announced in the Federal Gazette [Bundesanzeiger] on 15 June 2016, following the capital increase from the Company's own funds, all shareholders were entitled to bonus shares at a ratio of 1:1 to their shareholdings at the close of the stock market on 20 June 2016. These bonus shares were registered on 21 June 2016 (share split). The shareholders' shareholdings did not change as a result of this capital measure.

The reserves are the result of a capital increase in 2005 by 290,000 shares at an issue price of EUR 11.00 per share (totalling EUR 2,900 thousand) and a further capital increase in 2006 by 319,000 shares at an issue price of EUR 26.00 per share (totalling EUR 7,975 thousand). The decrease in 2016 of EUR 3,509 thousand resulted from the conversion for the implementation of the capital increase from the Company's own funds.

Pursuant to the resolution adopted at the general meeting of shareholders on 13 May 2013, the Management Board was entitled, with the Supervisory Board's consent, to increase the company's share capital by 12 May 2018 by issuing new bearer shares (non-par value shares) for cash or non-cash contributions, once or several times, up to a maximum amount of EUR 1,754,500.00. The authorised capital was revoked by shareholder resolution of 18 May 2016.

The general meeting of shareholders on 18 May 2016 resolved to authorise the Management Board, with the Supervisory Board's consent, to increase the Company's share capital by 17 May 2021 by issuing up to 3,509,000 new non-par value bearer shares for cash and/or non-cash contributions, once or several times, up to an amount of EUR 3,509,000.00.

The general meeting of shareholders on 18 May 2021 resolved to authorise the Management Board, 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 and/or non-cash contributions, once or several times, up to an amount of EUR 1,403,600 (Approved Capital I).

(17) Non-current liabilities

	30/06/2021	31/12/2020
	EUR'000	EUR'000
Provisions for employee benefits	74	74
Lease obligations	1,248	1,695
Deferred income	173	0
	1,495	1,769

In order to calculate the provisions for severance pay (provisions for redundancy pay) in accordance with IAS 19 by applying the projected unit credit method, an actuary's opinion was obtained as at 31/12/2020, which is based on an actuarial interest rate of 0.30% (previous year: 0.84%) and an annual growth rate of 2.50%. The interest cost (and employee service cost) is included in the personnel expenses and not presented in net finance income (costs). The remaining term is around 15 years.

To create an incentive for companies to complete investments during and after the COVID-19 crisis and to assist with strengthening the international competitive edge of the economic location, the Austrian legislators resolved to introduce a COVID-19 investment premium for companies in connection with new investments in assets subject to wear and tear. As at 30 June 2021, bet-at-home.com AG Group recognised this investment premium as deferred income.

(18) to (24) Current liabilities

Current liabilities include the following items:

	30/06/2021	31/12/2020
	EUR'000	EUR'000
Trade payables	4,378	4,004
Tax liabilities	23,518	27,306
Other provisions	4,210	1,419
Amounts due to customers	6,384	5,908
Lease obligations	886	872
Other current liabilities	2,291	2,966
Deferred income	53	0
	41,720	42,474

Liabilities to customers include pending bets (in accordance with IFRS 9) in the amount of EUR 500 thousand (31 December 2020: EUR 364 thousand) and customer credit balances (in accordance with IFRS 15) in the amount of EUR 5,883 thousand (31 December 2020: EUR 5,543 thousand).

Tax liabilities pertain to corporation tax liabilities in the amount of EUR 21,397 thousand (31 December 2020: EUR 24,134 thousand), betting taxes, gambling levies, and VAT on electronic services in the amount of EUR 2,117 thousand (31 December 2020: EUR 3,032 thousand) and other taxes in the amount of EUR 5 thousand (31 December 2020: EUR 139 thousand).

As at 30 June 2021, current liabilities from the rights of use from leases (less than 12 months) capitalised in accordance with IFRS 16 amounted to EUR 886 thousand (31 December 2020: EUR 872 thousand).

Other current liabilities include the following items:

	30/06/2021	31/12/2020
	EUR'000	EUR'000
Liabilities to personnel	1,224	1,944
Social security liabilities	737	420
Other liabilities	330	602
	2,291	2,966

Liabilities to employees comprise outstanding holiday entitlements and overtime and/or bonuses.

Total provisions developed as follows in the first half of 2021 (EUR thousand):

	Balance at 31/12/2020	Utilisation	Release	Addition	Balance at 30/06/2021
Customer claims	0	0	0	2,600	2,600
Audit and advisory	358	354	4	848	848
Affiliate programme	1,061	1,061	0	762	762
	1,419	1,415	4	4,210	4,210

As at 30 June 2021, a provision for customers' claims for the reimbursement of gaming losses totalling EUR 3.2 million was recognised, of which EUR 2.6 million for customers' reimbursement claims and EUR 0.6 million for ancillary costs of the court proceedings, such as lawyer and court fees, to account for the current ruling habits.

Due to the high amount of cash and cash equivalents within bet-at-home-com AG Group, liabilities to customers and all other liabilities were sufficiently covered in the first half of 2021.

Deferred income in the amount of EUR 53 thousand (31 December 2020: EUR 0 thousand) contained the current portion of the investment premium for companies in connection with new investments and was recognised in assets subject to wear and tear.

V.3. COMMENTS ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

Cash and cash equivalents recognised in the statement of cash flows exclusively refers to the „cash at bank an in hand” item in the statement of financial position. Interest received primarily results from current operating activities.

V.4. COMMENTS ON THE PRESENTATION OF CHANGES IN GROUP EQUITY UNDER IFRS

Changes in group equity are presented in the consolidated statement of changes in equity.

VI. OTHER DISCLOSURES

VI.1. FINANCIAL INSTRUMENTS

For further details on non-derivative financial instruments, see the interim consolidated statement of financial position. „Pending bets” are recognised as financial liabilities (derivatives) in accordance with IFRS 9. The Group does not conduct any other financial transactions involving derivative instruments and exclusively holds bank balances, cash and cash equivalents and short-term deposits. The Group also has receivables from payment providers.

Fair value risk management

The financial instruments at fair value are classified according to the levels in the fair value hierarchy, which are defined as follows:

- Level 1: Quoted prices in active markets for identical assets and liabilities.
- Level 2: Inputs that are observable either directly (such as prices) or indirectly (unlisted prices) are used as the basis for calculating assets or liabilities.
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. prices), such as internal models or other valuation techniques.

As at the reporting date, 30/06/2021, pending bets were recognised as financial liabilities in accordance with IFRS 9 (fair value measurement according to level 3) and stated in liabilities to customers. Taking into consideration the fact that these are bets that were placed shortly before the reporting date, the Management Board assumes that the fair value as at the reporting date corresponds to the acquisition costs (market value on the date the bet was placed).

There are no other financial instruments that are measured at fair value.

The disclosures on the risks arising from potential financial instruments (IFRS 7.31 33 (b)) are included in the following disclosures on the financial risks.

VI.2. 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. Based on the cash and cash equivalents currently available to the Group, the liquidity risk remains low, like in the previous year.

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. The effect of a change in the currently low level of interest by 0.5% points would amount to EUR 209 thousand in the first half of 2021 (31 December 2020: 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). In the first half of 2021, material currency risks arose from transactions denominated in Polish zloty, while transactions denominated in other currencies were of minor importance. The Group does not hedge its currency risk. The appreciation (depreciation) of the Polish Zloty by 10% would have decreased (increased) the net profit for the period and/or equity by around EUR 1 thousand (31 December 2020: EUR 82 thousand). Changes in these risk variables were assessed in relation to the potential for risks inherent in each financial instrument portfolio as at the reporting date.

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.

VI.3. RELATED PARTY TRANSACTIONS

In the first half of 2021, the Management Board of bet-at-home.com AG had the following members:

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

In the first half of 2021, the remuneration of the Management Board totalled EUR 510 thousand (1 January to 30 June 2020: EUR 510 thousand). One of the group companies also granted a consulting fee of EUR 198 thousand (1 January – 30 June 2020: EUR 199 thousand).

No accruals were recognised apart from that for any management bonuses in the first half of 2021 (1 January to 30 June 2020: EUR 403 thousand).

Members of the Supervisory Board of bet-at-home.com AG in the first half of 2021:

- Martin Arendts, MBL-HSG, lawyer, Grünwald (Chairman);
- Véronique Giraudon, member of the Management Board, Paris, France (deputy chairperson)
- François Riahi, member of the Management Board, Paris, France (since 18 May 2021)
- Nicolas Béraud, member of the Management Board, Bordeaux, France (until 18 May 2021)

In the first half of 2021, the Chairman of the Supervisory Board received fixed remuneration of EUR 20 thousand (1 January to 30 June 2020: EUR 20 thousand). Necessary expenses were also reimbursed. Ms Giraudon, Mr Béraud and Mr Riahi waived their compensation in the first half of 2021.

No material related-party transactions were concluded in the first half of 2021.

At the end of the general meeting of shareholders on 18 May 2021, Mr Nicolas Béraud retired from the Supervisory Board of bet-at-home.com AG. The general meeting of shareholders appointed Mr François Riahi as member of the Supervisory Board.

VI.4. EXPLANATION REGARDING THE MANAGEMENT OF BET-AT-HOME.COM AG IN ACCORDANCE WITH SECTION 289F HGB AND THE GROUP IN ACCORDANCE WITH SECTION 315D HGB AS WELL AS THE CORPORATE GOVERNANCE REPORT

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

VI.5. MATERIAL SUBSEQUENT EVENTS

There were no other events materially affecting the Group's business development and financial position in the period between the end of the first half of 2021 and the preparation of the consolidated financial statements.

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Group Management Report
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VI.6. RESPONSIBILITY STATEMENT

We assure that to the best of our knowledge, the interim consolidated financial statements give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with the applicable reporting standards, and that the summarised management report gives a true and fair view of the business development including the business performance and position of the Group and appropriately presents the significant opportunities and risks of the Group's anticipated development.

Düsseldorf, 30 July 2021

Franz Ömer

Michael Quatember

Report by the Management Board	Report by the Supervisory Board	The Share	Consolidated Statement of Financial Position	Consolidated Statement of Income	Consolidated Statement of Cash Flows	Consolidated Statement of changes in equity	Notes to the Consolidated Financial Statements	Group Management Report	Imprint
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APPENDIX TO THE NOTES

CHANGES IN NON-CURRENT ASSETS FOR THE GROUP

as at 30 June 2021, bet-at-home.com AG, Düsseldorf

	At cost			Accumulated depreciation				Carrying amount 31/12/2020		
	Balance at 01/01/2021	Additions	Disposals	Reclassification	Balance at 30/06/2021	Balance at 01/01/2021	Additions		Disposals	Balance at 30/06/2021
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets	3,731,768.62	134,318.96	0.00	-9,510.00	3,856,577.58	2,850,268.60	113,825.04	0.00	2,964,093.64	881,500.02
II. Goodwill	1,369,320.30	0.00	0.00	0.00	1,369,320.30	0.00	0.00	0.00	0.00	1,369,320.30
III. Leased office buildings	4,240,220.81	0.00	0.00	0.00	4,240,220.81	1,741,074.12	435,268.55	0.00	2,176,342.67	2,499,146.69
IV. Property and equipment	8,501,096.03	1,634,007.48	1,936,446.15	9,510.00	8,208,167.36	5,884,560.15	567,813.97	1,907,977.35	4,544,396.77	2,616,535.88
1. Furniture and fixtures, office equipment	8,495,496.03	1,247,907.48	1,936,446.15	380,500.00	8,187,457.36	5,884,560.15	567,813.97	1,907,977.35	4,544,396.77	2,610,935.88
2. Construction in progress	5,600.00	386,100.00	0.00	-370,990.00	20,710.00	0.00	0.00	0.00	0.00	5,600.00
	17,842,405.76	1,768,326.44	1,936,446.15	0.00	17,674,286.05	10,475,902.87	1,116,907.56	1,907,977.35	9,684,833.08	7,989,452.97
										7,366,502.89

CHANGES IN NON-CURRENT ASSETS FOR THE GROUP

as at 30 June 2020, bet-at-home.com AG, Düsseldorf

	Anschaffungs- und Herstellungskosten			kumulierte Abschreibungen						
	Balance at 01/01/2020	Additions	Disposals	Balance at 30/06/2020	Balance at 01/01/2020	Additions	Disposals	Balance at 30/06/2020	Carrying amount 30/06/2020	Carrying amount 31/12/2019
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets	3,579,690.11	147,552.36	0.00	3,727,242.47	2,633,082.16	97,421.35	0.00	2,730,503.51	996,738.96	946,607.95
II. Goodwill	1,369,320.30	0.00	0.00	1,369,320.30	0.00	0.00	0.00	0.00	1,369,320.30	1,369,320.30
III. Leased office buildings	4,240,220.81	0.00	0.00	4,240,220.81	870,537.06	435,268.55	0.00	1,305,805.61	2,934,415.20	3,369,683.75
IV. Property and equipment	7,504,913.52	627,674.88	790.00	8,131,798.40	5,018,640.32	393,430.49	790.00	5,411,280.81	2,720,517.59	2,486,273.20
1. Furniture and fixtures, office equipment	7,458,593.86	139,674.69	790.00	7,597,478.55	5,018,640.32	393,430.49	790.00	5,411,280.81	2,186,197.74	2,439,953.54
2. Construction in progress	46,319.66	488,000.19	0.00	534,319.85	0.00	0.00	0.00	0.00	534,319.85	46,319.66
	16,694,144.74	775,227.24	790.00	17,468,581.98	8,522,259.54	926,120.39	790.00	9,447,589.93	8,020,992.05	8,171,885.20



GROUP MANAGEMENT REPORT TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Report by the
Management
Board

Report by the
Supervisory
Board

The Share

Consolidated
Statement of
Financial Position

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Group
Management
Report

Imprint

GROUP MANAGEMENT REPORT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

bet-at-home.com AG, Düsseldorf

A. ECONOMIC STATUS OF THE GROUP

A.1 BUSINESS MODEL

bet-at-home.com AG group is an online sports betting and gaming company. With 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, poker, games, and virtual sports. The sport betting products alone comprised over 516,000 events in more than 50 types of sport in the first half of 2021. bet-at-home has companies in Germany, Austria, Malta and Gibraltar. The success of the group is partly attributable to our employees; as at 30 June 2021, the group employed 277 staff members.

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

The Group holds various licences via its Maltese companies for online sports betting and gaming. These licences allow the Group to organise and market online sports betting and online casinos in its sales markets in 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 the operating companies in Malta. The company holds its international online sports betting licenses and online gaming licenses for casino, poker, games and virtual sports via bet-at-home.com Holding Ltd., Portomaso, Malta.

Since 2009, bet-at-home.com AG has been a member of the Betclac 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.

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 overall gaming market will develop positively in the long term, with the online segment gaining further in importance. Particularly the penetration of the target group with mobile devices, mobile gaming as innovative sales channel as well as demographic trends and increasing online affinity will become supporting factors. The above opportunities are opposed by the risk of individual countries blocking the products and/or individual product segments of private gaming providers. Individual countries are explicitly planning on implementing such measures, which violate European law.

B.2 BUSINESS TREND

(1) Highlights in the first half of 2021

The gross betting and gaming revenue in the first half of 2021 amounted to EUR 56.8 million, thus 8.8% down year-on-year (1 January to 30 June 2020: EUR 62.3 million). The main reason is the regulatory development in the core market, Germany.

In February 2021, bet-at-home.com AG Group 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 in the first half of 2021 and particularly the UEFA Cup fell short of expectations. Even though the license has brought long-term legal security in the core market, Germany, the impending implementation of monthly online sports betting and online gaming limits that apply to multiple products is expected to lead to further sales losses in Germany in the coming months. The trend in the Online Gaming segment was also below expectations in Germany in the first half of 2021 due to the ban of popular games, such as roulette and blackjack. The attractiveness of the remaining licensed online gaming products is impacted by restrictions and constraints imposed by the authorities.

The EBITDA in the first half of 2021 amounted to EUR 5.4 million (1 January to 30 June 2020: EUR 15.8 million). This decrease was caused by increased marketing expenses, particularly in connection with the UEFA Cup (increase by EUR 3.1 million year-on-year), the recognition of provisions in connection with customer court actions in Austria in the amount of EUR 3.2 million, the discontinuation of the Polish business as at 1 June 2021 due to changes in the law and the decrease in earnings in the Online Gaming segment in Germany.

Taking into consideration the distribution of a dividend in May 2021 in the amount of EUR 17.5 million, and therefore EUR 2.50 per share, which decreased capital, Group equity totalled EUR 34.4 million as at 30 June 2021 (31 December 2020: EUR 50.9 million). The Group's equity ratio was therefore 44.3% (31 December 2020: 53.5%).

As at 30 June 2021, cash and cash equivalents and short-term deposits within bet-at-home.com AG Group totalled EUR 41.8 million (31 December 2020: EUR 56.8 million).

Ongoing innovations on the mobile platforms and apps and the optimisation of the mobile device product portfolio are the main focus of operations. As a result, 69% of the gross betting and gaming revenue was already generated through mobile devices at the end of the first half of 2021.

(2) Human resources and social security

In the first half of 2021, the average number of staff members (excluding the Board) employed by the Group was 281 (1 January to 30 June 2020:290). As at 30 June 2021, the group employed 277 staff members (30 June 2020:288). Targeted personnel development combined with the recruitment of highly qualified professionals form the basis for the Group's continued successful development. Another key component to success is intensive further professional training.

B.3 GROUP SITUATION

The Group further strengthened its position, and in particular that of the bet-at-home brand, in the first half of 2021. This can be measured, in particular, by the number of registered customers increasing to 5.5 million (30 June 2020: 5.3 million) in the first half of 2021.

B.3.1 Earnings position

The gross sports betting revenue (betting volume less customer payouts) amounted to EUR 32.3 million in the first half of 2021, a figure that is significantly up on the previous year, which was severely impacted by the COVID-19 pandemic (1 January to 30 June 2020: EUR 22.3 million).

The gross gaming revenue (gaming volume less customer payouts) decreased by EUR 24.5 million year-on-year due to the restrictions in the online casino segment in Germany (1 January to 30 June 2020: EUR 40.0 million). Online gaming comprises the products Casino, Poker, Games and Virtual Sports.

The gross betting and gaming revenue in the first half of 2021 therefore amounts to EUR 56.8 million and is down year-on-year, as expected (1 January to 30 June 2020: EUR 62.3 million). The gross betting and gaming revenue is a crucial financial performance indicator for the Group.

Taking into consideration betting taxes and gaming levies and the tax payable due to the VAT regulations for electronic service providers, net betting and gaming revenue in the first half of 2021 amounted to EUR 44.3 million (1 January – 30 June 2020: EUR 49.1 million).

In the first half of 2021, the Group's **financial performance** was as follows:

	30/06/2021	30/06/2020
	EUR'000	EUR'000
Gross betting and gaming revenue	56,801	62,307
Net betting and gaming revenue	44,296	49,060
Total operating income	45,261	49,833
EBT (earnings before taxes) *)	4,178	14,866
EBIT (earnings before interest and taxes) **)	4,305	14,916
EBITDA (earnings before interest, taxes, depreciation and amortisation) ***)	5,422	15,842

*) corresponds to profit before income tax as shown in consolidated income statement

**) EBT less finance income (costs) in the consolidated income statement

***) EBIT plus depreciation, amortisation and write-downs as shown in consolidated income statement

The betting fees, betting taxes and gaming levies payable in various countries decreased earnings by EUR 11.9 thousand in the first half of 2021 (1 January to 30 June 2020: EUR 10.9 million). In addition, VAT regulations for electronic service providers decreased earnings by EUR 0.6 thousand (1 January – 30 June 2020: EUR 2.4 million).

Advertising expenses increased in the first half of 2021 to EUR 16.7 million (1 January to 30 June 2020: EUR 13.6 million). Personnel expenses increased marginally in the first half of 2021 to EUR 9.9 million (1 January to 30 June 2020: EUR 9.8 million).

B.3.2 Financial situation

As at 30 June 2021, the **financial situation** was as follows:

	30/06/2021	30/06/2020
	EUR'000	EUR'000
Earnings before taxes	4,178	14,866
Cash flow from current operating activities	4,748	7,160
+ Cash flow from investing activities	-1,740	-775
+ Cash flow from financing activities	-17,978	-419
= Changes in cash and cash equivalents from current Operating, investing and financing activities	-14,969	5,966
+ Cash and cash equivalents at the start of the period	51,807	49,756
= Cash and cash equivalents at the end of the period	36,838	55,722

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.

B.3.3 Net assets

As at 30 June 2021, the Group's **net assets** were as follows:

Assets	30/06/2021	31/12/2020
	EUR'000	EUR'000
Non-current assets	7,989	7,367
Current assets		
Receivables from taxes	21,997	24,806
Own advance payments	2,164	1,428
Other receivables and assets	3,643	4,729
Short-term fixed deposits	5,000	5,000
Cash and cash equivalents	36,838	51,807
	77,632	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).

Equity and liabilities	30/06/2021	31/12/2020
	EUR'000	EUR'000
Group equity	34,417	50,893
Non-current liabilities (liabilities and provisions)	1,495	1,769
Current liabilities (liabilities and provisions)	41,720	42,474
	77,632	95,136

As at 30 June 2021, the equity ratio amounted to 44.3% (31 December 2020: 53.5%).

Non-current liabilities include lease liabilities in the amount of EUR 1,248 thousand (31 December 2020: EUR 1,695 thousand), provisions for employee benefits in the amount of EUR 74 thousand (31 December 2020: EUR 74 thousand) and deferred income in the amount of EUR 173 thousand (31 December 2020: EUR 0 thousand).

Current liabilities include trade payables in the amount of EUR 4,378 thousand (31 December 2020: EUR 4,004 thousand), tax liabilities in the amount of EUR 23,518 thousand (31 December 2020: EUR 27,306 thousand), other provisions in the amount of EUR 4,210 thousand (31 December 2020: EUR 1,419 thousand), liabilities to customers (contractual liabilities in accordance with IFRS 15) in the amount of EUR 6,384 thousand (31 December 2020: EUR 5,908 thousand), lease liabilities in accordance with IFRS 16 in the amount of EUR 886 thousand (31 December 2020: EUR 872 thousand), deferred income in the amount of EUR 53 thousand (31 December 2020: EUR 0 thousand) and other liabilities in the amount of EUR 2,291 thousand (31 December 2020: EUR 2,966 thousand).

Financing measures were not required in the first half of 2021.

C. EVENTS AFTER THE REPORTING DATE

There were no material subsequent events after the end of the first half of 2021.

D. RISKS, OPPORTUNITIES AND FORECAST

D.1 RISKS

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 provisions 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.

D.1.1 Tax and regulatory risks

In the current reporting period, the trend toward the liberalisation of the European sports betting and online gaming markets continued. Since 1 July 2021, for instance, the German market is being opened for the first time to online gaming products.

Based on the various rulings by the Court of Justice of the European Union, the Management Board further assumes that the European markets will continue to liberalise in the future. Numerous national laws and/or draft legislation for foreign providers still contain at times discriminating provisions that continue to shut off the market for national providers and/or 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 regulatory legal uncertainties

Apart from in individual countries whose governments issue their own licenses, bet-at-home.com AG Group bases its activities on online 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. bet-at-home.com AG Group endeavours to reduce the legal uncertainties in the individual EU member countries in which it operates by applying for further licenses.

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.

Individual countries have also initiated provider blocks and/or payment provider blocking measures to suppress betting and gaming offers, meaning that the websites of bet-at-home.com AG Group cannot be reached by potential customers in these countries and/or that cash flows are impeded. Such measures have the potential to damage the Group, even in the very short term, and possible quicker than it takes to defend bet-at-home AG Group against such measures through the legal channels.

The regulatory developments are marked by further efforts to regulate the online sports betting and gaming sector and establish a licensing system for private providers. Developments in the first half of 2021:

- 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 is opened for the first time. Licenses for virtual slot machine games will be issued in the future for all of Germany. The gaming authority in Saxony-Anhalt is responsible for implementing this licensing procedure. 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 is unclear which federal states will implement such issuing process for private online providers such as bet-at-home.

The Group will apply for a Germany-wide virtual slot machine license and, if and when possible, apply for casino games licenses in the federal states. The Management Board welcomes the expected legal certainty with regard to casino products in addition to the existing Germany-wide sports betting licenses.

On 8 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. Due to these transitional regulations, bet-at-home.com Entertainment Ltd. limited its casino products to this effect and implemented constraints such as monthly deposit limits since 15 September 2020. This has created significant losses in the online casino segment in the German core market.

- 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. bet-at-home.com AG Group originally maintained its product portfolio and took legal action against the discriminating provisions. Due to the tougher legal provisions, bet-at-home.com AG Group is currently evaluating to also apply for a sports betting license in Poland. 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.
- 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.

As far back as June 2016, the Swiss financial authorities requested for the Maltese company to register with the national VAT register. 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. The potential risk is 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. is EUR 1.1 million for the period from 2013 to 2016 and EUR 1.9 million for the years since 2017. Provisions were not recognised either for this as at 30 June 2021.

In December 2020, the two Maltese group companies received tax demands for the period from 2013 to 2016 and 2017 respectively against which an appeal was raised with the authorities.

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. The companies of the bet-at-home.com AG Group were involved in further legal proceedings in the first half of 2021:

- In June 2018, the Dutch gaming regulators issued fines in the amount of EUR 410,000 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. They have since been paid.
- In June 2019, the website www.bet-at-home.com in Croatia was blocked. The Group regards itself 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.

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 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 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 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 discussion between the countries regarding the distribution of the global tax substrate is still in full swing at present and will result in other fundamental adjustments to the international taxation of multinational companies – not least due to the BEPS project of the OECD for combating base erosion and profit shifting.

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.

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

Despite this, bet-at-home.com Entertainment Ltd. is exposed to customer request for the reimbursement of online casino gaming losses in Austria. At the end of the first half of 2021, court proceedings with a total disputed value of around EUR 11 million were pending in Austria (31 December 2020: EUR 4.8 million). bet-at-home.com AG Group sees the online casino monopoly of the Austrian gaming regulation as a contravention of European law and therefore regards itself as a legitimate provider. This point of view is continuously being cemented with reports written by renowned experts. Despite this, the lower Austrian courts ruled in favour of customers in the first half of 2021 and agreed to the reimbursement of gaming losses on the grounds of the Group's failure to hold an Austrian gaming license. In contravention of the strict regulations issued by the Court of Justice of the European Union, the Austrian courts currently do not assess the contents regarding the legitimacy of the gaming monopoly, but as a general rule refer to previous supreme

court rulings, whereby supreme courts currently also reject corresponding appeals also by referring to previous supreme court rulings.

Not least because of the necessity derived from the current rulings by the Court of Justice of the European Union (including the “Fluctus et Fluentum” ruling) to perform this check at all times, 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. The legal opinion of bet-at-home.com AG Group, i.e. the illegitimacy of the Austrian monopoly and therefore the legitimacy of its own gaming products, is confirmed by recognised legal professionals and university professors.

As at 30 June 2021, a provision was recognised in the amount of EUR 3.2 million to account for the current ruling habits of the lower courts. This figure also takes into consideration the ancillary legal costs, such as lawyer and court fees. However, the total risk resulting from the legal disputes could continue to have a considerable negative impact on the financial position, financial performance and cash flows of bet-at-home.com AG Group.

The Company is also exposed to legal claims for the reimbursement of online casino gaming losses in Germany. At the end of the first half of 2021, bet-at-home.com AG Group was involved in 11 pending court proceedings with a total disputed value of around EUR million 450,000 million. Provisions were not recognised for this as at 30 June 2021.

Risk of the loss and/or Revocation of licenses

bet-at-home.com AG Group bases its products on various licenses which entitle the bearer to non-discriminatory access to the markets in the EU member countries and the United Kingdom. The licensing authorities in the respective countries regularly check compliance with the licensing regulations. Should deficiencies be found during these checks, the licensing authorities can impose constraints or withdraw the license, if, for instance,

- 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,
- the licensing authority generally decides that there are sufficient grounds for withdrawing the license.

In the first half of 2021, no reservations were voiced regarding compliance with material licensing conditions by the bet-at-home.com AG Group companies and the risk of a withdrawal of licenses therefore continues to be regarded as low. Should such risk occur, the impact on the financial position, financial performance and cash flows would be high.

D.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 back-up 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. Another steep rise in business volume will place increasing demands on the accounting and controlling systems of group companies.

To minimise the IT risks, bet-at-home.com AG Group has personnel structures in the form of an IT Security Officer (CISO) and related IT Security Engineers. 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);
- Risk management and awareness employee training;
- Encryption of confidential data (particularly credit card data and passwords);
- Security of the connections to the user interface of the customers via HTTPS protocol;
- Productive environment protection in the form of a web application firewall, IDS/IPS and fire-wall systems;
- Operating a centrally managed anti-virus software;
- Vulnerability management and monthly vulnerability scans;
- Annual penetration tests within the scope of system audits;
- Monitoring log files using a SIEM (Security Information Event Management);
- Security compliance regarding PCI-DSS, eCogra and established jurisdictions;
- Highly redundant infrastructure / ISO 27001 certified data centre provider.

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 for maintaining its operations decentrally via home working, even past the first half of 2021.

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 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 respective risks and effects on the financial position, financial performance and cash flows are 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, Live-Casino, Poker, Vegas 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.

D.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. Based on the cash and cash equivalents currently available to the Group, the liquidity risk remains low, like in the previous year. Should such risk occur, the impact on the financial position, financial performance and cash flows would be low.

Default risk relating to bank balances must be considered minor as the lending institutions concerned are Arated 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. The effect of a change in the currently low level of interest by 0.5% points would amount to EUR 209 thousand in the first half of 2021 (31 December 2020: 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). In the first half of 2021, material currency risks arose from transactions denominated in Polish zloty, while transactions denominated in other currencies were of minor importance. The Group does not hedge its currency risk. A 10% appreciation (depreciation) in the zloty would have decreased (increased) the profit for the period (and the balance of equity) by around EUR 1 thousand (31 December 2020: EUR 82 thousand). Changes in these risk variables were assessed in relation to the potential for risks inherent in each financial instrument portfolio as at the reporting date.

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.

D.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.

D.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, measured and reported accurately in the consolidated financial statements. The policies also ensure that the accounting documents provide reliable and traceable information.

D.2 OPPORTUNITIES

Within the past 10 years, the European online gaming market recorded the highest growth in the world and is expected to continue growing by 5.4% per annum until 2026. This was again confirmed by various studies by H2 Gambling Capital, most recently in July 2021. According to recent studies, this trend will continue in the wake of broad-based acceptance of ecommerce and the global penetration of mobile applications and demographic trends and help the gambling sector – which does not depend on the state of the economy – on its way to further sustained growth in the years to come.

D.3 OUTLOOK

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

Based on the business trend in the first half of 2021 and in view of the impact of regulatory development in Germany and Poland as described in section D.1 as well as the legal claims for the reimbursement of gaming losses in Austria, and compared with the bandwidth forecast in February 2021, the gross betting and gaming revenue and earnings of bet-at-home.com AG Group in financial year 2021 are presently expected to be as follows:

- Gross betting and gaming revenue: EUR 100 million to EUR 110 million (previously: EUR 106 million to EUR 118 million)
- EBITDA: EUR 8 million to EUR 10 million (previously: EUR 18 million to EUR 22 million)

The Management Board continues not to expect any negative effects from the United Kingdom's exit from the European union (Brexit), particularly as Group companies have licenses in the United Kingdom.

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. EXPLANATION REGARDING THE MANAGEMENT OF BET-AT-HOME.COM AG IN ACCORDANCE WITH SECTION 289F HGB AND THE GROUP IN ACCORDANCE WITH SECTION 315D HGB AS WELL AS THE CORPORATE GOVERNANCE REPORT

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

Düsseldorf, 30 July 2021

Franz Ömer

Michael Quatember

Report by the Management Board	Report by the Supervisory Board	The Share	Consolidated Statement of Financial Position	Consolidated Statement of Income	Consolidated Statement of Cash Flows	Consolidated Statement of changes in equity	Notes to the Consolidated Financial Statements	Group Management Report	Imprint
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DISCLAIMER

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

Imprint

Group
Management
Report

Notes to the
Consolidated
Financial Statements

Consolidated
Statement of
changes in equity

Consolidated
Statement of
Cash Flows

Consolidated
Statement of
Income

Consolidated
Statement of
Financial Position

The Share

Report by the
Supervisory
Board

Report by the
Management
Board

The background of the entire page is a vibrant, abstract composition of splatters and textures. It features a dominant blue color palette, ranging from deep, dark blues to lighter, almost white highlights. Interspersed throughout are numerous splatters of a bright, neon green or lime green color. The overall effect is dynamic and energetic, resembling a paint splatter or a digital glitch effect. The splatters are most concentrated in the upper left and right corners, with some streaks and smaller dots scattered across the rest of the page.

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