

bet-at-home

**INTERIM
FINANCIAL REPORT**

as at 30 June 2023

LIFE IS A GAME!

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CONTENTS

GROUP MANAGEMENT REPORT TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS	3
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION	29
CONSOLIDATED INTERIM STATEMENT OF INCOME	33
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS	37
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY	41
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS	45
IMPRINT	79

Imprint

Notes to
Consolidated
Financial Statements

Consolidated
Statement of
Changes in Equity

Consolidated
Statement of
Cash Flows

Consolidated
Statement of
Income

Consolidated
Statement of
Financial Position

Group
Management
Report

bet-at-home

GROUP MANAGEMENT REPORT TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

GROUP MANAGEMENT REPORT

for the six-month period ended 30 June 2023, bet-at-home.com AG, Düsseldorf

A. ECONOMIC STATUS OF THE GROUP

A.1 BUSINESS MODEL

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

The wide-ranging offerings on bet-at-home websites include sports betting and online casino. In the first half of 2023, the sports betting offer comprised more than 535,000 events on over 55 types of sport and e-sport, including around 475,000 live events. The bet-at-home.com AG Group has companies in Germany, Austria, Malta and Gibraltar. As of 30 June 2023, 100 employees contributed to the Group's performance.

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

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

The bet-at-home.com AG Group structure

bet-at-home.com AG, Düsseldorf, as the parent company, is listed on the Regulated Market of the Frankfurt Stock Exchange in the Prime Standard market segment. All operating activities are carried out exclusively by indirect associates.

bet-at-home.com AG holds 100% of bet-at-home.com Entertainment GmbH. This company, with its registered office in Linz/Austria, is primarily responsible for the continuous transfer of technology within the Group as well as for the further development and maintenance of software created in-house and provides services for other Group companies. The Group holds its international online sports betting licenses and online gaming licenses for casino, poker, games and virtual sports via bet-at-home.com Holding Ltd., which has its registered office in Mosta, Malta.

Since 2009, bet-at-home.com AG has been a member of the Betclik Everest Group SAS, Paris, France, a French group specialising in online gambling and online sports betting, which is in turn part of FL Entertainment, listed on the Amsterdam stock exchange.

A.2 DEVELOPMENT ACTIVITIES AND OUTSOURCING

In the 2022 financial year, bet-at-home.com AG changed its historical approach of extensive in-house development towards an increased outsourcing, due to ever more complex technological requirements and an increased cost pressure in combination with a growing variety and availability of cost-efficient and high-quality commercial industry solutions. In 2022, bet-at-home.com AG concluded an agreement with the renowned software provider EveryMatrix and focused on the development and provision of comprehensive specifications as well as on implementation support and testing of the new platform. In February 2023, after months of preparation, the bet-at-home.com Internet Ltd. Malta-licensed offering was outsourced to EveryMatrix. The outsourcing of the German-licensed offering at www.bet-at-home.de has been delayed, due to a number of complex regulatory requirements and is expected to be completed in the second half of 2023. As soon as the outsourcing of key corporate functions is completed, the technological focus of bet-at-home.com AG Group will be made exclusively on those customer-relevant components that cannot be sourced externally, or only to an insufficient extent. The operational focus will be placed on efficient and effective customer management and marketing.

The outsourcing order volume will be determined by the net gaming revenue generated from online sports betting and is expected to reach a low single-digit million-euro amount per year in the future.

B. BUSINESS REPORT

B.1 OVERALL ECONOMIC AND INDUSTRY SITUATION

In the first half of 2023, the European economy demonstrated its resilience in a challenging global context. Lower energy prices, easing supply constraints and a strong labour market have supported moderate economic growth. According to preliminary estimates of Eurostat, seasonally adjusted GDP increased by 0.3% in the euro area in the second quarter of 2023 compared to the previous quarter and remained stable in the EU. In the first quarter of 2023, GDP was stable in the euro area and grew by 0.2% in the EU.

Inflation remains high and continues to weigh on consumer purchasing power. In July, the ECB decided to raise its three key interest rates by 25 basis points each. According to the estimates of the EU Commission, GDP in the euro area will increase by 0.8% in 2023 and by 1.3% in 2024.

Based on past experience in the bet-at-home.com AG Group's key markets, it can be concluded that business development in the online sports betting and online gaming sector is largely independent of macroeconomic developments in the respective markets. In general, bet-at-home.com AG's business has therefore proven to be resistant to economic crises of the past. In the first half of 2023, no significant effect on gaming behaviour was noticeable despite a higher inflation rate.

The lifting of Covid-19 measures in Europe in 2022 had a positive impact on the land-based gaming market segment, while growth rates in online gaming revenues slowed somewhat year-on-year. H2 Gambling Capital estimates that online gambling revenues will increase by 9% in the 2023 financial year. The commercial potential of particular online gaming markets will in future depend to a large extent on the development of respective national regulatory requirements.

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

B.2 BUSINESS TREND

(1) Highlights in the first half 2023

Following a decline in customer activity in **Germany** in the 2021 financial year, due to the introduction of requirements to get a sports betting licence and a licence for virtual slot machines, the business is now largely stable. The integration into the nationwide LUGAS database with a monthly deposit limit for all providers in Q1 2023 had a slightly negative effect on earnings. Due to a comprehensive comparison of licensed providers by the supervisory authority with participation of the so-called Gambling Council, a practicable, albeit notably limited, betting offer could be ensured in the meantime. By agreement with the authority, however, this can be continuously expanded in the future. Massive restrictions on licensed providers in the area of virtual slot machines, combined with insufficient measures against non-licensed providers, continue to have a significant negative impact on the business performance of the bet-at-home.com AG Group. Given the possibility to increase monthly deposit limits and to apply for gambling (casino) games licences in individual federal states, the Group expects the earnings situation in the casino product segment to improve starting the 2024 financial year. In the end of the 2022 financial year, the Group received a licence for virtual slot games and extended the licence for sports betting until the end of 2027, and thus achieved a high level of legal and planning certainty for all products offered.

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

As announced during the year, the Management Board expects the Group to generate gross betting and gaming revenue in the range of between EUR 50 million and EUR 60 million and EBITDA in the range of between EUR -3 million and EUR 1 million for the 2023 financial year.

(2) Human resources and social security

The average number of employees (excluding the Management Board) in the Group in the first half of 2023 amounted to 101 (1 January to 30 June 2022: 206). As of 30 June 2023, the Group employed 100 staff (1 January to 30 June 2022: 170).

Despite the implementation of two successive restructuring programs in the past 2022 fiscal year, the targeted personnel development of its highly qualified employees remains the basis for the Group's further development. Moreover, intensive professional development is a central cornerstone of human resources management. The personnel reductions and far-reaching internal restructuring have resulted in a stronger focus on key business areas and significantly improved operational efficiency.

B.3 GROUP SITUATION

B.3.1 Earnings position

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

Gross revenue from online sports betting (bets less paid out winnings) from continuing operations in the first half of 2023 amounts to EUR 22.5 million, which is below the previous year's level (1 January to 30 June 2022: EUR 24.3 million).

Gross revenue from online gaming (gaming revenue less paid out winnings) from continuing operations decreased by 0.7 million EUR compared to the previous year's level to EUR 1.7 million (1 January to 30 June 2022: EUR 2.4 million). Online gaming primarily includes slots for the German market.

As a result, gross betting and gaming revenue from continuing operations in the first half of 2023 amounted to EUR 24.2 million and was thus below the previous year's level (1 January to 30 June 2022: EUR 26.7 million), mainly due to the implementation of cross-product and cross-provider deposit limits in Germany starting mid-2022, limitation of the licensed offering compared to the previous year, as well as due to a loss following the migration from the .com platform to EveryMatrix since February 2023. Gross betting and gaming revenue is an important financial performance indicator for the Group.

The betting fees or taxes and gambling levies payable in various countries reduced earnings by EUR 5,362 thousand during the first half of 2023 (1 January to 30 June 2022: EUR 5,799 thousand). In addition, value-added tax regulations for electronically supplied services decreased earnings by EUR 24 thousand (1 January to 30 June 2022: EUR 54 thousand).

Taking into consideration betting taxes and gambling levies and the tax payable due to the VAT regulations for electronically supplied services, net gaming revenue in the first half of 2023 amounted to EUR 18.8 million (1 January to 30 June 2022: EUR 20.8 million).

In the first half of 2023, the Group's **earnings position** was as follows:

	01/01- 30/06/2023	01/01- 30/06/2022
	EUR'000	EUR'000
Gross betting and gaming revenue	24,217	26,661
Net betting and gaming revenue	18,831	20,809
Total operating income	20,176	21,785
EBT (earnings before taxes) *)	2,290	-164
EBIT (earnings before interest and taxes) **)	2,906	-110
EBITDA (earnings before interest, taxes, depreciation and amortisation) ***)	3,783	1,051

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

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

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

Advertising expenses amount to EUR 5,488 thousand in the first half of 2023 (1 January to 30 June 2022: EUR 5,814 thousand). Personnel expenses decreased significantly by EUR 3,006 thousand to EUR 4,684 thousand in the first half of 2023. This decrease in expenses results from the alignment of the cost structure as part of two implemented restructuring programs.

B.3.2 Financial situation

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

As at 30 June 2023, the **financial situation** was as follows:

	30/06/2023	30/06/2022
	EUR'000	EUR'000
Earnings before taxes	2,290	- 164
Cash flows from operating activities	2,676	-8,302
+ Cash flows from investing activities	-146	- 262
+ Cash flows from financing activities	-24	- 796
= Net cash from operating, investing and financing activities	2,507	-9,360
+ Cash and cash equivalents at the beginning of period	35,327	41,989
= Cash and cash equivalents at the end of period	37,834	32,629

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

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

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

B.3.3 Net assets

As of 30 June 2023, **net assets** were as follows:

Assets	30/06/2023	31/12/2022
	EUR'000	EUR'000
Non-current assets	17,911	18,773
Current assets		
Tax receivables	1,394	5,113
Other receivables and assets	2,180	3,449
Cash and cash equivalents	37,834	35,327
	59,319	62,662

The non-current assets item includes receivables in the amount of EUR 9,477 thousand, due from bet-at-home.com Entertainment Ltd. (in liquidation) from various different transactions. Refer to the comments in the notes to the consolidated financial statements (section VI. 2. item 13).

Equity and liabilities	30/06/2023	31/12/2022
	EUR'000	EUR'000
Group equity	30,387	28,949
Non-current liabilities (liabilities and provisions)	11,884	11,792
Current liabilities (liabilities and provisions)	17,048	21,921
	59,319	62,662

The equity ratio as of June 30, 2023 stood at 51.2% (as of December 31, 2022: 46.2%). The increase in equity results from the total consolidated profit for the first half of the year.

Non-current liabilities include liabilities from leases in the amount of EUR 1,529 thousand (as of 31 December 2022: EUR 1,437 thousand), liabilities in the amount of EUR 7,773 thousand (as of 31 December 2022: EUR 7,773 thousand) due to bet-at-home.com Entertainment Ltd. (in liquidation), resulting from ongoing business transactions with this company until 13 May 2022, EUR 2,500 thousand in liabilities from the reconciliation of legal disputes in connection with bet-at-home.com Entertainment Ltd. (in liquidation) (as of 31 December 2022: EUR 2,500 thousand), as well as provisions for employee benefits in the amount of EUR 82 thousand (as of 31 December 2022: EUR 82 thousand).

Current liabilities include other provisions in the amount of EUR 2,529 thousand (as of 31 December 2022: EUR 1,903 thousand), trade payables in amount of 848 thousand (as of 31 December 2022: EUR 1,548 thousand), tax liabilities in the amount of 7,794 thousand (as of 31 December 2022: EUR 11,852 thousand), liabilities to customers (contractual liabilities according to IFRS 15) amounting to EUR 4,086 thousand (as of 31 December 2022: EUR 4,940 thousand), lease obligations according to IFRS 16 amounting to EUR 327 thousand (as of 31 December 2022: EUR 443 thousand) and other liabilities amounting to EUR 1,464 thousand (as of 31 December 2022: EUR 1,235 thousand).

As in the previous year, no financing measures were carried out in the first half of 2023.

B.3.4 Overall evaluation of the Group's situation

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

C. OPPORTUNITY AND RISK REPORT

C.1 RISK REPORT

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

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

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

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

C.1.1 Regulatory and tax risks

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

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

Regulatory environment and risks from existing legal uncertainties

Provided that the bet-at-home.com AG Group cannot rely on a national license, business activities within the European Economic Area are offered on the basis of licenses for online gaming and online sports betting granted in Malta, which, according to the legal opinion of the bet-at-home.com AG Group, apply in all EU states due to the European freedom to provide services and freedom of establishment, as long as the regulations in the respective member state regarding online gambling and online sports betting remain in violation of European law.

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

In the core market of Germany, the Group managed to achieve a high level of legal and planning certainty at the end of the financial year 2022 by obtaining concessions for all products offered. The major regulatory developments were as follows:

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

In the case of traditional gambling (casino) games, such as roulette and blackjack, it is up to individual federal states to decide whether to grant licenses to private providers or to award these licenses exclusively to casinos, with the number of such licenses being linked by law to the number of casinos in respective federal states. As of the end of 2022, the states of Schleswig-Holstein and North Rhine-Westphalia have decided to open up the market for gambling (casino) games, whereby an application was already possible in Schleswig-Holstein in the third quarter of 2022. The Group is considering an application for a concession for gambling (casino) games in North Rhine-Westphalia, subject to the conditions. A Europe-wide tender for the concessions is expected in the first half of 2024.

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

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

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

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

In October 2019, bet-at-home.com Internet Ltd. decided to conditionally register in the national VAT register and submit its financial data. The company achieved that any tax demands from the authority would be suspended until a final court decision. This also applies to the matter described above regarding bet-at-home.com Entertainment Ltd. (in liquidation). The potential risk of bet-at-home.com Internet Ltd. amounts to EUR 1.1 million for the period from 2013 to 2016, and EUR 2.7 million for the years since 2017. No related provisions were recognized as of December 31, 2022 in accordance with IAS 37.

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

- In Malta, a new provision (Bill 55) of the Gambling Act came into force at the end of June 2023. Citing an exception in the EU Enforcement Regulation, foreign court rulings that contradict the Maltese Gambling Act will not be recognised, with reference to Maltese public policy. The Group is reviewing with its Maltese advisors a potential impact of this amendment, in particular in relation to the judicial winding-up proceedings of bet-at-home.com Entertainment Ltd (in liquidation) and the recoverability of the acquired gambling loss receivables from bet-at-home.com Entertainment Ltd (in liquidation) recognised as at 30 June 2023.

Despite progressive regulatory efforts, betting and gaming providers are still exposed to legislative interventions, in particular due to prohibition regulations in the gaming sector, with the focus in the first half of 2023 shifting to recovery requests from customer under civil law. This has affected the companies of the bet-at-home.com AG Group as follows:

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

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

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

- In March 2022, bet-at-home.com Niederlande GmbH applied for a license to offer sports betting and gambling in the Netherlands. The granting of the licence was to be assessed as uncertain, due to a comprehensive exclusion catalogue, and would have been associated with high conditions and implementation costs. After a careful consideration, the Management Board decided in the fourth quarter of 2022 to withdraw the license application and to continue to keep the Dutch market closed.
- In June 2019, the website www.bet-at-home.com was blocked in Croatia. The Group sees the Group company in question as a legitimate provider, especially since the national regulations provide that only stationary licensees may offer sports betting and gambling on the Internet, thus foreign entrepreneurs are discriminated against in violation of European law. Comprehensive appeals have therefore been lodged against the blocking measures. A court decision on this appeal is expected in the second half of 2023.

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

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

Tax risks

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

In recent years, the regulatory environment for the taxation of multinational companies in general, as well as for bet-at-home.com AG Group in particular, has become considerably more complex, particularly with regard to transfer prices, with companies having to drastically increase their

efforts to meet tougher regulatory requirements. The fundamental agreement between states concerning the distribution of the overall tax base will, combined with the pending introduction of a global minimum tax, lead to further fundamental adjustments to the international taxation of multinational companies.

At the same time, however, the certainty that the applied transfer price rates will be accepted by the relevant tax authorities has decreased significantly, particularly as intra-company cross-border transactions are being increasingly investigated by the national tax authorities. The result of these developments are potential tax and interest back payments as well as potential double taxation. In 2020, bet-at-home.com Entertainment GmbH (Austria) entered into a tax ruling with the tax authorities in Austria, which will be evaluated on an annual basis from 2023 onwards to ensure that it is up to date.

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

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

Customer requests for reimbursement of gaming losses

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

Since the beginning of the financial year 2022, customers have been seeking to assert requests for reimbursement of their gambling losses at the online casino, which was offered by bet-at-home.com Entertainment Ltd. (in liquidation), against other Group companies.

In Germany, attempts to request reimbursement of losses from sports betting or online casino up to the term of issuance of respective licences are being made. As of the end of the first half of 2023, 23 legal proceedings with a value in dispute of EUR 1.9 million were pending in Germany. If it can be proven that players were aware of the lack of a national licence, the courts usually rule in favour of a provider. Overall, it can be assumed that the case law is inconsistent. Requests for reimbursement of losses from gambling become increasingly time-barred.

In Austria, seven legal proceedings related to requests for reimbursement of losses with a value in dispute of EUR 4.3 million were pending. Due to the insolvency of bet-at-home.com Entertainment Ltd. (in liquidation), these claims are directed against other group companies and partly

also against the group's executive bodies. Based on the court rulings to date, the Group is confident that it will be able to defend these claims. In Q1 2023, a comprehensive general settlement was also reached with a litigation financier.

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

Risk of the loss and/or Revocation of licenses

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

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

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

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

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

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

C.1.3 Risks from operating activities

Odds management and bookmaker risk

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

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

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

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

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

Technical risks

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

To minimise information security and IT risks, the bet-at-home.com AG Group has personnel structures in the form of a Chief Information Security Officer (CISO) and team. In addition to

implementing individual security measures, this team ensures information security in day-to-day operations, investigates any security incidents, and is responsible for establishing an information security policy by means of awareness training, and focuses on the following measures within the bet-at-home.com AG Group, among others:

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

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

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

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

Compliance risks

Prevention of money laundering and terrorist financing

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

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

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

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

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

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

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

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

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

The limited number of banks willing to cooperate impedes further diversification of business relationships, meaning that the cooperation is focused on a small number of partners with correspondingly high volumes, thus increasing both dependence and default risk. Furthermore, payment service providers assess the online sports betting and online gaming sector as a whole and,

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

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

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

Risks from pandemics, natural disasters or war

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

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

Personnel and employee risk

The further development of the bet-at-home.com AG Group will continue in future to rely heavily on the performance of all employees and managers. With an increasing competition in the market for gambling and betting products, as well as a shortage of skilled workers in the context of ongoing digitalization, there is a growing risk that qualified employees may be poached or that it may not be possible to recruit a sufficient number of suitable new employees. Attractive framework conditions and sufficient prospects for committed employees, as well as ongoing training measures, are intended to successively reduce the personnel and employee risk. The implementation of two successive extensive personnel reduction programs in 2022 led to a significant increase

in the number of employees. Therefore, the responsibility for critical business processes is now carried out by fewer employees. The extensive strategic realignment of the bet-at-home.com AG Group and the implementation of technical integration projects connected with it led to additional work for individual employees. The situation on the labour market remains challenging, due to the overall economic and company-specific situation. This increases the risk that any unforeseen personnel departures cannot be compensated for in a timely manner by internal resources or new external recruits.

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

Deficient performance of external service provider

In order to conduct its operational business, the bet-at-home.com AG Group relies on cooperation with external service providers with relevant expertise and technologies. This mainly affected software products for the casino, games and virtual sports segments, as well as data and voice communication, procurement, installation, development, maintenance and servicing of hardware and software, and payment processing. In the course of the 2023 financial year, further important technology components, in particular the development and operation of the customer and payment platform, as well as the online sports betting product, will be gradually outsourced to external service providers. The outsourcing of the core components is partly associated with a change in the connected third-party providers for ancillary services, or proven third-party providers are being newly integrated. New components and changes in integration give rise to an increased availability and process risk in the short term, which is countered by forward-looking planning and constant exchange with the external service providers. There is a possibility that one or more external service providers will fail to provide their services, or will not do so in a stable or error-free manner, or that their integration will be incorrect.

It is therefore possible that the bet-at-home.com AG Group could find itself unable to meet its own functional and non-functional obligations with respect to end customers properly or to a desired standard, due to errors or defaults on the part of external service providers engaged. In addition, this could lead to restrictions for customers in terms of general system availability or the range of products or payment methods offered, and even to errors in the settlement of gaming winnings, which could have a negative impact on the Group's earnings situation. This is accompanied by an increased risk that system failures or restrictions will not be detected and remedied promptly to the desired standard, as the employees of the bet-at-home.com AG Group have no or only indirect access to the system monitoring of service partners and are therefore dependent on their quality assurance processes for detection and remediation.

The Management Board assumes that essential measures have been taken to minimise these external risks by means of regular system audits, internal reviews and training courses, and ongoing monitoring by the Product Management and Controlling departments. However, the risks in this context will increase as a result of the future outsourcing of further key corporate functions

and their performance by outsourcing partners. The risks are therefore assessed as medium and increased compared with the previous year. Should such a risk materialize, the impact on the financial position, financial performance and cash flows is to be classified as high and thus increased compared with the previous year.

C.1.4 Financial risks

Cash and cash equivalents and liquidity risk

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

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

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

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

Interest rate, currency and exchange rate risks

The interest rate risk associated with investments is considered to be immaterial. Interest rates on bank balances are based on market interest rates depending on the maturities. A possible change in the current interest rate level by 0.5 percentage points would affect the financial result by EUR 189 thousand.

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

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

Counterparty default (credit risk)

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

The receivables from bet-at-home.com Entertainment Ltd. (in liquidation) recognized as of 30 June 2023 are subject to an increased risk of default, as this company is in insolvency proceedings ("winding up by court") and there is currently no certainty as to the amount of the receivables against the estate to be recognized by the liquidator. There is a risk that acquired claims from gambling losses may not be enforceable or may only be enforceable to a limited extent due to applicable or changed Maltese law. The Management Board has addressed the resulting uncertainties in the valuation of the receivable from bet-at-home.com Entertainment Ltd. (in liquidation) by assuming and evaluating various scenarios in the sense of a best possible estimate. If, contrary to expectations, a significantly higher volume of claims against the estate than currently estimated by the Management Board is recognized, this will reduce the quota payment on the claims asserted by the bet-at-home.com AG Group and thus the recovery from these claims. The risk of default on receivables from bet-at-home.com Entertainment Ltd. (in liquidation) is classified as high. Should such a risk materialize, the impact on the financial position, financial performance and cash flows is classified as medium to high.

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

C.1.5 Risk management system

The Group parent's Management Board is responsible for establishing risk management policies. Compliance with these policies is monitored by the managing directors or department heads of the subsidiaries. The basic components of risk management include the general principles of risk prevention, such as the segregation of duties and the dual control principle, for important processes as part of internal controls. Various partially automated procedures using software systems are also applied.

For risk management purposes, for example, credit assessments and risk system checks in the form of credit card checks, payment verifications, and analyses of player behaviour are carried out on an ongoing basis. In addition, controlling activities in the areas of marketing, partner programme, payment systems, and intercompany clearing were further intensified. In order to reduce

legal risks and assess a complex regulatory environment, the company engages reputable external legal advisers.

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

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

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

The internal control and risk management system of the bet-at-home.com AG Group comprises all principles, procedures and measures designed to ensure the effectiveness, efficiency and correctness of financial reporting and compliance with relevant legal requirements. There have been no significant changes since the balance sheet date.

The Management Board of bet-at-home.com AG is responsible for the internal control and risk management system required for protecting against risks, as well as designs and monitors the scope and focus of the systems in place based on specific requirements within the Group. Process-integrated and process-independent monitoring measures form the elements of the internal monitoring system.

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

C.2 OPPORTUNITIES REPORT

Within the last ten years, the European market for online gaming achieved a significant growth world-wide and is expected to continue to grow by approximately 7% per year until 2027. This was stated in various studies by H2 Gambling Capital, most recently in December 2022. According to the studies, this trend is expected to continue, primarily due to a broader acceptance of e-commerce and a global penetration of mobile applications as well as demographic trends, and to help the gambling sector, which is not dependent on economic cycles, to achieve further sustainable growth in the following years.

C.3 FORECAST REPORT

In the 2023 financial year, the focus on the key markets, implementation of the strategic reorientation towards increased outsourcing and the corresponding adjustment of key business processes will be the key focus areas of the operating activities.

The bet-at-home.com AG Group intends to broadly complete the technological transformation in the 2023 financial year and to have key corporate functions carried out by outsourcing partners from then on. In this regard, in the first half of 2023, the Malta-licensed offering of bet-at-home.com Internet Ltd. (".com domain") was successfully outsourced to the renowned iGaming software of the provider EveryMatrix. The outsourcing of the Germany-licensed offering at www.bet-at-home.de is expected to take place in the course of the second half of the year. The reduction in internal complexity and the need for resources associated with the increased outsourcing has already had a positive effect on the earnings position of the bet-at-home.com AG Group in the first half of this year and will continue to form a basis for a lean and cost-efficient structure in the future.

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

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

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

The increased dominance of sports betting products in the product portfolio and its dependence on a sports event calendar will lead to magnified seasonal differences. This is particularly the case as there is no major off-season sports events, which can impact the sales. The marketing focus will be placed on the start of the 2023/24 football season.

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

The Management Board expects a stable regulatory development in the core market of Germany, whereby the main focus of the regulatory adjustments in the second half of the year will be on the implementation of legal requirements with regard to the storage of relevant transactions in

the Safe Server, which is seen as necessary by the authorities. The Management Board intends to further expand the company's strong market position in the sports betting sector in the core market of Austria, in particular through a targeted marketing.

The Management Board expects an increase in market shares in the existing core markets, due to a more attractive product experience, resulting from a redesign of the platform and the company's sports betting products, as well as focused internal capacities on marketing and customer relations management. National licenses will continue to gain importance in the EU member states and contribute to corresponding legal certainty. The concrete form of future regulatory requirements, especially in the core market of Germany, will largely determine the extent to which the online gaming market is channelled to licensed providers and thus the business potential of the bet-at-home.com AG Group.

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

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

D. 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.

E. FINAL PROVISION IN ACCORDANCE WITH § 312 PARA. 3 AKTG

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

Düsseldorf, 24 September 2023

Marco Falchetto

bet-at-home

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

Group
Management
Report

Consolidated
Statement of
Financial Position

Consolidated
Statement of Income

Consolidated
Statement of
Cash Flows

Consolidated
Statement of
Changes in Equity

Notes to
Consolidated
Financial Statements

Imprint

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

as at 30 June 2023, bet-at-home.com AG, Düsseldorf

ASSETS

		Note	30/06/2023	31/12/2022
		No.	EUR'000	EUR'000
A.	Non-current assets			
1.	Intangible assets	(9)	818	976
2.	Goodwill	(10)	1,369	1,369
3.	Leased office buildings	(11)	1,829	1,865
4.	Property and equipment	(12)	1,809	2,347
5.	Other receivables and assets	(13)	10,233	9,943
6.	Deferred tax assets	(14)	1,851	2,272
			17,911	18,773
B.	Current assets			
1.	Receivables from taxes	(15)	1,394	5,113
2.	Other receivables and assets	(16)	2,180	3,449
3.	Cash and cash equivalents	(17)	37,834	35,327
			41,408	43,889
Total assets			59,319	62,662

EQUITY & LIABILITIES

		Note	30/06/2023	31/12/2022
		No.	EUR'000	EUR'000
A.	Equity			
1.	Share capital	(18)	7,018	7,018
2.	Capital reserves	(18)	7,366	7,366
3.	Total comprehensive income	(18)	16,003	14,565
			30,387	28,949
B.	Non-current liabilities			
1.	Provisions for employee benefits	(19)	82	82
2.	Lease liabilities	(19)	1,529	1,437
3.	Other liabilities	(19)	10,273	10,273
			11,884	11,792
C.	Current liabilities			
1.	Short-term provisions	(20)	2,529	1,903
2.	Trade payables	(21)	848	1,548
3.	Liabilities from taxes	(22)	7,794	11,852
4.	Customer payables	(23)	4,086	4,940
5.	Lease liabilities	(24)	327	443
6.	Other liabilities	(25)	1,464	1,235
			17,048	21,921
Total equity and liabilities			59,319	62,662

bet-at-home

CONSOLIDATED INTERIM STATEMENT OF INCOME

Group
Management
Report

Consolidated
Statement of
Financial Position

**Consolidated
Statement of Income**

Consolidated
Statement of
Cash Flows

Consolidated
Statement of
Changes in Equity

Notes to
Consolidated
Financial Statements

Imprint

CONSOLIDATED INTERIM STATEMENT OF INCOME

for the period from 1 January to 30 June 2023, bet-at-home.com AG, Düsseldorf

	Note	01/01- 30/06/2023	01/01- 30/06/2022
	No.	EUR'000	EUR'000
Continuing operations			
Gross betting and gaming revenue	(1)	24,217	26,661
Betting fees and gaming levies	(1)	-5,362	-5,799
VAT on electronic services	(1)	-24	-53
Net gaming revenue		18,831	20,809
Other operating income	(2)	1,346	976
Total operating income		20,176	21,785
Personnel expenses	(3)	-4,684	-7,691
Advertising expenses	(4)	-5,488	-5,814
Other operating expenses	(4)	-6,221	-7,229
Earnings before interest, taxes and depreciation		3,783	1,051
Depreciation and amortisation	(5)	-877	-1,161
Earnings before interest and taxes		2,906	-110
Finance income/expense	(6)	-616	-54
Earnings before taxes		2,290	-164
Income tax expense	(7)	-852	-562
Earnings from continuing operations		1,438	-725
Discontinued operations			
Result from discontinued operations	(8)	0	11,356
Consolidated net result Total		1,438	10,631
Profit carried forward from the previous year		14,565	27,251
Dividends		0	0
Consolidated net profit		16,003	37,881

Earnings per share total in EUR	(rounded)	(rounded)
Basic earnings per share in EUR	0.20	1.51
Diluted earnings per share in EUR	0.20	1.51
Earnings per share from continued operations in EUR		
Basic earnings per share in EUR	0.20	-0.10
Diluted earnings per share in EUR	0.20	-0.10
Earnings per share from discontinued operations in EUR		
Basic earnings per share in EUR	0.00	1.62
Diluted earnings per share in EUR	0.00	1.62

IFRS – CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January to 30 June 2023, bet-at-home.com AG, Düsseldorf

	01/01- 30/06/2023	01/01- 30/06/2022
	EUR'000	EUR'000
Consolidated net result total	1,438	10,631
Items that are potentially reclassifiable to profit or loss subsequently	0	0
Items that are potentially not reclassifiable to profit or loss subsequently	0	0
Other comprehensive income	0	0
Comprehensive income	1,438	10,631

Imprint

Notes to
Consolidated
Financial Statements

Consolidated
Statement of
Changes in Equity

Consolidated
Statement of
Cash Flows

Consolidated
Statement of
Income

Consolidated
Statement of
Financial Position

Group
Management
Report

bet-at-home

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

Group
Management
Report

Consolidated
Statement of
Financial Position

Consolidated
Statement of Income

Consolidated
Statement of
Cash Flows

Consolidated
Statement of
Changes in Equity

Notes to
Consolidated
Financial Statements

Imprint

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

for the six-month period ended 30 June 2023, bet-at-home.com AG, Düsseldorf

	Note	30/06/2023	30/06/2022
	No.	EUR'000	EUR'000
Earnings before taxes (EBT)		2,290	-164
+ Result from discontinued operations	(8)	0	11,356
+ Depreciation of non-current assets	(5)	877	1,161
+/- Increase/decrease in provisions		626	-999
-/+ Increase/decrease in trade and other receivables not attributable to investing or financing activities		1,399	-6,376
+/- Increase/decrease in trade and other payables not attributable to investing or financing activities		-1,325	1,637
+/- Increase/decrease in assets held for closure	(18)	0	12,830
+/- Increase/decrease in liabilities in connection with assets held for closure	(27)	0	-27,322
+ Income tax expense		-852	-562
-/+ Payments/reimbursements for income taxes		-339	136
= Cash flows from operating activities		2,676	-8,302
- Acquisition of assets (excluding investments)		-146	-262
= Cash flows from investing activities		-146	-262
- Redemption of lease liabilities		-24	-796
- Payments to shareholders (dividends)		0	0
= Cash flows from financing activities		-24	-796
= Net cash from operating, investing and financing activities		2,507	-9,360
+ Cash and cash equivalents as at 1 January		35,327	41,989
= Cash and cash equivalents as at 30 June	(17)	37,834	32,629

Imprint

Notes to Consolidated Financial Statements

Consolidated Statement of Changes in Equity

Consolidated Statement of Cash Flows

Consolidated Statement of Income

Consolidated Statement of Financial Position

Group Management Report

bet-at-home

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

Group
Management
Report

Consolidated
Statement of
Financial Position

Consolidated
Statement of Income

Consolidated
Statement of
Cash Flows

**Consolidated
Statement of
Changes in Equity**

Notes to
Consolidated
Financial Statements

Imprint

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 30 June 2023, bet-at-home.com AG, Düsseldorf

	Share capital	Capital reserves	Total com-prehensive income	Total equity
	EUR'000	EUR'000	EUR'000	EUR'000
As at 01/01/2022	7,018	7,366	2,658	17,042
Dividend distribution	0	0	0	0
Consolidated net result total	0	0	10,631	10,631
As at 30/06/2022	7,018	7,366	13,289	27,673

	Share capital	Capital reserves	Total com-prehensive income	Total equity
	EUR'000	EUR'000	EUR'000	EUR'000
As at 01/01/2023	7,018	7,366	14,565	28,949
Dividend distribution	0	0	0	0
Consolidated net result total	0	0	1,438	1,438
As at 30/06/2023	7,018	7,366	16,003	30,387

Imprint

Notes to Consolidated Financial Statements

Consolidated Statement of Changes in Equity

Consolidated Statement of Cash Flows

Consolidated Statement of Income

Consolidated Statement of Financial Position

Group Management Report

bet-at-home

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Group
Management
Report

Consolidated
Statement of
Financial Position

Consolidated
Statement of Income

Consolidated
Statement of
Cash Flows

Consolidated
Statement of
Changes in Equity

Notes to
Consolidated
Financial Statements

Imprint

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2023, bet-at-home.com AG, Düsseldorf

I. GENERAL DISCLOSURES AND ACCOUNTING PRINCIPLES

bet-at-home.com AG, based in Düsseldorf (Tersteegenstrasse 30) and registered at Düsseldorf District Court under file number HRB 52673 (as holding company), prepared its interim consolidated financial statements as at 30 June 2023 in accordance with international accounting standards.

The interim consolidated financial statements for the six-month period ended 30 June 2023 of bet-at-home.com AG have been prepared in accordance with the current International Financial Reporting Standards (IFRS) applicable within the European Union.

The Group Management Report for the six-month period ended 30 June 2023 was prepared in accordance with the provisions of the German Commercial Code [HGB].

These interim consolidated financial statements were prepared using the same accounting policies as applied to the previous year's financial statements as at 31 December 2022.

The following standards/amendments to standards have already been published, but were not yet mandatory for the interim consolidated financial statements for the six-month period ended 30 June 2023:

Standard	Content	Issued in	Date of EU endorsement	Mandatory for reporting periods beginning on or after
Standards				
Amendments				
IAS 1	Classification of liabilities as non-current and current Disclosure of accounting methods	Jan 2020 Feb 2021	Mar 2022	01/01/2024
IAS 1	Classification of non-current liabilities with covenants	Oct 22	open	01/01/2024
IFRS 16	Lease Liability Sale & Lease back	Sep 22	open	01/01/2024
IAS 7 / IFRS 7	Supplier Finance Arrangements	May 23	open	01/01/2024

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, no voluntary early application of this standard was applied during the year.

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

The interim consolidated financial statements have been prepared in EUR 1,000 EUR (EUR thousand). Totals in amounts and percentages are subject to rounding differences.

The interim consolidated income statement has been prepared in accordance with the nature of expense method. Where relevant for understanding the company's results, subtotals have been provided and additional line items have been presented in the interim consolidated income statement.

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 smallest group of associated companies, which include bet-at-home.com AG's consolidated financial statements. FL Entertainment N.V., Netherlands, is the ultimate parent company of Betclik Everest Group SAS, Paris/France, and prepares consolidated financial statements for the largest group of affiliated companies.

Due to the lack of positive forecasts for continued business, insolvency proceedings (winding up by the court) were initiated on 23 December 2021 against bet-at-home.com Entertainment Ltd., St. Julian's, Malta. At the hearing on May 13, 2022, the judicial winding up proceedings were confirmed by the Maltese court. Reference is made to the information provided in Section V "Discontinued Operations (IFRS 5)" of the consolidated financial statements for detailed representations concerning the discontinued operations "Online Casino in Austria".

II. CONSOLIDATED GROUP

General information

The 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 six subsidiaries (second-tier subsidiaries of bet-at-home.com AG) in which bet-at-home.com Entertainment GmbH holds majority 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 second-tier subsidiaries were fully consolidated in the 2023 financial year:

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

There are no non-controlling interests in group equity. The 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 the scope of consolidation in the first half of 2023.

III. BASIS OF CONSOLIDATION

All financial statements included in the interim consolidated financial statements were prepared in accordance with the same accounting policies. The separate financial statements of consolidated domestic and international entities and the financial statements of bet-at-home.com Entertainment GmbH (Austria) were all prepared as at the group reporting date and consolidated in accordance with International Financial Reporting Standards, as adopted by the European Union, on the basis of a fictitious legal entity. The interim consolidated financial statements as at 30 June 2023 were not 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 subgroup accounts of bet-at-home.com Entertainment GmbH (Austria) 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.

As of December 31, 2005, the subgroup financial statements of bet-at-home.com Entertainment GmbH (Austria) were included in the consolidated financial statements of bet-at-home.com AG

for the first time. At this date all assets, provisions and liabilities of the subgroup financial statements were revalued. Consolidation was therefore performed using the revalued equity of the sub-group. The initial consolidation resulted in goodwill of EUR 1,052 thousand.

In the case of Jonsden Properties Ltd., which was included in the subgroup accounts of bet-at-home.com Entertainment GmbH (Austria) for the first time in 2008, the excess of EUR 2,000 identified upon initial consolidation, due to the cost of acquisition exceeding the fair value of the net identifiable assets acquired, was recognised as goodwill and written down in full as an impairment loss in the same year.

For the companies Entertainment Beteiligungsholding GmbH and bet-at-home.com Niederlande GmbH (both Linz, Austria), which were included in the consolidated financial statements for the first time in 2022, no goodwill arose in the course of capital consolidation.

Trade receivables, loans and other receivables are offset against the corresponding payables and provisions during the elimination of intercompany payables and receivables of entities included in the consolidated financial statements. As part of the consolidation of intercompany revenues and expenses, revenues from intercompany trade receivables were eliminated against expenses from intercompany trade payables. Any significant gains and losses on intercompany transactions during the six-month period were eliminated against each other. Discounts and other entries affecting only profit or loss were eliminated from the consolidated financial statements. These principles relating to the consolidation of debt and earnings were partially breached for the presentation of continued or discontinued operations to allow for a presentation of the financial position, financial performance and cash flows corresponding to actual circumstances (economic perspective).

IV. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates and assumptions

The preparation of interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts in the consolidated financial statements and disclosures in the notes to the consolidated financial statements. 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.

Information about critical judgements in applying accounting policies (IFRS) that have the most significant effect on the amounts recognised in the consolidated financial statements, and estimation uncertainties that may bear the risk of requiring a material adjustment of recognised assets and liabilities in subsequent financial years, are as follows:

- Estimating the likelihood of the outcome of pending civil-law and administrative proceedings and changes in the regulatory environment.
- Assessment of the further course and possible effects of the liquidation proceedings of bet-at-home.com Entertainment Ltd. (in liquidation), St. Julian's, Malta.
- Assessment of the recoveries from the liquidation proceedings and thus the valuation of the receivables of the Group companies due from bet-at-home.com Entertainment Ltd. (in liquidation), St. Julian's, Malta, which are to be serviced from its assets.
- Goodwill, the customer base and software was tested for impairment based on the expected future cash flows and interest rates.
- Estimation of the term of leases in accordance with IFRS 16 and the assessment of the exercise of existing extension and termination options, in addition to the determination of the term and the discount rate used, each have an influence on the respective amount of the rights of use and the lease liabilities.
- Capitalisation and measurement of deferred taxes depends on the assessment of whether it is probable that future taxable profit will be available, against which deductible temporary differences or the loss carryforward can be utilised.

Intangible assets and property, plant and equipment

Acquired intangible assets and office equipment are measured at cost less any accumulated amortisation/depreciation and write-downs.

No internally produced intangible assets are capitalised. The development costs incurred in 2022 and in the first half of 2023 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 depreciation and amortisation rates were used for estimating the useful lives of assets:

	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. 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.

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.

With the exception of goodwill, there are no intangible assets with indefinite useful lives.

Goodwill

Goodwill has an indefinite useful life and is not amortised, but tested annually for impairment instead (so-called "impairment-only" approach). An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. 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

Leased office buildings under lease agreements (IFRS 16) are initially recognised at the present value of the leasing liabilities. 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 Düsseldorf, 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. In the financial year 2022, there were changes in the office space in Linz due to restructuring. The reassessment of the term of the remaining leases made by the management in the course of this assumes a subsequent term of five years.

The estimate of the term of lease agreements according to IFRS 16 is based on the binding minimum term of the lease agreement and the estimate of the exercising of existing extension and termination options. The determination of the term and the discount rates applied have an influence on the rights of use and leasing liabilities.

The borrowing rate is determined on an individual basis for separate companies using a comparative interest rate that the company would have to pay if the assets were acquired using borrowed funds. The average weighted interest rate stands unchanged at 3.0% or 4.0%, and will be at 6.0% in the future regarding the reassessment made (IFRS 16).

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, cash equivalents

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. The valuation is carried out at amortised cost.

Receivables and other assets

According to IFRS 9, receivables and other assets are generally to be allocated to the category "Evaluated at amortised cost" less any impairment losses. This does not apply to receivables due from bet-at-home.com Entertainment Ltd. (in liquidation), which were acquired during the liquidation phase. These receivables are to be measured at the respective expected recovery, whereby the difference between the acquisition cost and the nominal value of these receivables corresponds to the expected lifetime credit loss at the time the receivable was acquired. This expected lifetime credit loss is reviewed on an ongoing basis and any change is recognised in the consolidated income statement. The valuation method applied is in line with the "Level 3 method" of the fair value hierarchy according to IFRS 13. With the exception of the receivables due from bet-at-home.com Entertainment Ltd. (in liquidation), there is no credit risk. The other debtors with impeccable credit ratings are generally financial institutions and comparable institutions where no significant defaults have been recorded in the past and are not expected in the future.

Insofar as the receivables are classified as long-term (> 12 months) from the perspective of the balance sheet date, they are discounted at an interest rate with matching maturities and appropriate to the market.

Provisions for severance pay (redundancy pay)

Due to 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 calculation in accordance with IAS 19 "Employee benefits" for the consolidated financial statements for the period ended December 31, 2022 and the value was recognised in income accordingly.

As the anticipated actuarial gains and losses pertain to one employee only, they are also expected to be low in the future. The actuarial gains and losses are therefore stated in personnel expenses. The interest cost and employee service cost remain included in the personnel expenses and are not presented in net finance income (costs).

Other provisions

Other provisions are recognised for current, legal or actual obligations stemming from past events, which are likely to lead to an outflow of resources and whose level can be reliably estimated (IAS 37.14). Their level corresponds to the present value of expected future outflows of funds and they are charged to the operative expenses of the functional area concerned. If the scope of the obligation is reduced as the result of an amended estimate, the provision will be partially dissolved and the income recognised by the functional area that was originally charged for the formation of the provision. When a reasonable estimate is not possible, no provision is recognised but this is disclosed in the notes to the consolidated financial statements instead.

Provisions for legal disputes are formed for legal risks in accordance with the criteria of IAS 37. Legal disputes and other legal proceedings often open up complex issues and are associated with many uncertainties and difficulties, due for example to the matter in hand and the circumstances around each individual case, the court dealing with the dispute and difference between in applicable law. The results of pending or future proceeding can generally not be predicted.

In the case of pending or future legal proceedings, the information available to the legal department of the bet-at-home.com AG group is used in consultation with lawyers and consultants working for the company to check whether and to what extent accounting provisions need to be made. A provision for legal disputes is recognised if it can be reasonably assumed that one of these proceedings is likely to lead to outflows of funds that can already be reliably measured. These provisions cover the estimated payments to suing customers, court and procedural costs and legal and consultancy fees. The existence of a current obligation or likelihood of a potential outflow of resources from pending or future legal proceedings can sometimes not be reliably estimated. Information on the status of significant “legal risks” and the associated contingent liabilities is provided in the summarised management report (“C.1 Risk Report”).

Trade payables

Trade payables are recognised at the settlement amount.

Revenue recognition

bet-at-home.com AG Group generates its income 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 income from bets and/or wagers placed by customers and

pay-outs to customers is initially recognised as gross betting and gaming revenue. The net gambling and gaming revenue recognised in the consolidated income statement is the amount left after deducting betting fees and gambling 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 2022 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 made in previous years.

Deferred tax assets relating to losses carried forward are taken into account if it is likely that they can be offset against taxable income during the planning period.

Deferred taxes are determined in accordance with IAS 12 "Income tax" 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% (24% from 2023 and 23% from 2024) for Austria and about 5% for Malta (taking tax refunds into account), respectively.

Net finance income (costs)

The financial result includes interest and similar income received from the investment of financial resources as well as interest expenses in accordance with IFRS 16, negative interest and interest expenses from the discounting of long-term receivables (> 12 months). Interest is recognised on an accrual basis.

V. DISCONTINUED OPERATION (IFRS 5)

A discontinued operation is a part of the group's business whose operations and associated cash flow can be clearly distinguished from the rest of the group and which

- represents a separate, significant line of business or geographical operation,
- is part of an individual, defined plan to assign a separate, significant line of business or geographical operation or
- represents a subsidiary which has been acquired solely for the purpose of being resold.

An operation is classified as being discontinued upon assignment or as soon as the operation fulfils the criteria for classification as being held for sale if this occurs at an earlier date.

If an operation is classified as being discontinued, the statement of comprehensive income for the reference year is revised as if the operation had been discontinued from the start of the reference year.

Discontinuation of Austrian online casino operations

On 18 October 2021, the group announced that it was going to temporarily remove the online casino in Austria, as bet-at-home.com Entertainment Ltd. (in liquidation) in Austria is facing increasing claims from customers for reimbursement of gaming losses from the online casino. Although the bet-at-home.com AG group assumes that its action is lawful under European law and that the claims are inadmissible under civil law, by continuing to offer the online casino in Austria pending legal clarification of the matter, it would have faced a steadily growing potential risk over an unforeseeable period, which overall seems unacceptable.

As it was not foreseeable at the end of the 2021 financial year whether the online casino could be made available again in Austria in the near future, it was not possible to maintain the business of the Maltese bet-at-home.com Entertainment Ltd. (in liquidation) (the group company whose main operation at this time was the running of the online casino in Austria). As a result of the decision to end online gaming activities in Austria, which were offered by the Maltese bet-at-home.com Entertainment Ltd. (in liquidation), these activities are recognised as discontinued activities according to IFRS 5.

Due to a lack of positive forecasts for continued business, court proceedings (winding up by the court) were initiated on 23 December 2021 against bet-at-home.com Entertainment Ltd. (in liquidation), in particular as this company was no longer in position to meet its liabilities with existing or independently generated resources. At the hearing on May 13, 2022, the judicial winding-up proceedings were confirmed by the Maltese court and an official liquidator was appointed. The next hearing is scheduled for October 2023.

Deconsolidation of bet-at-home.com Entertainment Ltd., Malta (in liquidation)

According to IFRS 10.7, an entity must be included in the consolidated financial statements of the parent company if it is directly or indirectly controlled by the parent company. The control results from the following three elements, which must be cumulatively fulfilled:

- Control: rights that currently give the power to direct the relevant activities of the other entity,
- Rights to variable returns from the controlled entity, and
- Ability to influence those returns through the exercise of power.

As a result of the winding up by the court of bet-at-home.com Entertainment Ltd. (in liquidation) and the appointment of a liquidator at the hearing on May 13, 2022, the Group has no longer sufficient control over the company, which therefore had to be deconsolidated from the consolidated financial statements as at that date in accordance with IFRS 10.25. Consequently, in the 2023 financial year, there will no longer be a result from the discontinued operation, which is why the figures are limited to the previous year's values.

Receivables from and liabilities to bet-at-home.com Entertainment Ltd. (in liquidation), which was fully consolidated until May 13, 2022, from intragroup transactions and receivables from bet-at-home.com Entertainment Ltd. (in liquidation), which were acquired during the liquidation phase, remain in the consolidated balance sheet as of 30 June 2023. While the net carrying amounts of these receivables due from bet-at-home.com Entertainment Ltd. (in liquidation) totalled EUR 9,477 thousand as of 30 June 2023, the net carrying amounts of liabilities to bet-at-home.com Entertainment Ltd. (in liquidation) totalled EUR 7,773 thousand as of 30 June 2023 (see Notes 13 and 19).

Results from the discontinued operation

	01/01- 30/06/2023	01/01- 30/06/2022
	EUR'000	EUR'000
Gross betting and gaming revenue	0	45
Betting fees and gambling levies	0	0
VAT on electronic services	0	-1
Net betting and gaming revenue	0	44
Other operating income	0	25
Results from operating activities	0	69
Personnel expenses	0	-22
Advertising expenses	0	-1
Other operating expenses	0	-1,793
Earnings before interest, taxes and depreciation	0	-1,747
Depreciation, amortisation and write-downs	0	0
Earnings before interest and taxes	0	-1,747
Net finance costs	0	-4
Earnings before taxes	0	-1,751
Income taxes	0	0
Results from discontinued operation	0	-1,751
Deconsolidation of BAH Entertainment Ltd.	0	13,107
Results from discontinued operation total	0	11,356

VI. DISCLOSURES AND NOTES ON THE INTERIM CONSOLIDATED INCOME STATEMENT, CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONSOLIDATED STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The following sections provide additional information on items of the interim 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 consolidated financial statements of bet-at-home.com AG as of 31 December 2022 and the interim consolidated financial statements of bet-at-home.com AG as of 30 June 2022.

VI.1. COMMENTS ON ITEMS OF THE CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

The interim 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.

bet-at-home operates in the product and operating segments Sports Betting and Online Gaming. In the first half of 2023, the Online Gaming segment comprised casino, 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

30/06/2023	Operating segments		Group total
	Online sport bets	Online gaming (casino, games, virtual sports)	
	EUR'000	EUR'000	
Betting and gaming volume	178,002	20,926	198,928
Paid out winnings	-155,603	-19,107	-174,711
Gross betting and gaming revenue	22,398	1,819	24,217
Betting fees and gambling levies	-4,411	-951	-5,362
VAT recognised in profit and loss	-24	0	-24
Net betting and gaming revenue	17,963	867	18,831

30/06/2022	Operating segments		Group total
	Online sport bets	Online gaming (casino, games, virtual sports)	
	EUR'000	EUR'000	
Betting and gaming volume	202,424	39,007	241,431
Paid out winnings	-178,131	-36,639	-214,770
Gross betting and gaming revenue	24,293	2,368	26,661
Betting fees and gambling levies	-4,577	-1,222	-5,799
VAT recognised in profit and loss	-53	0	-53
Net betting and gaming revenue	19,663	1,146	20,809

Segment reporting – supplementary information

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

	01/01-30/06/2023		01/01-30/06/2022	
	EUR'000	%	EUR'000	%
Germany	88,068	44%	90,346	37%
Eastern Europe	20,780	10%	23,955	10%
Austria and the rest of Western Europe	90,079	45%	127,131	53%
	198,928	100%	241,432	100%

In the 2021 financial year, countries with similar markets were grouped together by region.

(2) Other operating income

	01/01-30/06/2023	01/01-30/06/2022
	EUR'000	EUR'000
Exchange rate gains	141	84
Income from the release of provisions	131	548
Other	1,074	344
	1,346	976

The item "Other" mainly comprises reversals of impairment losses on receivables from the former Group company bet-at-home.com Entertainment Ltd. (in liquidation) (Malta)

(3) Personnel expenses

Breakdown of personnel expenses:

	30/06/2023	30/06/2022
	EUR'000	EUR'000
Salaries	3,837	6,049
Expenses for severance (redundancy) pay and company pension plan contributions	45	84
Expenses for statutory social contributions and pay-based levies and statutory contributions	776	1,523
Other social contributions	27	35
	4,684	7,691

Expenses for severance (redundancy) and contributions to company pension plans include payments totalling EUR 45 thousand (1 January to 30 June 2022: EUR 84 thousand) under the Austrian Act on Benefits (New Severance Pay Scheme) for Employees and Self-Employed Persons [BMSVG "Abfertigung neu"].

Changes in staffing were as follows:

	Reporting date		Average	
	30/06/2023	30/06/2022	01/01-30/06/2023	01/01-30/06/2022
Employees	100	170	101	206
Management Board of the parent company and managing directors of bet-at-home.com Entertainment GmbH	1	1	1	1

(4) Advertising and other operating expenses

These expenses include the following items:

	30/06/2023	30/06/2022
	EUR'000	EUR'000
Advertising expenses		
Advertising costs	3,434	3,053
Bonuses and vouchers	1,968	1,639
Sponsoring	85	1,121
	5,488	5,814

	30/06/2023	30/06/2022
	EUR'000	EUR'000
Other operating expenses		
Additional transaction costs	1,504	1,538
Software provider expenses	134	201
Information services and software maintenance	1,653	1,649
Legal, audit and advisory fees	705	1,730
Additions to provisions for impairment losses on receivables, loan losses and claims	65	444
Exchange rate differences and similar expenses	185	106
Costs for the preparation of financial statements, general meeting of shareholders and stock exchange costs	245	143
Supervisory Board compensation	20	20
Other costs	1,710	1,399
	6,221	7,229

The item "Other costs" mainly includes expenses in connection with customer requests for reimbursement of gambling losses (EUR 460 thousand), expenses from settlement of legal disputes in connection with bet-at-home.com Entertainment Ltd. (in liquidation) amounting to EUR 125 thousand as well as other items (including other fees and charges, insurance, hosting costs, etc.).

(5) Depreciation, amortisation and write-downs

	30/06/2023	30/06/2022
	EUR'000	EUR'000
Amortisation and write-downs of intangible assets	181	191
Write-down of leased office building	208	421
Depreciation and write-downs of property, plant and equipment	443	497
Write-downs of low-value assets	45	53
	877	1,161

(6) Net finance income (costs)

	30/06/2023	30/06/2022
	EUR'000	EUR'000
Finance income		
Interest receivable and similar income	4	1
Finance costs		
Interest expenses from lease agreements	-13	-23
Other financial expenses	-606	-32
	-616	-54

Other financial expenses mainly relate to the interest expense from discounting long-term receivables (> 12 months).

(7) Taxes on income

This item can be presented as follows:

	30/06/2023	30/06/2022
	EUR'000	EUR'000
Current income taxes for the year under review, Austrian subgroup	587	439
Expense from deferred taxes	369	121
Tax expense/income for previous years	-104	1
	852	562

The reported deferred taxes result from differences between valuations of leased office spaces, property, plant and equipment according to corporate and tax law and employee benefits. The difference between the calculated income tax and the reported tax expense can be presented as follows:

	30/06/2023	30/06/2022
	EUR'000	EUR'000
Earnings before taxes	2,290	-164
Calculated income tax expense, Austria (24%; 2022: 25%)	550	-41
Tax expense/income for previous years	-104	1
Tax differences for Malta tax group	130	126
Expense from deferred taxes	369	121
Other differences and tax rate changes	-93	355
Actual/recognised tax expense	852	562

(8) Results from the discontinued operation

All disclosures and reconciliation concerning the discontinued operation are presented in Section V. "Discontinued Operation (IFRS 5)" in the consolidated financial statements, to which specific reference is made.

VI.2. COMMENTS ON ITEMS OF THE INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(9) bis (14) Non-current assets

A breakdown of non-current assets and their movements during the first half of 2023 is presented in the Changes in Non-current Assets for the Group (appendix to the notes).

(9) Intangible assets

Intangible assets include in particular domains, software and licences with a useful life of three years.

(10) Goodwill

Historical composition:

	30/06/2023	31/12/2022
	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
Thereof online sport bets operating segment	1,054	1,054
Thereof online sport gaming operating segment	315	315

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. 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.

An impairment test was carried out within the operating segments as of 30 June 2023 according to IAS 36. An impairment loss is recognised according to IAS 36 if the recoverable amount of associated goodwill or associated cash-generating unit (CGU) has fallen below the carrying amount. The recoverable amount is the higher amount between the value in use and the fair value minus disposal costs. The impairment test was based on the current corporate plan for 2023 to 2026, which is based on continued operations. The discount rate applied stood at 10% (previous year 10%). No impairment was required as of the reporting date.

(11) 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. In the first half of 2023, there were changes in the office space in Malta. The lease contract expiring in February was not extended and a new office space was rented in Mosta. The management's assessment of the lease term is assumed to be five years and an increase in the recognised rights of use and lease liability in the amount of EUR 285 thousand.

(12) Property, plant and equipment

A breakdown of property, plant and equipment and its movements during the first half of 2023 is presented in the changes in non-current assets for the Group (appendix to the notes).

(13) Other receivables and assets

In addition to tax receivables, other non-current receivables and assets mainly include receivables due from bet-at-home.com Entertainment Ltd. (in liquidation) in the amount of EUR 9,477 thousand and result from various different business transactions. This includes receivables due from bet-at-home.com Entertainment Ltd. (in liquidation), Malta, from ongoing business relationships until May 13, 2022 in the amount of EUR 1,790 thousand and receivables due from bet-at-home.com Entertainment Ltd. (in liquidation) acquired during the liquidation phase in the amount of EUR 7,687 thousand.

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

As a result of weighting various recoveries in the respective scenarios, the receivables were valued at around half of the nominal amount. From the current perspective, the insolvency proceedings in Malta of bet-at-home.com Entertainment Ltd. (in liquidation) are expected to be settled at the end of 2024 and the receivables are expected to be serviced from assets at that time. Accordingly, the expected payments on receivables were discounted over this period at an interest rate with matching maturities and appropriate to the market.

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

A new provision (Bill 55) of the Malta Gaming Act came into force at the end of June 2023. Invoking an exception in the EU Enforcement Regulation, foreign court rulings that conflict with Maltese gambling will not be recognised, with reference to Maltese "public policy". The Group is reviewing with its Maltese advisors the potential impact of this amendment – particularly in relation to the judicial winding-up proceedings of bet-at-home.com Entertainment Ltd (in liquidation) and the assessment of the receivables due from bet-at-home.com Entertainment Ltd (in liquidation) recognised as at 30 June 2023.

(14) Deferred tax assets

The differences between the valuations of assets, provisions, liabilities and accruals and deferred income according to IFRS and their tax valuations in addition to possible future tax relief due to tax losses carried forward result in a future tax relief from deferred taxes. The company is required to recognise deferred tax assets for this tax relief. Deferred tax assets as of 30 June 2023 amounted to EUR 1,851 thousand in total (31 December 2022: EUR 2,272 thousand). EUR 1,830 thousand (31 December 2022: EUR 2,186 thousand) stemmed from a group company's corporation tax losses being carried forward, which the Management Board believes could be used in the period up until 2026 to offset taxable profits. No deferred tax assets were recognised for tax losses carried forward in the amount of EUR 8,667 thousand (31 December 2022: EUR 8,772 thousand).

(15) Tax receivables

Tax receivables include the following items:

	30/06/2023	31/12/2022
	EUR'000	EUR'000
Tax refund claim 2022 (tax refund Malta)	99	99
Tax refund claim 2021 (tax refund Malta)	0	3,429
Corporation tax advance payment Austria	1	1
Other	1,294	1,584
	1,394	5,113

As in previous years, the item "Other" mainly relates to existing credit balances against tax authorities.

(16) Other receivables and assets

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

	30/06/2023	31/12/2022
	EUR'000	EUR'000
Advance payments	889	743
Receivables from payment service providers	1,108	1,627
Others	183	1,079
	2,180	3,449

The advance payments mainly relate to advance payments from advertising contracts as well as maintenance contracts.

(17) Cash and cash equivalents

	30/06/2023	31/12/2022
	EUR'000	EUR'000
Cash at bank (maturities < 3 months) and in hand	37,834	35,327

Any cash and cash equivalents and short-term deposits used for securing liabilities may only be disposed of with limitations. EUR 5,380 thousand (previous year: EUR 5,380 thousand) of cash and cash equivalents are allocated to pledged funds which can be made available at short notice within three months.

Cash and cash equivalents also include proceeds from customers which are recognised in the interim consolidated statement of financial position as liabilities to customers amounting to EUR 4,086 thousand (31 December 2022: EUR 4,940 thousand).

(18) Group equity

Breakdown of the Group's equity:

	30/06/2023	31/12/2022
	EUR'000	EUR'000
Subscribed capital	7,018	7,018
Capital reserves	7,366	7,366
Consolidated net profit for the period	16,003	14,565
	30,387	28,949

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

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

The capital reserves stem from capital increases in 2005 and 2006 and decreased in 2016 by EUR 3,509 thousand as a result of an increase in the subscribed capital from company funds.

The general meeting of shareholders on May 18, 2021 resolved to authorise the Management Board, with the Supervisory Board's consent, to increase the Company's share capital by May 17, 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 1,403,600.00. The shareholders shall be invited to purchase new shares. However, the Management Board is authorised, upon approval by the Supervisory Board, to exclude the shareholders' subscription right in certain cases.

Furthermore, the Management Board is authorised up until May 25, 2025, by resolution of the general meeting of shareholders of May 26, 2023 with the approval of the Supervisory Board, to acquire treasury shares for an amount of up to 10% of the share capital existing when this authorisation is granted or (if this value is lower) 10% of the share capital existing at the time of enforcement of this authorisation. Together with other treasury shares in the possession of the Company or allocable to the Company in accordance with Sections 71a et seqq. AktG, the acquired shares must at no time exceed 10% of the Company's share capital. The authorisation must not be exploited for the purpose of trading in treasury shares.

Earnings per share are calculated by dividing the consolidated net profit for the year (EUR 11.9 million) attributable to shareholders of bet-at-home.com AG by the weighted average number of outstanding shares (7,018,000). The number of shares of bet-at-home.com AG did not change during the financial year. As there were no potential shares outstanding as at December 31, 2022 or December 31, 2021 that could dilute earnings per share, basic earnings per share correspond to diluted earnings per share.

(19) Non-current liabilities

	30/06/2023	31/12/2022
	EUR'000	EUR'000
Provisions for employee benefits	82	82
Lease obligations	1,529	1,437
Other non-current liabilities	10,273	10,273
	11,884	11,792

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, which is based on an actuarial interest rate of 3.72% (previous year: 0.8%) and an annual growth rate of 5.0%. 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 11 years.

Other liabilities include EUR 7,773 thousand in liabilities to bet-at-home.com Entertainment Ltd. (in liquidation) resulting from ongoing business transactions with this company until May 13, 2022, as well as EUR 2,500 thousand in liabilities from the settlement of legal disputes in connection with bet-at-home.com Entertainment Ltd. (in liquidation), which are expected to become payable at the end of the first quarter of 2024.

(20) bis (25) Current liabilities

Current liabilities include the following items:

	30/06/2023	31/12/2022
	EUR'000	EUR'000
Other provisions	2,529	1,903
Trade payables	1,191	1,548
Tax liabilities	7,794	11,852
Amounts due to customers	4,086	4,940
Lease obligations	327	443
Other current liabilities	1,121	1,235
	17,048	21,921

(20) Other provisions

Total other provisions developed as follows in the first half of 2023 (EUR thousand):

	Balance at 31/12/2022	Utilisation	Release	Addition	Balance at 30/06/2023
Audit and advisory	325	178	11	287	424
Affiliate programme	494	0	5	347	835
Other	1,084	41	50	277	1,270
	1,903	219	66	911	2,529

(21) Trade payables

Trade payables are recognised at the repayment amount and are entirely current.

(22) Tax liabilities

Tax liabilities relate to corporation tax liabilities amounting to EUR 7,112 thousand (as of 31 December 2022: EUR 10,599 thousand), betting fees, gambling levies and VAT on electronic services amounting to EUR 624 thousand (as of 31 December 2022: EUR 1,041 thousand) and other taxes amounting to EUR 58 thousand (as of 31 December 2022: EUR 212 thousand).

(23) Liabilities to customers

Liabilities to customers include pending bets (in accordance with IFRS 9) in the amount of EUR 114 thousand (as of 31 December 2022: EUR 296 thousand) and customer balances (in accordance with IFRS 15) in the amount of EUR 3,971 thousand (as of 31 December 2022: EUR 4,644 thousand).

(24) Liabilities from leasing agreements

As at 30 June 2023, current liabilities from the rights of use from leases (less than 12 months) capitalised in accordance with IFRS 16 amounted to EUR 327 thousand (as of 31 December 2022: EUR 443 thousands).

(25) Other liabilities

Other current liabilities include the following items:

	30/06/2023	31/12/2022
	EUR'000	EUR'000
Liabilities to personnel	1,019	861
Social security liabilities	287	187
Other liabilities	157	187
	1,464	1,235

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

VI.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 and cash equivalents" item in the statement of financial position. Interest received primarily results from current operating activities.

VI.4. COMMENTS ON THE PRESENTATION OF CHANGES IN GROUP EQUITY

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

VII. OTHER DISCLOSURES

VII.1. FINANCIAL INSTRUMENTS

For further details on non-derivative financial instruments, see the 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. 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 (un-listed 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 June 2023, 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.

VII.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 current cash flow within the bet-at-home.com AG group, the liquidity risk in the first half of 2023 is classified as average.

Interest rate, currency and exchange rate risks

The interest rate risk associated with investments is considered insignificant. The interest rates on the bank balances depend on the market interest rates, which depend on the maturities. A change in the currently level of interest by 0.5% would change the financial result by EUR 189 thousand (31 December 2022: EUR 177 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. Transactions denominated in other currencies were of minor importance. The currency risk was not hedged in previous years either.

Counterparty default (credit risk)

Credit risk refers to the risk of payment delays or default by counterparties. With the exception of receivables due from bet-at-home.com Entertainment Ltd. (in liquidation) (reported under non-current other receivables and assets, see Note 13), there is no credit risk. On the assets side, the amounts reported (current receivables and other assets) also represent the maximum exposure to credit and default risk, as there are no netting agreements.

The receivables due from bet-at-home.com Entertainment Ltd. (in liquidation) recognised as of 30 June 2023 are subject to an increased risk of default as this company is in insolvency ("winding up by court") and there is currently no certainty about the amount of the receivables from the estate to be recognised by the liquidator. The Management Board has addressed the resulting uncertainties in the valuation of the receivable due from bet-at-home.com Entertainment Ltd. (in liquidation) by assuming and evaluating various scenarios in the sense of a best estimate. If, contrary to expectations, a significantly higher volume of insolvency claims than currently estimated by the Management Board is recognised, this reduces the quota payment on the claims asserted by the bet-at-home.com AG Group and thus the recovery from these receivables. The default risk of the receivables due from bet-at-home.com Entertainment Ltd. (in liquidation) is classified as low to medium. In the event of risk materialisation, the impact on net assets, financial position and results of operations is classified as medium to high.

VII.3. RELATED PARTY TRANSACTIONS

The Management Board member of bet-at-home.com AG during the first half of 2023 was:

- Mr. Marco Falchetto, Master's degree, member of the Management Board, Mödling, Austria. Mr. Falchetto has been the sole member of the Management Board of bet-at-home.com AG since March 1, 2022.

The remuneration of the Management Board member in the first half of 2023 totals EUR 161 thousand (1 January to 30 June 2022: EUR 385 thousand).

The Supervisory Board of bet-at-home.com AG consisted of the following members in the first half of 2023:

- 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.

In the first half of 2023, the Chairman of the Supervisory Board received fixed compensation of EUR 20 thousand (previous year: EUR 20 thousand). Necessary expenses were also reimbursed. Ms Giraudon and Mr Riahi waived their compensation in the first half of 2023.

No material related-party transactions were concluded in the first half of 2023.

Pursuant to Section 312 (3) of the German Companies Act [Aktiengesetz; AktG], the Board of Management states that, according to the circumstances known to the Board at the time when legal transactions were concluded with related parties, the parent company received appropriate compensation for each legal transaction. No actions subject to Section 312 (1) AktG were taken or omitted.

VII.4. OTHER FINANCIAL OBLIGATIONS, UNCERTAIN LIABILITIES AND CONTINGENT LIABILITIES

As of the balance sheet date, contingent liabilities existed in the form of bank guarantees amounting to EUR 10,457 thousand (31 December 2022: EUR 10,514 thousand). These are bank guarantees to secure public claims under the Austrian Bookmakers Act, claims in connection with the sports betting licence granted and the licence for virtual machines in Germany, claims from existing tenancies and claims from the Swiss Federal Tax Administration in Switzerland.

VII.5. EXPLANATION REGARDING THE MANAGEMENT OF BET-AT-HOME.COM AG IN ACCORDANCE WITH SECTION 289F HGB AND THE GROUP IN ACCORDANCE WITH SECTION 315D HGB AS WELL AS THE CORPORATE GOVERNANCE REPORT

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

VII.6. RESPONSIBILITY STATEMENT

I assure that to the best of our knowledge, the consolidated financial statements give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with the applicable reporting standards, and that the 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, 24 September 2023

Marco Falchetto

APPENDIX TO THE NOTES
CHANGES IN NON-CURRENT ASSETS FOR THE GROUP
as at 30 June 2023, bet-at-home.com AG, Düsseldorf

	At cost				Accumulated depreciation				Carrying amount 31/12/2022		
	Balance at 01/01/2023	Additions	Disposals	Reclassification	Balance at 30/06/2023	Balance at 01/01/2023	Additions	Disposals		Balance at 30/06/2023	
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000		
I. Intangible Assets	3,863	6	0	0	3,869	2,887	181	0	3,068	818	976
II. Goodwill	1,369	0	0	0	1,369	0	0	0	0	1,369	1,369
III. Leased Office Buildings	4,005	285	1,220	0	3,070	2,140	208	1,107	1,241	1,829	1,865
IV. Property and Equipment	8,105	20	348	0	7,776	5,758	488	297	5,949	1,809	2,347
1. Furniture and fixtures, office equipment	7,799	20	348	0	7,470	5,758	488	297	5,949	1,521	2,041
2. Construction in progress	306	0	0	0	306	0	0	0	0	288	306
	17,342	311	1,569	0	16,084	10,784	877	1,403	10,258	5,826	6,558

as at 30 June 2022, bet-at-home.com AG, Düsseldorf

	At cost				Accumulated depreciation				Carrying amount 31/12/2021		
	Balance at 01/01/2022	Additions	Disposals	Reclassification	Balance at 30/06/2022	Balance at 01/01/2022	Additions	Disposals		Balance at 30/06/2022	Carrying amount 30/06/2022
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	
I. Intangible Assets	3,777	520	370	0	3,927	2,927	191	441	2,677	1,179	850
II. Goodwill	1,369	0	0	0	1,369	0	0	0	0	1,369	1,369
III. Leased Office Buildings	4,240	76	1,334	0	2,982	2,612	421	911	2,121	861	1,629
IV. Property and Equipment	8,215	140	223	0	8,132	5,126	549	177	5,499	2,629	3,089
1. Furniture and fixtures, office equipment	8,209	16	174	0	8,051	5,126	549	177	5,499	2,602	3,083
2. Construction in progress	6	124	48	0	0	0	0	0	0	27	6
	17,602	735	1,926	0	16,411	10,664	1,161	1,529	10,297	6,038	6,937

Group Management Report	Consolidated Statement of Financial Position	Consolidated Statement of Income	Consolidated Statement of Cash Flows	Consolidated Statement of Changes in Equity	Notes to Consolidated Financial Statements	Imprint
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DISCLAIMER

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

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