

The logo for bet-at-home.com features the brand name in a bold, dark blue, sans-serif font. A green swoosh underline is positioned beneath the text, starting under 'bet-at-home' and ending under '.com'.

bet-at-home
.com

LIFE IS A GAME!

**INTERIM FINANCIAL
REPORT AS AT
30 JUNE 2018**

SPORTS - CASINO - VEGAS - VIRTUAL - POKER

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REPORT BY THE MANAGEMENT BOARD

Dear Ladies and Gentlemen, dear Shareholders,

In the first half of 2018, the bet-at-home.com AG Group once again focused its marketing efforts on successfully acquiring new customers as part of the Football World Cup 2018 in order to continue its path of success and the growth momentum of the previous reporting periods. The bet-at-home.com AG Group achieved a gross betting and gaming revenue of EUR 66.6 million and an EBITDA of EUR 10.9 million. In the course of this major event, more attention was paid to international marketing campaigns and bonus programs in order to further increase the presence and brand awareness of the Group in Europe. As a result of these measures, as well as the expansion in the live betting area and the release of the sports betting app, the bet-at-home.com AG Group was able to successfully increase its customer base to around 5.0 million registered customers.

The bet-at-home.com share was influenced by negative news on regulatory developments in the first half of 2018. For example, a law drafted by the Austrian Ministry of Finance, which had already been withdrawn after a few days, and a referendum on the adoption of a new law on gambling in Switzerland burdened the stock. Within the first half of 2018, it reached its high of EUR 104.50 on 3 January 2018, and its low of EUR 63.05 on 19 June 2018. After objectification of the discussions about regulatory developments in the first half of 2018, existing and new investors took advantage of the lower price levels as opportunities to repurchase shares.

Once again, our committed employees, who work hard to drive innovation and constantly expand and develop the product portfolio, have made a significant contribution to the development of the bet-at-home.com AG Group.

European-wide success: around 5.0 million registered customers trust in bet-at-home.com

The constantly growing betting and gaming volume and ever rising customer numbers are key indicators that the bet-at-home.com AG Group is going to continue on its current path to success in the future. Nearly 5.0 million registered customers trust in the bet-at-home.com brand by now and the company was able to generate betting and gaming volume of EUR 1,504.3 million as a result in the first half of financial year 2018.

Ongoing innovations combined with reliable customer service

The continuous further development of the comprehensive product portfolio coupled with trustworthy and reliable customer service in 11 languages provides our customers with exciting entertainment of the highest standard and makes it possible to continuously strengthen our international competitive position and sustainably develop our market shares. Innovations on our mobile platform and the optimization of the smartphone and tablet product portfolio are the main focus. As a result, more than 51% of the gross betting and gaming revenue was already generated through mobile devices in the first half of 2018. The bet-at-home.com AG Group set another milestone with the release of its sports betting app in the second quarter of 2018.

In the sports betting segment alone, bet-at-home.com offered bets on more than 154,000 events in over 75 types of sport in the first six months of the current financial year. Live bets continue to be the main growth driver in the sports betting business. In financial year 2018, our customers have already used the opportunity to visit the virtual stadium for more than 37,000 live events up to now.

The eGaming offers have also been very well received in the first two quarters of 2018. The segment's success continued similar to that of the sports betting segment due to numerous bonus campaigns in the casino, live casino, vegas games, poker and virtual sports businesses.

Further increase of the brand's popularity thanks to targeted marketing campaigns

Besides traditional advertising on TV, online and in print media, sport sponsoring remains a cornerstone of bet-at-home.com's market strategy, involving interaction with viewers while at the same time promoting clubs, where it is always our objective to create long-term partnerships. As the main sponsor of the traditional Berlin football club Hertha BSC, bet-at-home.com has been active in the prestigious German Football Bundesliga from August 2015 until the end of the 2017/2018 season. This successful partnership further increased the popularity of the bet-at-home.com brand and at the same time supported the further development of the traditional football club Hertha BSC. In August 2011, bet-at-home.com became the premium partner of FC Schalke 04. The football club was founded in 1904, has more than 155,000 members and is one of Germany's largest sports clubs. FC Schalke 04 first gained international fame in 1997 as the winner of the UEFA Cup, the forerunner of today's Europa League.

In addition, bet-at-home.com is represented as a sponsor in the Austrian Bundesliga and at the WTA tennis tournament in Linz, Austria, as well as a long-standing partner of numerous other sports associations.

Expansive growth in the online sports betting and eGaming segments

The global online sports betting and gaming market is continuing to boom and is growing significantly faster than comparable offers in the offline sector. The continuing growth of the non-cyclical gaming sector, particularly in Europe, confirms the strategic alignment of bet-at-home.com. Demographic trends, increasing popularity of online activities within the target group in our core markets and the global penetration of smartphones and tablets favors long-term growth in the online segment.

bet-at-home.com is confident that the successful development will continue with further investments in the strong market presence in our European core markets and continuous optimization of our product portfolio.

We would like to thank all those who have made the first half of 2018 a success for bet-at-home.com, especially our employees. They have once more contributed significantly to a very positive business development and, through their strong commitment, will ensure a sustainable and successful future for the bet-at-home.com AG Group. We would also like to sincerely thank our business partners and shareholders for the trust they have shown in us. We hope to share our success with you as our partner in the future.

Franz Ömer
CEO

Michael Quatember
CEO

| | | | | | | | | | |
|---------------------------------------|---------------------------------|-----------------------|--|--|--|---|--|-------------------------|---------|
| Report by the Management Board | Report by the Supervisory Board | bet-at-home.com Share | Consolidated Interim Statement of Financial Position | Consolidated Interim Statement of Income | Consolidated Interim Statement of Cash Flows | Interim Statement of Changes in IFRS Group Equity | Notes to the Interim Consolidated Financial Statements | Group Management Report | Imprint |
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REPORT BY THE SUPERVISORY BOARD

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Management
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**Report by the
Supervisory
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Ladies and Gentlemen,

in the first half-year 2018, the business of the bet-at-home.com AG Group again developed successfully. On 22 May 2018, the general meeting of shareholders once again resolved to distribute a dividend, henceforth EUR 7.50 per share. The success and name recognition of the brand is reflected by its around 5 million registered customers.

The Supervisory Board was involved in this welcome sustainable development of the bet-at-home.com AG Group. It carried out its responsibilities and duties in accordance with the law and the articles of association and regularly monitored the work of bet-at-home.com AG's Management Board, as well as offering advice and support.

The Supervisory Board of bet-at-home.com AG met on 14 March 2018 in Düsseldorf, on 22 May 2018 in Frankfurt am Main and on 6 July 2018 in Frankfurt. These meetings focused on discussing the company's strategy with the Management Board. At the Supervisory Board meeting on 14 March 2018 in Düsseldorf, the financial statements, the summarised management report, related parties report, the corporate governance report as well as audit procedures and reports were discussed with PKF FASSELLT SCHLAGE Partnerschaft mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft Rechtsanwälte, Duisburg, the auditor appointed by the general meeting of shareholders.

Information and opinions were constantly exchanged among the members of the Supervisory Board. Several decisions were made by written resolution without a meeting. As in the past, there was no need to form committees, as there are only three Supervisory Board members.

During the period under review, the Management Board provided us with regular updates on the Group's strategy, business development, financial situation and significant business matters, such as license applications and risks. Discussions were held with the Management Board about the strategic development, the current and forecast figures, the marketing concept, anti money laundering measures, regulatory developments in the gambling and betting sector and ongoing administrative and legal proceedings. Based on the information we have obtained, we believe that business was conducted appropriately.

We especially wish to thank the Management Board of bet-at-home.com AG and all the Group's staff members. They have contributed significantly to the Group's positive development through their great commitment and excellent work.

Düsseldorf, July 2018

The Supervisory Board

BET-AT-HOME.COM SHARE

| | | | | | | | | | |
|--------------------------------|---------------------------------|------------------------------|--|--|--|---|--|-------------------------|---------|
| Report by the Management Board | Report by the Supervisory Board | bet-at-home.com Share | Consolidated Interim Statement of Financial Position | Consolidated Interim Statement of Income | Consolidated Interim Statement of Cash Flows | Interim Statement of Changes in IFRS Group Equity | Notes to the Interim Consolidated Financial Statements | Group Management Report | Imprint |
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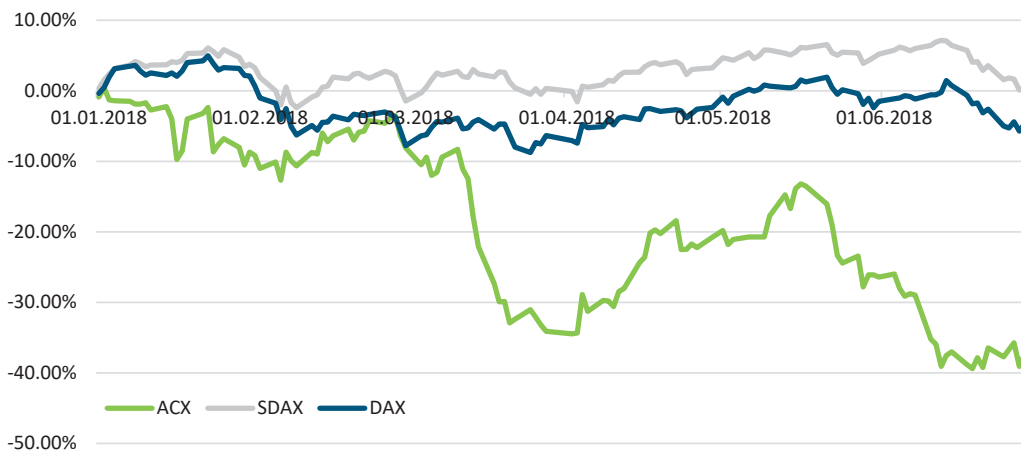
Development of the share in the first half of 2018

The bet-at-home.com share was impacted by negative news on regulatory developments in the first half of 2018.

In February 2018, the Austrian ministry of finance submitted a draft bill on the amendment of gambling law to exclude foreign online casino providers from offering their services in Austria by implementing IP blocking measures. Despite this draft bill being repealed again just days after it was submitted, this put considerable pressure on the bet-at-home.com share at the beginning of financial year 2018.

A Swiss referendum on 10 June 2018, which resulted in the vast majority of people approving a new gambling law, which aims to exclude foreign providers from the Swiss market, also had an increasingly negative effect.

During the first half of 2018, the share reached its high of EUR 104.50 on 3 January 2018 and its low of EUR 63.05 on 19 June 2018. In the reporting period, the average trading volume of the bet-at-home.com share amounted to EUR 2.7 million per trading day, thus was once again up year-on-year (1 January – 30 June 2017: EUR 2.4 million). The highest daily volume was recorded EUR 13.1 million on 17 January 2018.



Once the discussions on regulatory developments had become more factual in the first half of 2018, existing and new investors utilised the low price and related stabilisation as from mid-June 2018 as an opportunity to buy shares.

Investor Relations

bet-at-home.com AG pursues open and active communication with institutional investors, analysts, financial journalists, private investors and other stakeholders in order to present the company as faithfully as possible and thus to meet the capital market's expectations for transparency while boosting the capital market's trust in the share. To achieve this goal, numerous individual and group talks were once again held during roadshows, investor and analyst conferences in the financial centres of Europe and the United States in the first half of 2018. These talks enable the Company to further intensify and maintain personal contacts with investors and stakeholders. At these events, the Management Board and Investor Relations Management mainly presented the quarterly financial statements, the Company's strategic targets and market environment in the dynamic industry.

The talks with the analysts and investors once again focused on the regulatory and operative development in the individual markets as well as strategic questions on the future utilisation of cash and cash equivalents and the expectations regarding the Football World Cup 2018 in Russia and related investments in comprehensive marketing measures.

Dividend

To enable our shareholders to take part in the company's success by way of profit distributions in addition to potential gains on the share price itself, the policy of bet-at-home.com AG since financial year 2011 has been to pay out regular dividends.

The general meeting of shareholders on 22 May 2018 accepted the proposal submitted by the Management Board and Supervisory Board to once again distribute a dividend of EUR 7.50 (previous year: EUR 7.50) per share. The distributed amount therefore once more totals EUR 52,635,000.00 (previous year: 52,635,000.00). The dividend proposed to the general meeting of shareholders was comprised of an ordinary dividend of EUR 3.00 plus an extraordinary dividend of EUR 4.50. The repeated distribution of an extraordinary dividend aimed to ensure that the shareholders of bet-at-home.com AG participated appropriately in the above-average total development in recent years.

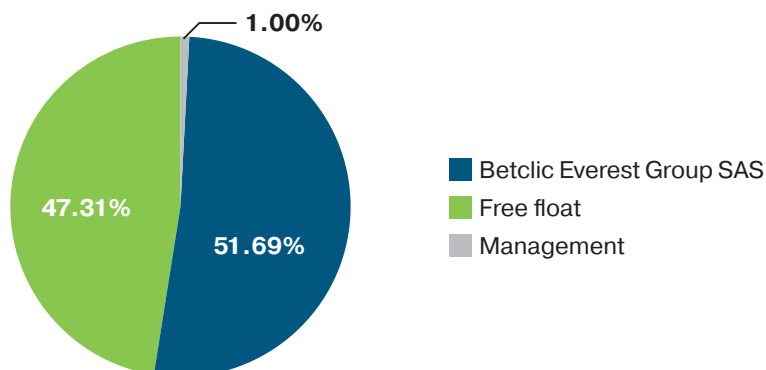
| Dividend per share (dividend yield in %) | |
|--|------------------|
| FY 2017 | EUR 7.50 (7.21%) |
| FY 2016 | EUR 7.50 (9.38%) |
| FY 2015 | EUR 2.25 (4.66%) |
| FY 2014 | EUR 0.60 (2.08%) |
| FY 2013 | EUR 0.40 (2.36%) |
| FY 2012 | EUR 0.30 (2.70%) |
| FY 2011 | EUR 0.30 (2.44%) |

Stable shareholder structure

With Betcltic Everest Group SAS and its 51.69% stake, the company has a stable core shareholder with its sights set on the long term. Betcltic Everest, France, is a European group with shares in online gaming providers based in France that invests in strong brands like bet-at-home.com, Betcltic, Everest Poker, Expekt and the Monte Carlo Casino. The company Société des Bains de Mer (SBM), which has its registered office in Monaco (ISIN: MC0000031187), with its broad offering of gaming, hotels and restaurants, and the LOV Group founded by Stéphane Courbit, which focuses on growth companies and deregulation, hold equal interests in the Betcltic Everest Group.

The management of bet-at-home.com holds 1.00% of the shares, resulting in a total free float of 47.31% as at the reporting date on 30 June 2018. During the course of the first half of 2018, bet-at-home.com AG received voting rights notifications according to which Union Investment Privatfonds GmbH, Frankfurt, Germany, and BDL Capital Management, Paris, France, held shares above the reporting limit of 3%.

Even though it has a strong core shareholder, bet-at-home.com AG regards itself as a public company. In the past, the Company's investor relations activities always exceeded the transparency and information requirements of Deutsche Börse.



Financial calendar 2018

| | | |
|-------------------|----------|--------------------------------|
| 05/11/2018 | 10:00 am | Quarterly Statement Q1-Q3 2018 |
| 04/03/2019 | 10:00 am | Full Year Results 2018 |

Key share data

| | |
|---|--|
| ISIN | DE000A0DNAY5 |
| Securities identification number | A0DNAY |
| Ticker symbol | ACX |
| Trading segment | Regulated market (Prime Standard) |
| Research coverage | Baader Bank, Hauck & Aufhäuser ODDO BHF, Warburg Research |

Fundamentals as at 30 June 2018

| | |
|----------------------------------|-------------------|
| Total number of shares | 7,018,000 |
| Market capitalisation | EUR 457.2 million |
| Cash and cash equivalents | EUR 61.6 million |
| Enterprise value | EUR 395.6 million |

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

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CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2018

bet-at-home.com AG, Düsseldorf

ASSETS

| | | Note | 30/06/2018 | | 31/12/2017 |
|---------------------|------------------------------|------|----------------------|---------------------|-----------------------|
| | | No. | EUR | EUR | EUR |
| A. | Non-current assets | | | | |
| 1. | Intangible assets | (9) | 625,710.65 | | 631,639.01 |
| 2. | Goodwill | (10) | 1,369,320.30 | | 1,369,320.30 |
| 3. | Property and equipment | (11) | 1,859,462.33 | | 2,035,064.80 |
| | | | 3,854,493.28 | | 4,036,024.11 |
| B. | Current assets | | | | |
| 1. | Receivables and other assets | (12) | 17,263,810.25 | | 16,939,981.52 |
| 2. | Short-term fixed deposits | (13) | 4,468,871.75 | | 4,588,000.00 |
| 3. | Cash and cash equivalents | (14) | 57,098,840.46 | | 97,261,486.95 |
| | | | 78,831,522.46 | | 118,789,468.47 |
| C. | Prepaid expenses | (15) | | 2,355,934.98 | 1,822,740.82 |
| Total assets | | | 85,041,950.72 | | 124,648,233.40 |

EQUITY & LIABILITIES

| | | Note | 30/06/2018 | | 31/12/2017 |
|-------------------------------------|----------------------------------|------|----------------------|---------------------|-----------------------|
| | | No. | EUR | EUR | EUR |
| A. | Equity | | | | |
| 1. | Share capital | (16) | 7,018,000.00 | | 7,018,000.00 |
| 2. | Capital reserves | (16) | 7,366,000.00 | | 7,366,000.00 |
| 3. | Total comprehensive income | (16) | 28,587,445.11 | | 74,926,781.81 |
| | | | 42,971,445.11 | | 89,310,781.81 |
| B. | Non-current liabilities | | | | |
| 1. | Provisions for employee benefits | (17) | | 46,684.11 | 46,684.11 |
| C. | Current liabilities | | | | |
| 1. | Trade payables | (18) | 2,237,587.45 | | 1,758,098.80 |
| 2. | Short-term provisions | (19) | 27,946,539.65 | | 22,599,604.50 |
| 3. | Other liabilities | (20) | 10,828,632.09 | | 10,084,878.85 |
| | | | 41,012,759.19 | | 34,442,581.85 |
| D. | Deferred income | (21) | | 1,011,062.31 | 848,185.63 |
| Total equity and liabilities | | | 85,041,950.72 | | 124,648,233.40 |

CONSOLIDATED INTERIM STATEMENT OF INCOME

**CONSOLIDATED INTERIM STATEMENT OF INCOME
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2018**

bet-at-home.com AG, Düsseldorf

| | Note | 01/01-30/06/2018 | 01/01-30/06/2017 |
|--|------|----------------------|----------------------|
| | No. | EUR | EUR |
| Gross betting and gaming revenue | (1) | 66,625,658.31 | 76,815,956.92 |
| Betting fees and gambling levies | (1) | -9,926,364.35 | -10,090,854.74 |
| VAT on electronic services | (1) | -4,494,221.60 | -5,205,745.11 |
| Net betting and gaming revenue | | 52,205,072.36 | 61,519,357.07 |
| Other operating income | (2) | 279,809.77 | 502,876.02 |
| Total operating income | | 52,484,882.13 | 62,022,233.09 |
| Personnel expenses | (3) | -9,311,484.48 | -8,966,102.61 |
| Advertising expenses | (4) | -21,157,980.20 | -24,209,303.41 |
| Other operating expenses | (4) | -11,074,152.72 | -11,449,838.70 |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | | 10,941,264.73 | 17,396,988.37 |
| Depreciation and amortisation | (5) | -633,590.54 | -651,262.06 |
| Earnings before interest and taxes (EBIT) | | 10,307,674.19 | 16,745,726.31 |
| Finance income | (6) | 27,837.10 | 464,729.13 |
| Earnings before taxes (EBT) | | 10,335,511.29 | 17,210,455.44 |
| Taxes on income and earnings | (7) | -4,039,847.99 | -6,213,814.80 |
| Consolidated profit for the period | | 6,295,663.30 | 10,996,640.64 |

| Earnings per share | | |
|----------------------------|------------|-------------|
| Basic earnings per share | 0.89707371 | 1.566919441 |
| Diluted earnings per share | 0.89707371 | 1.566919441 |

**IFRS CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2018**

bet-at-home.com AG, Düsseldorf

| | 01/01-30/06/2018 | 01/01-30/06/2017 |
|--|---------------------|----------------------|
| | EUR | EUR |
| Consolidated profit for the period | 6,295,663.30 | 10,996,640.64 |
| Items that are potentially reclassifiable to profit or loss | | |
| Revaluation in accordance with IAS 39 | 0.00 | 327,420.25 |
| Items that are not potentially reclassifiable to profit or loss | | |
| Revaluation in accordance with IAS 19 | 0.00 | 0.00 |
| Income tax and other recognised income and expense | 0.00 | -42,739.66 |
| Other comprehensive income | 0.00 | 284,680.59 |
| Comprehensive income | 6,295,663.30 | 11,281,321.23 |

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CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2018**

bet-at-home.com AG, Düsseldorf

| | Note | 30/06/2018 | 30/06/2017 |
|--|-------------|----------------|----------------|
| | No. | EUR'000 | EUR'000 |
| Consolidated profit for the period | | 6,296 | 10,997 |
| Other comprehensive income | | 0 | 285 |
| Comprehensive income | | 6,296 | 11,282 |
| + Depreciation of non-current assets | (5) | 634 | 651 |
| - Interest income related to loans issued to group companies | | 0 | -451 |
| +/- Increase/decrease in provisions | | 5,347 | -5,404 |
| -/+ Increase/decrease in trade and other receivables not attributable to investing or financing activities | | -857 | 6,545 |
| +/- Increase/decrease in trade and other payables not attributable to investing or financing activities | | 1,386 | -3,553 |
| = Cash flows from operating activities | | 12,805 | 9,072 |
| - Acquisition of assets (excluding investments) | | -468 | -435 |
| + Proceeds from sale of property, plant and equipment | | 136 | 128 |
| - Interest income/expense related to loans issued to group companies | | 0 | 29,451 |
| = Cash flows from investing activities | | -332 | 29,145 |
| - Payments to shareholders (dividends) | | -52,635 | -52,635 |
| = Cash flows from financing activities | | -52,635 | -52,635 |
| = Net cash from operating, investing and financing activities | | -40,162 | -14,419 |
| + Cash and cash equivalents at 1 January | | 97,261 | 90,101 |
| = Cash and cash equivalents at 30 June | (14) | 57,099 | 75,683 |

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INTERIM STATEMENT OF CHANGES IN IFRS GROUP EQUITY

**INTERIM STATEMENT OF CHANGES IN IFRS GROUP EQUITY
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2018**

bet-at-home.com AG, Düsseldorf

| | Share capital | Capital reserves | Other comprehensive income (after taxes) | Total comprehensive income | Total equity |
|--|---------------------|---------------------|--|----------------------------|----------------------|
| | EUR | EUR | EUR | EUR | EUR |
| As at 01/01/2017 | 7,018,000.00 | 7,366,000.00 | 472,785.85 | 94,714,468.48 | 109,571,254.33 |
| Profit for the period | 0.00 | 0.00 | 284,680.59 | 10,996,640.64 | 11,281,321.23 |
| Total recognised gains and losses | 0.00 | 0.00 | 284,680.59 | 10,996,640.64 | 11,281,321.23 |
| Dividend distribution | 0.00 | 0.00 | 0.00 | -52,635,000.00 | -52,635,000.00 |
| As at 30/06/2017 | 7,018,000.00 | 7,366,000.00 | 757,466.44 | 53,076,109.12 | 68,217,575.56 |

| | Share capital | Capital reserves | Other comprehensive income (after taxes) | Total comprehensive income | Total equity |
|--|---------------------|---------------------|--|----------------------------|----------------------|
| | EUR | EUR | EUR | EUR | EUR |
| As at 01/01/2018 | 7,018,000.00 | 7,366,000.00 | 0.00 | 74,926,781.81 | 89,310,781.81 |
| Profit for the period | 0.00 | 0.00 | 0.00 | 6,295,663.30 | 6,295,663.30 |
| Total recognised gains and losses | 0.00 | 0.00 | 0.00 | 6,295,663.30 | 6,295,663.30 |
| Dividend distribution | 0.00 | 0.00 | 0.00 | -52,635,000.00 | -52,635,000.00 |
| As at 30/06/2018 | 7,018,000.00 | 7,366,000.00 | 0.00 | 28,587,445.11 | 42,971,445.11 |

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

bet-at-home.com AG, Düsseldorf

I. GENERAL DISCLOSURES AND ACCOUNTING PRINCIPLES

bet-at-home.com AG, having its registered office in Düsseldorf, Tersteegenstrasse 30, and registered as a holding company with the trade register of the Düsseldorf District Court under number HRB 52673, has prepared its interim consolidated financial statements for the six-month period ended 30 June 2018 in accordance with international accounting standards.

The interim consolidated financial statements for the period ended 30 June 2018 of bet-at-home.com AG have been prepared in accordance with the currently applicable International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS), as adopted by the European Union, taking into consideration the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The group management report for the six-month period ended 30 June 2018 has been 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 2017. The effects of the initial application of IFRS 15 are immaterial due to the timing of business operations.

The following standards and interpretations have already been published, but were not yet mandatory for the consolidated financial statements for the period ended 30 June 2018:

| Standard/ Interpretation | Title | Issued in | Date of EU endorse- ment | Mandatory for reporting periods beginning on or after |
|-----------------------------|---|-----------|--------------------------------|--|
| STANDARDS | | | | |
| IFRS 16 | Leases | Jan 16 | Q4 2017 | 01/01/2019 |
| IFRS 17 | Insurance Contracts | May 17 | t.b.a. | 01/01/2021 |
| IFRIC 23 | Uncertainty regarding the treatment of income taxes | Jun 17 | t.b.a. | 01/01/2019 |

| Standard/ Interpretation | Title | Issued in | Date of EU endorse- ment | Mandatory for reporting periods beginning on or after |
|-----------------------------|---|-----------|--------------------------------|--|
| AMENDMENTS | | | | |
| IFRS 9 | Financial Instruments | Oct 17 | planned for Q1 2018 | 01/01/2019 |
| IAS 19 | Employee Benefits | Feb 18 | t.b.a. | 01/01/2019 |
| IAS 28 | Investment in Associates | Oct 17 | t.b.a. | 01/01/2019 |
| VARIOUS | Annual Improvements 2015–2017 for International Financial Reporting Standards | Dec 17 | t.b.a. | 01/01/2019 |

The initial application of IFRS 16 is expected to primarily affect only the disclosure of rent liabilities for office space. IFRS 16 must be applied to all leases. A lease within the meaning of the standard exists if the lessor contractually grants the lessee the right to control an identified asset for a specified period of time and the lessee in turn pays the lessor consideration for this permission.

It is also not anticipated that the initial application of the other standards and interpretations stated above will have any significant effect on the future presentation of bet-at-home.com AG's financial position, financial performance and cash flows. The Company chose not to exercise the option of voluntary early application of these standards and interpretations.

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

These interim consolidated financial statements are denominated in euros.

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

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

Totals in amounts and percentages are subject to rounding differences.

II. CONSOLIDATED GROUP**General information**

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

In addition to the group parent, bet-at-home.com AG, the following subsidiaries and/or second-tier subsidiaries were fully consolidated in the reporting period:

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

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

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 consolidation scope as at 30 June 2018.

III. BASIS OF CONSOLIDATION

All financial statements included in the interim consolidated financial statements have been prepared in accordance with the same accounting policies. The separate financial statements of consolidated domestic and international entities and the Austrian subgroup accounts were all prepared as at the group reporting date and consolidated in accordance with International Financial Reporting Standards on the basis of a fictitious legal entity. The interim consolidated financial statements for the six-month period ended 30 June 2018 have not been audited.

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

In the case of Jonsden Properties Ltd., Gibraltar, which was included in the Austrian subgroup accounts 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.

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

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

As part of the consolidation of intercompany debts, intercompany trade receivables and loans and other receivables were eliminated against the corresponding payables and provisions. As part of the consolidation of intercompany revenues and expenses, revenues from intercompany trade receivables were eliminated against expenses from intercompany trade payables. Any immaterial gains and losses on intercompany transactions during the six-month period were eliminated against each other. Any discounts and other entries affecting only profit or loss were eliminated in preparing the interim consolidated financial statements.

IV. SIGNIFICANT ACCOUNTING POLICIES**Use of estimates and assumptions**

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures in the notes to the consolidated financial statements and in the consolidated income statement. These estimates and related assumptions are based on historical information and other factors deemed appropriate under the circumstances, and which serve as the basis for assessing the carrying amounts of assets and liabilities that cannot be derived from other sources. Actual outcomes may differ from these estimates.

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

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

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

Intangible assets and property, plant and equipment

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

Internally produced intangible assets are capitalised from the time they become technically feasible, provided no future economic benefit arises from these assets and their cost can be reliably measured. As part of the further development of software, the personnel expenses for each individual member of the project team were measured separately and capitalised as intangible assets (IAS 38). Cost includes direct costs. No other costs were capitalised.

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. In the Austrian subgroup, assets acquired at a cost of EUR 400 or less are fully written down in the year of acquisition and immediately recognised as disposals. In Germany, such items are written down on a pro rata temporis basis. Assets acquired at a cost of EUR 150 or less are expensed in full in the year of acquisition.

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.

Intangible assets with indefinite useful lives are tested for impairment on an annual basis or during the year in the event of evidence of impairment. The carrying amount of the intangible asset is compared to its recoverable amount. If there is objective evidence of impairment, the impairment loss is recognised under depreciation, amortisation and write-downs in the income statement.

Goodwill

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

Financial assets and liabilities

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

Cash and cash equivalents and short-term deposits

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

Receivables and other assets

Receivables and other assets are presented under loans and receivables and stated at amortised cost or lower fair value (nominal value) less individual impairment losses for amounts expected to be irrecoverable.

Other provisions

Other provisions are recognised if there is a present legal or constructive obligation to a third party due to a past event and it is probable that this obligation will result in a cash outflow. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date. When a reasonable estimate is not possible, no provision is recognised and this is disclosed in the notes to the consolidated financial statements.

Provisions for severance pay

Due to historic legal contractual obligations, bet-at-home.com Entertainment GmbH must render a one-off severance 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 termination or retirement.

A provision is made for such obligations. The provisions for employee benefits to be recognised in the consolidated financial statements were calculated by an actuary as at 31 December 2017 in accordance with IAS 19 (Employee Benefits) and were recognised in profit or loss in the financial year 2017 on the basis of this actuary's report.

Actuarial gains and losses were reported in other comprehensive income until the previous year. As the anticipated actuarial gains and losses pertain to one employee only, they are expected to be low. Actuarial gains and losses are therefore reported in personnel expenses as from financial year 2017. The interest cost and employee service cost remain included in the personnel expenses and are not presented in net finance income (costs).

Trade payables

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

Revenue recognition

Betting revenue of the Maltese second-tier subsidiaries is recognised in accordance with bets placed as at the reporting date, provided the underlying bets have already been settled. Bets placed for sports events that will not take place until after the reporting date, however have already been deducted from customer accounts prior to the reporting date (“pending bets”), are reclassified to accruals and deferred income. Betting fees and gambling levies as well as VAT on electronic services are stated in net gaming income.

Income taxes

Deferred taxes are recognised for temporary differences between the carrying amounts of assets and liabilities stated in the consolidated statement of financial position and those for tax purposes. Deferred taxes are determined in accordance with IAS 12 (Income Taxes) using the balance sheet liability method. Deferred taxes are computed on the basis of a 25% income tax rate for Austria and about 5% for Malta (taking tax refunds into account).

Net finance income (costs)

Net finance income (costs) includes all interest and similar income on financial assets.

V. COMMENTS ON INDIVIDUAL ITEMS OF THE CONSOLIDATED INTERIM STATEMENT OF INCOME, CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION, CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS AND THE INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2018

The following sections provide information on items of the consolidated interim statement of income, consolidated interim statement of financial position, consolidated interim statement of cash flows and the interim statement of changes in equity for the period ended 30 June 2018. The comparative figures for the previous six-month periods were taken from the IFRS consolidated financial statements of bet-at-home.com AG, Düsseldorf, for the six months ended 30 June 2017 and 31 December 2017 respectively.

V.1. COMMENTS ON INDIVIDUAL ITEMS OF THE CONSOLIDATED INTERIM STATEMENT OF INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2018

The consolidated interim statement of income 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 consolidated financial statements for the period ended 30 June 2018.

The Group operates in the product and operating segments Sports Betting and eGaming. The eGaming segment comprises casino, poker, games and virtual sports.

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

Segment reporting in accordance with IFRS 8

| 30/06/2018 | Operating segments | | | Group total |
|---|--------------------|--|--------------------------------------|---------------|
| | Sports betting | eGaming (casino, poker, games, virtual sports) | Non-allocated segments/consolidation | |
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| Betting and gaming volume | 277,219 | 1,227,098 | 0 | 1,504,317 |
| Customer winnings | -248,458 | -1,189,233 | 0 | -1,437,691 |
| Gross betting and gaming revenue | 28,761 | 37,864 | 0 | 66,626 |
| Betting fees and gambling levies | -4,954 | -4,972 | 0 | -9,926 |
| VAT recognised in profit and loss | -880 | -3,615 | 0 | -4,494 |
| Net betting and gaming revenue | 22,928 | 29,277 | 0 | 52,205 |
| Segment assets | 15,148 | 16,657 | 53,237 | 85,042 |

| 30/06/2017 | Operating segments | | | Group total |
|---|--------------------|--|--------------------------------------|---------------|
| | Sports betting | eGaming (casino, poker, games, virtual sports) | Non-allocated segments/consolidation | |
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| Betting and gaming volume | 347,960 | 1,340,608 | 0 | 1,688,568 |
| Customer winnings | -313,440 | -1,298,312 | 0 | -1,611,752 |
| Gross betting and gaming revenue | 34,520 | 42,296 | 0 | 76,816 |
| Betting fees and gambling levies | -5,010 | -5,080 | 0 | -10,091 |
| VAT recognised in profit and loss | -1,916 | -3,289 | 0 | -5,206 |
| Net betting and gaming revenue | 27,593 | 33,926 | 0 | 61,519 |
| Segment assets | 25,403 | 11,545 | 58,115 | 95,064 |

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

Segment reporting – supplementary information

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

| | 01/01- 30/06/2018 | | 01/01- 30/06/2017 | |
|------------------------|-------------------|-------------|-------------------|-------------|
| | EUR'000 | in % | EUR'000 | in % |
| Germany | 544,961 | 36% | 533,407 | 32% |
| Austria | 460,493 | 31% | 482,599 | 29% |
| Eastern Europe | 276,680 | 18% | 463,550 | 27% |
| Western Europe (other) | 222,182 | 15% | 209,012 | 12% |
| | 1,504,317 | 100% | 1,688,568 | 100% |

In the first half of 2018, countries with similar markets were grouped together by region as follows:

Eastern Europe

Bosnia and Herzegovina, Croatia, Montenegro, Poland, Serbia, Slovakia, Slovenia

Western Europe (other)

Cyprus, Finland, Ireland, Liechtenstein, Malta, Netherlands, Sweden, Switzerland, United Kingdom

(2) Other operating income

| | 01/01- 30/06/2018 | 01/01- 30/06/2017 |
|---------------------------------------|----------------------|----------------------|
| | EUR'000 | EUR'000 |
| Exchange rate gains | 138 | 224 |
| Income from the release of provisions | 65 | 103 |
| Other | 76 | 177 |
| | 280 | 503 |

(3) Personnel expenses

Breakdown of personnel expenses:

| | 01/01- 30/06/2018 | 01/01- 30/06/2017 |
|--|----------------------|----------------------|
| | EUR'000 | EUR'000 |
| Salaries | 7,312 | 7,024 |
| Expenses for statutory social contributions and pay-based levies and statutory contributions | 1,811 | 1,758 |
| Expenses for severance payments and company pension plan contributions | 103 | 100 |
| Other social contributions | 86 | 84 |
| | 9,311 | 8,966 |

Termination benefits and employee pension funds include payments in accordance with the Austrian Staff and Self-Employment Provisions Act [BMSVG “new termination benefits”] totaling EUR 103 thousand (1 January – 30 June 2017: EUR 100 thousand).

Changes in staffing were as follows:

| | Reporting date | | Average | |
|---|----------------|------------|----------------------|----------------------|
| | 30/06/2018 | 30/06/2017 | 01/01- 30/06/2018 | 01/01- 30/06/2017 |
| Employees | 299 | 296 | 305 | 301 |
| Management Board of the parent company and managing directors of bet-at-home.com Entertainment GmbH | 2 | 2 | 2 | 2 |

(4) Advertising and other operating expenses

These expenses include the following items:

| | 01/01- 30/06/2018 | 01/01- 30/06/2017 |
|----------------------|----------------------|----------------------|
| | EUR'000 | EUR'000 |
| Advertising expenses | | |
| Advertising costs | 10,456 | 12,166 |
| Bonuses and vouchers | 6,473 | 7,104 |
| Sponsoring | 3,580 | 4,203 |
| Jackpot expenses | 650 | 736 |
| | 21,158 | 24,209 |

| | 01/01- 30/06/2018 | 01/01- 30/06/2017 |
|---|----------------------|----------------------|
| | EUR'000 | EUR'000 |
| Other operating expenses | | |
| Additional transaction costs | 3,554 | 3,928 |
| Software provider expenses | 3,016 | 3,184 |
| Information services and software maintenance | 1,100 | 1,008 |
| Legal, audit and advisory fees | 1,011 | 794 |
| Rent and lease expenses | 472 | 436 |
| Costs for the preparation of financial statements, general meeting of shareholders and stock exchange costs | 178 | 175 |
| Exchange rate differences and similar expenses | 86 | 530 |
| Additions to provisions for impairment losses on receivables, loan losses and claims | 86 | 134 |
| Supervisory Board remuneration | 20 | 20 |
| Other costs | 1,551 | 1,241 |
| | 11,074 | 11,450 |

(5) Depreciation, amortisation and write-downs

| | 01/01- 30/06/2018 | 01/01- 30/06/2017 |
|---|----------------------|----------------------|
| | EUR'000 | EUR'000 |
| Amortisation and write-downs of intangible assets | 86 | 103 |
| Depreciation and write-downs of property, plant and equipment | 544 | 516 |
| Write-downs of low-value assets | 4 | 33 |
| | 634 | 651 |

(6) Net finance income

| | 01/01- 30/06/2018 | 01/01- 30/06/2017 |
|--|----------------------|----------------------|
| | EUR'000 | EUR'000 |
| Finance income | | |
| Interest receivable and similar income | 28 | 465 |
| | 28 | 465 |

(7) Income tax expense

Until 2017, securities were revalued on an annual basis due to the values of the current securities exceeding their acquisition values. This resulted in differences between the values stated in the consolidated financial statements for interim periods and the values stated in the tax balance sheets, thus creating deferred tax liabilities.

After the disposal of the securities in reporting period 2017, deferred tax liabilities amounted to EUR 0 thousand (30 June 2017: EUR 110 thousand) as of 30 June 2018.

(8) Consolidated net profit for the period

The consolidated net profit for the period of EUR 28,587 thousand (30 June 2017: EUR 53,076 thousand) is exclusively attributable to the shareholders of the parent company.

V.2. COMMENTS ON ITEMS OF THE CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 JUNE 2018

(9) to (11) Non-current assets

A breakdown of non-current assets and changes in these assets during the first half of 2018 is presented in the consolidated statement of changes in non-current assets (appendix to the notes).

(9) Intangible assets

Internally-produced software

Internally-produced software has a useful life of three years. As at 30 June 2018, the carrying amount of internally produced intangible assets was EUR 0 thousand (30 June 2017: EUR 0 thousand).

(10) Goodwill

Breakdown

| | 30/06/2018 | 31/12/2017 |
|---|--------------|--------------|
| | EUR'000 | EUR'000 |
| Acquisition of Wetten-Schwechat business unit | 155 | 155 |
| Acquisition of the Starbet International Ltd. business unit | 162 | 162 |
| Acquisition of bet-at-home.com Entertainment GmbH, Linz (Austria) | 1,052 | 1,052 |
| | 1,369 | 1,369 |

Acquisition of the "Wetten-Schwechat" business unit

By agreement dated 1 July 2007, Betcompany s.a., Uruguay, transferred the customer base for the wetten-schwechat.at, wetten-schwechat.com and wetten-schwechat.de domains to bet-at-home.com Internet Ltd., Malta. Purchase price allocation in accordance with IFRS 3 resulted in a) an asset value of EUR 18 thousand (customer base for depositing users), which will be written down over its anticipated useful life of two years, and b) remaining goodwill of EUR 155 thousand. Pursuant to IFRS 3, this goodwill is not subject to systematic amortisation; it is tested for impairment annually instead. There was no objective evidence of impairment.

Acquisition of the Starbet International Ltd. business unit

By agreement dated 14 January 2008, Starbet International Ltd., Ta'Xbiex/Malta, transferred the domains "starbet.de" and "starbet.com" (and all related customer relationships) to bet-at-home.com Internet Ltd., Malta. In accordance with IFRS 3, this asset deal must be treated in the same way as a share deal. Therefore, initial consolidation was carried out at the date of acquisition pursuant to IFRS 3. Once the disclosed difference had been allocated to identifiable assets, the remainder (EUR 162 thousand) was recognised as goodwill. There was no objective evidence of impairment.

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

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

(11) Property, plant and equipment

A breakdown of property, plant and equipment and changes in these items during the first half of 2018 is presented in the consolidated statement of changes in non-current assets (appendix to the notes).

(12) Receivables and other assets

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

| | 30/06/2018 | 31/12/2017 |
|--|------------|------------|
| | EUR'000 | EUR'000 |
| Receivables from payment service providers | 5,220 | 4,294 |
| Receivables from associated companies | 0 | 824 |
| Tax receivables | 11,594 | 11,322 |
| Other receivables | 450 | 500 |
| | 17,264 | 16,940 |

(13) Short-term deposits

| | 30/06/2018 | 31/12/2017 |
|--------------------------------------|------------|------------|
| | EUR'000 | EUR'000 |
| Cash at bank (maturities > 3 months) | 4,469 | 4,588 |

(14) Cash and cash equivalents

| | 30/06/2018 | 31/12/2017 |
|--|------------|------------|
| | EUR'000 | EUR'000 |
| Cash at bank (maturities < 3 months) and in hand | 57,099 | 97,261 |

(15) Accruals and deferred income

Prepayments and accrued income mainly concerns prepayments under advertising and sponsorship agreements as well as maintenance agreements.

(16) Group equity

Breakdown of the Group's equity:

| | 30/06/2018 | 31/12/2017 |
|--|------------|------------|
| | EUR'000 | EUR'000 |
| Share capital | 7,018 | 7,018 |
| Capital reserves | 7,366 | 7,366 |
| Consolidated net profit for the period | 28,587 | 74,927 |
| | 42,971 | 89,311 |

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

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

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

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

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

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

(17) Non-current liabilities

| | 30/06/2018 | 31/12/2017 |
|----------------------------------|------------|------------|
| | EUR'000 | EUR'000 |
| Provisions for employee benefits | 47 | 47 |

In order to calculate the provisions for severance pay in accordance with IAS 19 by applying the projected unit credit method, an actuary's opinion was obtained as of 31 December 2017, which is based on an actuarial interest rate of 1.69% (previous year: 1.71%) and an annual growth rate of 2.5%.

(18) to (21) Total current liabilities and deferred income

Breakdown of current liabilities and accruals and deferred income:

| | 30/06/2018 | 31/12/2017 |
|------------------------------|------------|------------|
| | EUR'000 | EUR'000 |
| Trade payables | 2,238 | 1,758 |
| Current provisions | 27,947 | 22,600 |
| Other current liabilities | 10,829 | 10,085 |
| | 41,013 | 34,443 |
| Accruals and deferred income | 1,011 | 848 |
| | 42,024 | 35,291 |

Changes in provisions until 30 June 2018 (in thousands of euro):

| | Balance at 01/01/2018 | Utilisation | Release | Addition | Balance at 30/06/2018 |
|----------------------------------|--------------------------|-------------|---------|----------|--------------------------|
| Non-current | | | | | |
| Employee benefits | 47 | 0 | 0 | 0 | 47 |
| Current | | | | | |
| Taxes | 13,758 | 13,758 | 0 | 17,862 | 17,862 |
| Personnel provisions | 1,941 | 1,941 | 0 | 1,517 | 1,517 |
| Audit and advisory | 277 | 272 | 5 | 251 | 251 |
| Outstanding invoices | 1,774 | 1,718 | 55 | 2,592 | 2,592 |
| Betting fees and gambling levies | 3,557 | 3,557 | 0 | 4,591 | 4,591 |
| Other | 1,293 | 1,031 | 5 | 877 | 1,134 |
| | 22,600 | 22,277 | 65 | 27,690 | 27,947 |
| | 22,646 | 22,277 | 65 | 27,690 | 27,993 |

In the interim consolidated financial statements for the six-month period ended 30 June 2018, a provision was made for betting fees and gambling levies for June 2018; they were paid in July 2018.

The employee provisions comprise unused holiday pay and overtime and bonuses.

Other current liabilities include payables to customers of EUR 8,752 thousand (31 December 2017: EUR 7,476 thousand).

Deferred income consists of bets already deducted from customer accounts prior to the reporting date (pending bets). However, the sports events relating to these bets will not take place until after the reporting date (the majority in the second half of 2018).

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

Cash and cash equivalents recognised in the statement of cash flows exclusively refers to the “cash and cash equivalents” item in the statement of financial position.

V.4. COMMENTS ON THE IFRS CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

VI. OTHER DISCLOSURES

VI.1. FINANCIAL INSTRUMENTS

Non-derivative financial instruments

For further details on non-derivative financial instruments, see the consolidated statement of financial position for the period ended 30 June 2018. The Group does not trade in derivatives and only holds bank balances and cash and cash equivalents.

Fair value

Due to their short maturities, the fair values of other financial instruments (receivables, payables) approximate their carrying amounts. Fair values were therefore not determined for these assets and liabilities.

Reconciliation of carrying amounts and fair values (by category) in accordance with IAS 39

| | Carrying amount 30/06/2018 | At amortised cost | | At fair value | | Total carrying amount of financial instruments | Fair value of financial instruments | Non- financial instruments |
|--|-------------------------------|------------------------|----------------------|------------------------|---|--|---|----------------------------------|
| | | Loans & receivables | At amortised cost | Available-for- sale | | | | |
| Current assets | | | | | | | | |
| Receivables and other current assets | 17,264 | 5,670 | 0 | 0 | 0 | 5,670 | 5,670 | 11,594 |
| Short-term deposits | 4,469 | 0 | 4,469 | 0 | 0 | 4,469 | 4,469 | 0 |
| Cash in hand and cash at banks | 57,099 | 0 | 57,099 | 0 | 0 | 57,099 | 57,099 | 0 |
| Current liabilities | | | | | | | | |
| Provisions | 27,947 | 0 | 10,084 | 0 | 0 | 10,084 | 10,084 | 17,862 |
| Trade payables | 2,238 | 0 | 2,238 | 0 | 0 | 2,238 | 2,238 | 0 |
| Other liabilities and accruals and deferred income | 11,840 | 0 | 10,829 | 0 | 0 | 10,829 | 10,829 | 1,011 |

Financial Statements

| | Carrying amount 31/12/2017 | At amortised cost | | At fair value | | Total carrying amount of financial instruments | Fair value of financial instruments | Non- financial instruments |
|--|-------------------------------|------------------------|----------------------|------------------------|---|--|---|----------------------------------|
| | | Loans & receivables | At amortised cost | Available-for- sale | | | | |
| Current assets | | | | | | | | |
| Receivables and other current assets | 16,940 | 5,618 | 0 | 0 | 0 | 5,618 | 5,618 | 11,322 |
| Securities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Short-term deposits | 4,588 | 0 | 4,588 | 0 | 0 | 4,588 | 4,588 | 0 |
| Cash in hand and cash at banks | 97,261 | 0 | 97,261 | 0 | 0 | 97,261 | 97,261 | 0 |
| Current liabilities | | | | | | | | |
| Provisions | 22,600 | 0 | 8,841 | 0 | 0 | 8,841 | 8,841 | 13,758 |
| Trade payables | 1,758 | 0 | 1,758 | 0 | 0 | 1,758 | 1,758 | 0 |
| Other liabilities and accruals and deferred income | 10,933 | 0 | 10,085 | 0 | 0 | 10,085 | 10,085 | 848 |

Fair value risk management

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

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

The risks arising from financial instruments (IFRS 7.31, 33(b)) are disclosed in the risk report below.

VI.2. RISK REPORT

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

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

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

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

VI.2.1. Tax law and regulatory risks

In some European countries, betting and gaming providers remain targeted by legislative interventions aiming to terminate the offering and operation of their activities, based in particular on regulations enforcing state monopolies on gambling. Based on the positive judgements by the European Court of Justice and other regulatory developments, the Management Board expects further liberalisation of the eGaming market in the EU. However, a number of national laws or draft laws contain discriminatory regulations with respect to foreign providers intended to continue sealing off the market for national providers or monopolists.

The Management Board will continue to closely monitor future developments and strive to obtain eGaming licences in countries facilitating fair market access, in an effort to enhance legal certainty. However, there is the risk that individual countries could exclude customers from private foreign gaming offerings by imposing provider blocks, even though there are no legal grounds for such measures. This risk has only increased now that a number of new statutory provisions regarding eGaming explicitly provide for such measures, in violation of EU law.

Regulatory environment and risks from existing legal uncertainties:

Apart from individual countries whose governments issue their own licenses, bet-at-home.com AG Group bases its activities on online gaming and sports betting licenses issued in Malta. In the legal opinion of bet-at-home.com AG Group, these are effective in all EU member countries due to the freedom of movement within the EU, as long as online gaming and sports betting is legal in the respective member country. bet-at-home.com AG Group also aims to obtain additional national licenses in the individual EU member countries in which it operates.

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

Individual countries have further implemented provider blocks so as to stamp down on betting and gaming products, in other words potential customers can no longer access the websites of bet-at-home.com AG Group in these countries. Provider blocks have the potential to damage the Group, even in the very short term, and possible quicker than it takes to defend the Group against such blocks through the legal channels.

The key markets of bet-at-home.com AG Group developed as follows in the first half of 2018:

- In Germany, bet-at-home.com Internet Ltd. successfully applied for one of the 20 sports betting licenses issued after the effective date of the Revised Interstate Gambling Treaty on 1 July 2012. The authorities informed the company as early as September 2014 that it will be issued with a license. In the meantime, the tendering procedure was stopped by the supreme court in response to an appeal filed by the losing bidders, meaning that it has been impossible until now to issue a license. At their conference in October 2016, the German Minister-Presidents agreed to minimally invasive amendment to the gambling treaty. However, it could not be enforced as of 1 January 2018, as planned, because the newly elected government in Schleswig-Holstein withheld its consent. Some of the federal states now insist on opening up the online casino market. Other federal states continue to vehemently reject the idea. An opt-in model is being discussed as a possible solution. This would leave the federal states free to choose whether to issue online casino licenses under specified general terms and conditions. An agreement on the planned new regulation must be reached by October 2018 if it is to come into effect before the expiry of the “experimental clause” for sports bets on 1 July 2019. Failure to do so would result in the risk of the sector reverting back to the sports betting online monopoly, which has been ruled to be illegal by the courts.
- On 1 April 2017, an amendment to the gambling laws of Poland became effective. It generally enables private providers to apply for a sports betting license. One single online casino license was issued to the government provider, which constitutes illegal discrimination against foreign providers under EU law. The sports betting policy also contains unattractive general economic conditions as well as illegal provisions under EU law. The operating companies of the bet-at-home.com AG Group had therefore decided not to apply for a license in the meantime and to take vigorous legal action against the discriminatory regulations. Since July 2017, the operating companies of the bet-at-home.com AG Group have been fighting enforcement proceedings brought by the Polish authorities, which include IP and payment blocking measures. Extensive legal action was initiated in this respect. The operating companies of the bet-at-home.com AG Group will appeal against the negative first instance ruling in June 2018 and submit another request of remittance to the European Court of Justice to check the provisions of EU law with regard to Polish gambling laws and determine their violation of EU law. The Management Board will continue to closely monitor the political and legal developments and adjust its strategy accordingly.
- In September 2017, the Swiss parliament resolved to amend the gambling law so as to enable national stationary gambling providers to also offer their products on the internet for the first time. Plans are to stop foreign providers from entering the Swiss market in the future. IP blocking measures have been included in the law for this purpose. The new law was originally scheduled to come into effect on 1 January 2018. A referendum on the amendment of the gambling law was held on 10 June 2018 with the majority of the Swiss population voting in favour. There is a risk of the amendment now coming into effect on 1 January 2019.

- On 27 February 2018, the Austrian ministry of finance published a draft bill on the amendment of gambling laws. This draft intended for online gaming providers without an Austrian license to be blocked by internet service providers as from 1 October 2018. The draft was repealed again just days after it was published. Contrary to the original announcement, the amendment to the law has not yet been republished. The new government currently intends to include online sports bets in the gambling law and dedicate the income generated from these bets to sport. A new regulation for online casinos in Austria is also being discussed in this respect. It remains to be seen when a new draft law will be published.

In spite of continuing regulatory efforts, betting and gaming providers continue to be targeted by legislative interventions aiming to terminate the offering and advertising of their activities, based in particular on regulations enforcing state monopolies on gambling. The companies of the bet-at-home.com AG Group were affected by the following legal proceedings in the first half of 2018:

- In Germany, all pending sports betting injunctions of the federal states were abandoned back in 2014. Once the sports betting tendering process had failed, the federal states agreed to coordinate the execution of the online casino ban. At the beginning of 2015, the Federal State of Berlin issued an injunction against bet-at-home.com Entertainment Ltd. to refrain from advertising and offering casino products, which has now been approved by the Higher Administrative Court in Berlin-Brandenburg during summary proceedings. The affected companies appealed against this decision and the related penalties. A legally binding ruling is expected until the end of 2018. The Group will continue to offer its casino products in Berlin.
- In mid-2017, the Federal State of Hesse issued an injunction against bet-at-home.com Entertainment Ltd. prohibiting the company from offering casino products. This injunction demands the discontinuation of the gaming products, with the exception of sports bets on real events, and threatens the issuance of penalties for any violations. Action was taken against this injunction before the Darmstadt Administrative Court. The Regional Authority had previously agreed to suspend the immediate execution of the notice until the main ruling has been made by the Administrative Court. The penalty may therefore not be imposed until the conclusion of the action before the first instance, which may take until the end of 2018.
- Schleswig-Holstein issued similar injunctions against bet-at-home.com Entertainment Ltd. Due to the fact that the legal position in this federal state complies with EU law as well as the considerable expense involved in implementing the existing regional licenses, the company decided to discontinue its casino products in Schleswig-Holstein at the end of February 2018.

- In the Netherlands, the national gambling regulators accused the Maltese Group companies of unlawfully advertising in the Dutch market, particularly in the form of pan-European TV spot, and issued a fine in June 2018. The Group will appeal against this decision and submit a request of remittance to the European Court of Justice to check the provisions of EU law with regard to Dutch gambling laws and determine their violation of EU law.

In October 2017, the Federal Administrative Court in Leipzig decided that the ban on operating or brokering casino and poker games online complies with the Germany constitution and EU law, even after the partial liberalisation of the “online” sales channel. This decision was made during proceedings against another competitor. The supreme court further emphasised the legality of an online sports betting ban if the provider does not hold the required license and also has not applied for one because the licensing requirement complies with the German constitution and EU law. Overall, German case law regarding the standardisation of German gambling law remains inconsistent. A final ruling by the European Court of Justice is still pending.

The Group strengthened the following activities at a national level in the first half of 2018: In addition to its long-term membership with the European Gaming and Betting Association (EGBA) and its new membership with Deutscher Sportwettenverband (DSWV) [German Sports Betting Association] in 2015, bet-at-home.com became a founding member of Deutscher Online Casinoverband (DOCV) [German Online Casino Association] and Oesterreichische Vereinigung für Wetten und Glücksspiel (OVWG) [Austrian Association for Betting and Gaming]. All associations campaign for fair and legally sound regulations in the corresponding countries.

The risks of negative effects resulting from the regulatory environment and existing legal risks remain medium in a year-on-year comparison. Should such risk occur, the impact on the financial position, financial performance and cash flows would be high.

Risks relating to the continuing liberalisation

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

The risk of negative developments within the scope of the continuing liberalisation remains medium when compared with the previous year. Should such risk occur, the impact on the financial position, financial performance and cash flows would be high.

The opening of the Dutch market to foreign providers was delayed further. From today's perspective the licensing process is unlikely to start before mid-2019. This new delay is caused by the sale of the national casinos which is to be completed before opening the market to private providers. It currently remains to be seen if license applications can actually be submitted next year or if individual Group companies will apply for them.

Supported by the positive rulings of the European Court of Justice, the Management Board expects the liberalisation of the eGaming market to progress further in many EU member states. However, a number of draft laws contain discriminatory regulations for foreign providers with a view to keeping the market sealed off to the benefit of national providers. The Management Board will closely monitor future developments and strives to obtain eGaming licences in countries facilitating fair market access, in an effort to enhance legal certainty.

Increase of the taxes on betting fees and gambling levies/introduction of new taxes

The countries in which bet-at-home.com AG Group operates 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 bet-at-home.com AG Group wholly or largely unprofitable, either due to the tax rate or selection of measurement base.

After individual companies of the bet-at-home.com AG Group and numerous competitors received an informal letter from the Swiss tax authority in June 2016 regarding the VAT registration in Switzerland, the bet-at-home.com AG Group and EGBA (European Gaming & Betting Association), representing many European sports betting and gaming operators, entered into a dialogue with the Swiss Tax Authorities to clarify that they are not subject to VAT in Switzerland. The tax administration believes that companies offering electronic services, including gambling, and generate annual taxable sales of CHF 100,000 or more, must pay sales tax of 8% on the gross betting and gaming revenue. Nevertheless, it is still up to the authorities to check whether a general retroactive tax liability can be asserted and whether all products offered by the bet-at-home.com AG Group in Switzerland are subject to VAT.

After two years of lengthy interpretations and discussions on a tax liability in Switzerland and the risk assessment of various consultants, the bet-at-home.com AG Group has build a provision of EUR 686 thousand for the period from January 2017 to June 2018. The tax calculation method, the period of actual tax liability and the question as to which products these could account for are still subject to ongoing coordination with the Swiss authorities.

Since the introduction of the respective taxes and levies, the tax and levy rates have neither been increased nor decreased. As a result, the risk is to be classed as unchanged year-on-year from today's perspective. Should such risk occur, the impact on the financial position, financial performance and cash flows would be high.

Customer compensation claims and/or reimbursement of gaming losses

bet-at-home.com has implemented numerous measures to encourage its customers to gamble responsibly and for many years has been cooperating with organisations such as the Institute for Gambling and Dependence [Institut für Glücksspiel und Abhängigkeit] in Salzburg, Austria. These measures are complemented by voluntary annual compliance checks by eCogra.

Individual risks nevertheless exist, such as the possibility of customers who have incurred betting and/or gambling losses attempting, or continuing to attempt, to claim compensation for such losses from bet-at-home.com AG Group on the grounds of having been offered betting or gaming products that are banned under regulatory law. It is also conceivable that customers claim compensation for losses from the Group on the grounds of a gambling addiction, meaning that they were in an unfit condition to enter into a business transaction when concluding the bet and/or playing the game, or that gamer protection mechanisms (particularly blocks) were implemented not at all or too late to protect them.

As at the reporting date on 30 June 2018, no proceedings of material importance were pending. The risk of customer compensation claims and/or claims for the reimbursement of gaming losses remains medium compared to the previous year. Should such risk occur, the impact on the financial position, financial performance and cash flows would be medium.

Risk of loss and/or revocation of licenses (compliance risk)

bet-at-home.com AG Group bases its products on Maltese licenses which entitle the bearer to non-discriminatory access to the markets in the EU member countries as well as licenses issued by individual member countries. If a member country were to revoke its national license, bet-at-home.com AG Group would possibly be able to continue providing its services under the Maltese license. However, if the Maltese license were to be revoked, the Group would either have to use an alternative license or lose access to markets in which it does not hold a license. The respective Maltese licenses are issued by the Malta Gaming Authority (MGA) subject to a compulsory ongoing system audit during which the MGA audits the technical equipment of the licensee, particularly in terms of its functionality and IT security.

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

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

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

VI.2.2. Risks from operating activities

Odds management and bookmaker risk

Inaccurately estimated odds or manual errors made by bookmakers may result in higher customer payouts and therefore a decrease in income. This risk is minimised by a multitude of backup systems and by continuous monitoring of betting odds through market comparison. The IT project team continues to develop all the software required to provide a competitive product in the betting market. All required measures, such as automated algorithms for the prevention of manually estimated inaccurate odds 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 as much as possible. bet-at-home.com AG Group also determines betting odds, based on customers' expectations regarding the outcome of bets, and continuously adjusts them until the bet has been closed. To be able to provide customers with products in line with the market, the odds of competitors,

and therefore the entire market, are also taken into consideration in addition to the betting odds that can be offered on the basis of the positioning of the Group’s own customers.

Technical risks

The products and services offered by the Group depend on the reliable functioning of numerous technical systems. Serious interference with IT systems, particularly through adverse external influences such as hacker attacks, DDos attacks etc., may have a negative impact on the financial position, financial performance and cash flows of the Group. Another steep rise in business volume will place increasing demands on the accounting and controlling systems of group companies.

To minimise the IT risks, personnel structures in the form of an IT Security Officer (CISO) and related IT Security Engineers were created in 2013. These employees implement individual security measures to ensure IT security during ongoing operations, investigate potential security-related incidents, are responsible for establishing the information security policy by providing awareness training, and focus their activities on measures such as the ones stated below within bet-at-home.com AG Group:

- Preparing guidelines and processes within the scope of the information security management system (ISMS)
- Security monitoring (identifying weaknesses and potential threats to hardware and software)
- Risk management and awareness employee training
- Encryption of confidential data (particularly credit card data and passwords)
- Security of the connections to the user interface of the customers via HTTPS encryption
- Protecting the productive environment with IDS/IPS firewall systems
- Operating a centrally managed anti-virus software
- Annual penetration tests within the scope of system audits
- Monitoring log files using a SIEM (Security Information Event Management)
- ISO 27001 certified data centre provider.

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

Personnel and employee risk

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

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

Deficient performance of external service providers:

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

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

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

Risks relating to sponsoring agreements

Sports sponsoring has always been crucial for the advertising strategy of bet-at-home.com AG Group. Sponsoring of national sports clubs increases the popularity of the bet-at-home.com brand. In addition, primarily persons with an interest in sports, who are the key target group for the products of bet-at-home.com AG Group, are made aware of the brand in this environment. Advertising can therefore be used particularly efficiently in the sports sponsoring sector, at least on the current cost level. The sponsoring of renowned sports clubs also results

in their reputation and credibility having a positive effect on how the bet-at-home.com brand is perceived, also because sports events are highly regarded within society. Reputation and credibility are key success factors for bet-at-home.com AG Group.

Should bet-at-home.com AG Group be forced to reduce or discontinue its sponsoring activities in the future due to price increases in the sponsoring business or a revaluation of online betting and gaming products by the sponsoring partners or changes to the general legal conditions, this would reduce the popularity of the bet-at-home.com brand and could therefore have a negative impact on the revenue and income situation of bet-at-home.com AG Group. This risk remains low, like in the previous year. Should such risk occur, the impact on the financial position, financial performance and cash flows would be low.

VI.2.3. Financial risks

Cash and cash equivalents and liquidity risk

Liquidity exposure reflects the risk that the Group will have insufficient resources to meet its financial obligations as they fall due. Based on the cash and cash equivalents currently available to the Group, the liquidity risk remains low, like in the previous year. Should such risk occur, the impact on the financial position, financial performance and cash flows would be low.

Interest rate, currency and exchange rate risks

The interest rate risk associated with investments is considered insignificant. The interest rates on the bank balances depend on the market interest rates, which depend on the maturities. The effect of a change in the current low interest rate by 0.5 percentage points would amount to EUR 308 thousand (31 December 2017: EUR 509 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 (Euro). In the first half of 2018, material currency risks arose from transactions denominated in Polish zloty, while transactions denominated in other currencies were of minor importance. The Group does not hedge its currency risk. A 10% appreciation (depreciation) in the Polish zloty would have decreased (increased) the profit for the period (and the balance of equity) by around EUR 367 thousand (31 December 2017: EUR 383 thousand). Changes in these risk variables were assessed in relation to the potential for risks inherent in each financial instrument portfolio as at the reporting date.

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

Counterparty default (credit risk)

Credit risk is the risk of payment delays or defaults by counterparties. As there are no netting agreements, the amounts stated on the assets side (receivables and other assets) represent the maximum exposure to credit and default risk. Provisions have been made for anticipated reversals due to credit card refunds. Default risk relating to bank balances must be considered minor as the lending institutions concerned are A-rated banks. Should such risk occur, the impact on the financial position, financial performance and cash flows would be low.

VI.3. RELATED PARTY TRANSACTIONS

In the first half 2018, the Management Board of bet-at-home.com AG, Düsseldorf, had the following members:

- Mr. Franz Ömer, Dipl.-Ing. [graduate engineer], Ansfelden, Austria
- Mr. Michael Quatember, Master's degree, Linz, Austria

In the first half of 2018, the remuneration of the members of the Management Board of the parent company amounted to EUR 1,038 thousand (1 January – 30 June 2017: EUR 1,051 thousand). In addition, a provision of EUR 510 thousand was recognised for a potential management bonus.

Members of the Supervisory Board of bet-at-home.com AG, Düsseldorf, in the first half of 2018:

- Martin Arendts, MBL-HSG, lawyer, Grünwald (Chairman)
- Jean-Laurent Nabet, Director, Paris, France
- Isabelle Andres, Director, Paris, France

In the first half of 2018, the Chairman of the Supervisory Board received fixed remuneration of EUR 20 thousand (1 January to 30 June 2017: EUR 20 thousand). Necessary expenses were also reimbursed. As in the previous year, the other members of the Supervisory Board waived their entitlement to remuneration in the first half of 2018.

No material transactions were concluded with related parties in the first half of 2018.

VI.4. OTHER COMMITMENTS AND CONTINGENT LIABILITIES

Other commitments

Future commitments in respect of rental and lease agreements for the next five years total EUR 4,826 thousand (previous year: EUR 4,687 thousand). Of this amount, EUR 965 thousand (previous year: EUR 937 thousand) fall due within one year. These are rent payments for office premises in Linz, Portomaso, Malta, and Düsseldorf. The tenancy in Linz, representing the largest share of these commitments, can be terminated by the end of any month after the expiry of the minimum tenancy period of 48 months, subject to three months' notice. Due to the indefinite contract period, the total commitment under this tenancy cannot be more precisely determined.

VI.5. DECLARATION PURSUANT TO SECTION 161 AKTG ON THE GERMAN CORPORATE GOVERNANCE CODE

The Supervisory and Management Boards of bet-at-home.com AG have issued the statutory declaration for listed companies pursuant to Section 161 of the German Companies Act [Aktiengesetz; AktG] and made it accessible to the shareholders. The declaration has been published in the Investor Relations section of www.bet-at-home.ag under Corporate Governance.

VI.6. MATERIAL SUBSEQUENT EVENTS

In the period after 30 June 2018 and before the preparation of the interim consolidated financial statements, no events occurred that could materially affect the Group's business development or financial position.

VI.7. RESPONSIBILITY STATEMENT

We assure that to the best of our knowledge, the interim consolidated financial statements for the period from 1 January to 30 June 2018 give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with the applicable interim reporting standards, and that the group management report for the period then ended 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 in the remaining part of the financial year.

Düsseldorf, 27 July 2018

Franz Ömer

Michael Quatember

APPENDIX TO THE NOTES

CHANGES IN NON-CURRENT ASSETS FOR THE GROUP AS AT 30 JUNE 2018

bet-at-home.com AG, Düsseldorf

| | At cost | | | | Accumulated depreciation | | | | Carrying amount 31/12/2017 |
|--|-----------------------|------------|------------|-------------------|--------------------------|-----------------------|------------|------------|----------------------------|
| | Balance at 01/01/2018 | Additions | Disposals | Reclassifications | Balance at 30/06/2018 | Balance at 01/01/2018 | Additions | Disposals | |
| I. | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR |
| Intangible assets | 4,422,277.05 | 1,575.00 | 450.00 | 79,030.00 | 4,502,432.05 | 2,421,317.74 | 86,533.36 | 450.00 | 1,995,030.95 |
| 1. Software, internet domains and similar rights and benefits and licences derived therefrom | 3,052,956.75 | 1,575.00 | 450.00 | 79,030.00 | 3,133,111.75 | 2,421,317.74 | 86,533.36 | 450.00 | 625,710.65 |
| 2. Goodwill | 1,369,320.30 | 0.00 | 0.00 | 0.00 | 1,369,320.30 | 0.00 | 0.00 | 0.00 | 1,369,320.30 |
| II. | | | | | | | | | |
| Property and equipment | 6,431,397.25 | 466,914.84 | 124,939.74 | -79,030.00 | 6,694,342.35 | 4,396,332.45 | 547,057.18 | 108,509.61 | 1,859,462.33 |
| 1. Furniture and fixtures, office equipment | 6,306,397.25 | 34,062.84 | 108,509.74 | 403,125.00 | 6,635,075.35 | 4,396,332.45 | 547,057.18 | 108,509.61 | 1,800,195.33 |
| 2. Construction in progress | 125,000.00 | 432,852.00 | 16,430.00 | -482,155.00 | 59,267.00 | 0.00 | 0.00 | 0.00 | 59,267.00 |
| | 10,853,674.30 | 468,489.84 | 125,389.74 | 0.00 | 11,196,774.40 | 6,817,650.19 | 633,590.54 | 108,959.61 | 3,854,493.28 |

Financial Statements

CHANGES IN NON-CURRENT ASSETS FOR THE GROUP AS AT 30 JUNE 2017

bet-at-home.com AG, Düsseldorf

| | At cost | | | | Accumulated depreciation | | | | Carrying amount 31/12/2016 | Carrying amount 30/06/2017 |
|--|-----------------------|------------|------------|-------------------|--------------------------|-----------------------|------------|------------|----------------------------|----------------------------|
| | Balance at 01/01/2017 | Additions | Disposals | Reclassifications | Balance at 30/06/2017 | Balance at 01/01/2017 | Additions | Disposals | | |
| | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR |
| I. | | | | | | | | | | |
| Intangible assets | 4,419,157.47 | 198,122.78 | 324,794.66 | 119,852.33 | 4,412,337.92 | 2,416,697.21 | 103,612.41 | 197,111.46 | 2,323,198.16 | 2,002,460.26 |
| 1. Software, internet domains and similar rights and benefits and licences derived therefrom | 3,049,837.17 | 198,122.78 | 324,794.66 | 119,852.33 | 3,043,017.62 | 2,416,697.21 | 103,612.41 | 197,111.46 | 2,323,198.16 | 633,139.96 |
| 2. Goodwill | 1,369,320.30 | 0.00 | 0.00 | 0.00 | 1,369,320.30 | 0.00 | 0.00 | 0.00 | 0.00 | 1,369,320.30 |
| II. | | | | | | | | | | |
| Property and equipment | 6,397,611.11 | 237,450.05 | 249,432.85 | -114,759.12 | 6,270,869.19 | 3,518,366.80 | 547,649.65 | 239,794.27 | 3,826,222.18 | 2,879,244.31 |
| 1. Furniture and fixtures, office equipment | 5,564,277.78 | 237,450.05 | 249,432.80 | 718,574.16 | 6,270,869.19 | 3,518,366.80 | 547,649.65 | 239,794.27 | 3,826,222.18 | 2,045,910.98 |
| 2. Construction in progress | 833,333.33 | 0.00 | 0.05 | -833,333.28 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 833,333.33 |
| | 10,816,768.58 | 435,572.83 | 574,227.51 | 5,093.21 | 10,683,207.11 | 5,935,064.01 | 651,262.06 | 436,905.73 | 6,149,420.34 | 4,881,704.57 |

| | | | | | | | | | |
|--------------------------------|---------------------------------|-----------------------|--|--|--|---|--|-------------------------|---------|
| Report by the Management Board | Report by the Supervisory Board | bet-at-home.com Share | Consolidated Interim Statement of Financial Position | Consolidated Interim Statement of Income | Consolidated Interim Statement of Cash Flows | Interim Statement of Changes in IFRS Group Equity | Notes to the Interim Consolidated Financial Statements | Group Management Report | Imprint |
|--------------------------------|---------------------------------|-----------------------|--|--|--|---|--|-------------------------|---------|

GROUP MANAGEMENT REPORT TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

| | | | | | | | | | |
|--------------------------------|---------------------------------|-----------------------|--|--|--|---|--|-------------------------|---------|
| Report by the Management Board | Report by the Supervisory Board | bet-at-home.com Share | Consolidated Interim Statement of Financial Position | Consolidated Interim Statement of Income | Consolidated Interim Statement of Cash Flows | Interim Statement of Changes in IFRS Group Equity | Notes to the Interim Consolidated Financial Statements | Group Management Report | Imprint |
|--------------------------------|---------------------------------|-----------------------|--|--|--|---|--|-------------------------|---------|

**GROUP MANAGEMENT REPORT
FOR THE PERIOD ENDED 30 JUNE 2018
bet-at-home.com AG, Düsseldorf**

A. FUNDAMENTALS OF THE GROUP

A.1. BUSINESS MODEL

The bet-at-home.com AG Group is an online gaming and sports betting company. With just under 5.0 million registered customers, the Group is one of the most successful providers in Europe.

The varied options offered on www.bet-at-home.com include Sports Betting, Poker, Casino, Vegas Games and Virtual Sports. In the sports betting segment alone, bet-at-home.com offered bets on more than 154,000 events in over 75 types of sports in the first half of 2018. bet-at-home.com has companies in Germany, Austria, Malta and Gibraltar. The success of the group is partly attributable to our employees; as at 30 June 2018, the group employed 299 staff members.

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

The Group holds various licences via its Maltese companies for online sports betting and gaming. These licences allow the Group to organise and market online sports betting and online casinos in its sales markets in Germany, Austria, other Western European countries and Eastern Europe.

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

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

bet-at-home.com AG holds 100% of bet-at-home.com Entertainment GmbH. This company, which has its registered office in Linz, Austria, is mainly responsible for the continuous transfer of technology within the Group as well as for further developing its internally developed software and provides services for the operating companies in Malta. The company holds its international gaming licences for Sports Betting, Poker, Casino, Vegas Games and Virtual Sports via bet-at-home.com Holding Ltd., Malta.

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

A.2. RESEARCH AND DEVELOPMENT

One of the most important assets of the Group is its effective state-of-the-art software. This software is enhanced and developed continuously. Sports betting and casino products for the mobile platform were also continuously enhanced and optimised in the first half of 2018. bet-at-home.com achieved another internal product development milestone with the launch of the sports betting app in June 2018.

B. BUSINESS REPORT

B.1. OVERALL ECONOMIC AND INDUSTRY SITUATION

Based on the previous experience from key markets of the Group companies, it can be assumed that the eGaming business development is largely independent from total economic developments in the respective market.

The Management Board assumes that the overall gaming market will develop positively in the long term, with the online segment gaining further in importance. Particularly the penetration of the target group with mobile devices, mobile gaming as innovative sales channel as well as demographic trends and increasing online affinity will become supporting factors. The great scalability of the business model supports this development.

B.2. BUSINESS TREND

(1) Highlights in the first half of 2018

With view to the Football World Cup 2018 in Russia, the listed online sports betting and online gaming provider again focussed its marketing activities on successfully acquiring new customers in the first half of 2018 to continue its successful path and growth dynamics of previous reporting periods.

In the first half of 2018, the gross betting and gaming revenue amounted to EUR 66,626 thousand, thus 13.3% down year-on-year, due to measures to exclude foreign betting and gaming providers in Poland since July 2017, which violate EU law.

With view to the Football World Cup in Russia from 14 June to 15 July 2018, bet-at-home.com had an increased presence in its markets as from May 2018 thanks to an international advertising campaign in the form of TV spots, posters and online media, as well as an extensive bonus offering. An event of this magnitude is always an ideal time for bet-at-home.com to sustainably increase the number of registered customers. As planned, marketing expenses in the first half of 2018 therefore amounted to EUR 21,158 thousand (H1 2017: EUR 24,209 thousand), with a focus on marketing in the amount of EUR 13,464 thousand (Q2 2017: EUR 9,313 thousand) due to the major sport event in the second quarter of 2018. Group-wide bundling of the procurement of marketing services at the group company in Gibraltar also resulted in significant synergies in the first half of 2018, which had a positive impact on the Group's development.

The permanent expansion in the area of live betting will secure the Group's market position and ensure its continued positive development. Ongoing innovations on the mobile platforms and apps and the optimisation of the mobile device product portfolio are the main focus of operations. As a result, more than 51% of the gross betting and gaming revenue was already generated through mobile devices at the end of the first half of 2018.

(2) Staffing

In the first half of 2018, the average number of staff members (excluding the Board) employed by the group rose to 305 (1 January to 30 June 2017: 301). As at 30 June 2018, the group employed 299 staff members (30 June 2017: 296). Targeted personnel development combined with the recruitment of highly qualified professionals form the basis for the Group's continued successful development. Another key component to success is intensive further professional training.

B.3. GROUP SITUATION

The Group further strengthened its position, and in particular that of the bet-at-home.com brand, throughout Europe in the first half of 2018. This can be measured, in particular, by the fact that the number of registered customers increased to almost 5.0 million (previous year: 4.7 million) in the first half of 2018.

B.3.1. Earnings position

In the first half of 2018, the gross sports betting revenue (betting volume less paid out winnings) amounted to EUR 28,761 thousand and therefore was down year-on-year (1 January – 30 June 2017: EUR 34,520 thousand).

The gross eGaming revenue (gaming volume less paid out winnings) decreased year-on-year to EUR 37,864 thousand (1 January – 30 June 2017: EUR 42,296 thousand). eGaming contains the products Poker, Casino, Vegas Games and Virtual Sports. The main reason for the decrease in gross betting and gaming revenue are the measures to exclude foreign betting and gaming providers which Poland has been implementing since July 2017 and which violate EU law.

In the first half of 2018, total gross betting and gaming revenue therefore amounted to EUR 66,626 thousand (1 January – 30 June 2017: EUR 76,816 thousand), a figure which is down on the previous year. The gross betting and gaming revenue is a key financial performance indicator for the Group.

Taking into consideration betting taxes and gambling levies and the tax payable due to the VAT regulations for electronic service providers in the European Union, net betting and gaming revenue in the first half of 2018 amounted to EUR 52,205 thousand (1 January – 30 June 2017: EUR 61,519 thousand).

In the first half of 2018, the Group's financial performance was as follows:

| | 01/01- 30/06/2018 | 01/01- 30/06/2017 |
|--|----------------------|----------------------|
| | EUR'000 | EUR'000 |
| Net betting and gaming revenue | 52,205 | 61,519 |
| Total operating income | 52,485 | 62,022 |
| EBT (earnings before taxes) *) | 10,336 | 17,210 |
| EBIT (earnings before interest and taxes) **) | 10,308 | 16,746 |
| EBITDA (earnings before interest, taxes, depreciation and amortisation) ***) | 10,941 | 17,397 |

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

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

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

The betting fees, betting taxes and gambling levies payable in various countries decreased earnings by EUR 9,926 thousand in the first half of 2018 (1 January to 30 June 2017: EUR 10,091 thousand). In addition, VAT regulations for electronic service providers in the European Union also decreased earnings by EUR 4,494 thousand (1 January – 30 June 2017: EUR 5,206 thousand).

As planned, marketing expenses in the first half of 2018 decreased to EUR 21,158 thousand (1 January – 30 June 2017: EUR 24,209 thousand). In line with the increase in staff, personnel expenses rose by EUR 345 thousand, from EUR 8,966 thousand in the first half of 2017 to EUR 9,311 thousand in the first half of 2018.

B.3.2. Financial situation

As at 30 June 2018, the Group's cash flows were as follows:

| | 30/06/2018 | 30/06/2017 |
|---|----------------|----------------|
| | EUR'000 | EUR'000 |
| Total comprehensive income for the period | 6,296 | 11,282 |
| + Cash flows from operating activities | 12,805 | 9,072 |
| + Cash flows from investing activities | -332 | 29,145 |
| + Cash flow from financing activities | -52,635 | -52,635 |
| = Net cash from operating, investing and financing | -40,162 | -14,419 |
| + Cash and cash equivalents at 1 January | 97,261 | 90,101 |
| = Cash and cash equivalents at 30 June | 57,099 | 75,683 |

The cash flow from financing activities reflect the dividend payment to the shareholders of the parent company in May 2018.

Cash and cash equivalents of EUR 57,099 thousand boost the Group's excellent financial position as at 30 June 2018 in view of liabilities amounting to EUR 13,066 thousand and provisions to EUR 27,993 thousand. The Group was therefore able to meet its financial liabilities at all times.

B.3.3. Net assets

As at 30 June 2018, the Group's net assets were as follows:

| Assets | 30/06/2018 | 31/12/2017 |
|--|---------------|----------------|
| | EUR'000 | EUR'000 |
| Non-current assets | 3,854 | 4,036 |
| Current assets | | |
| Receivables from associated companies | 0 | 824 |
| Other receivables and assets, prepayments and accrued income | 19,620 | 17,939 |
| Short-term deposits | 4,469 | 4,588 |
| Cash and cash equivalents | 57,099 | 97,261 |
| | 85,042 | 124,648 |

The decrease in cash and cash equivalents is the result of the dividend payment in the amount of EUR 52,635 thousand, and therefore EUR 7.50 per share, to the shareholders of bet-at-home.com AG.

| Equity and liabilities | 30/06/2018 | 31/12/2017 |
|--|---------------|----------------|
| | EUR'000 | EUR'000 |
| Group equity | 42,971 | 89,311 |
| Non-current liabilities (provisions) | 47 | 47 |
| Current liabilities (payables, provisions, accruals and deferred income) | 42,024 | 35,290 |
| | 85,042 | 124,648 |

As of 30 June 2018, the equity ratio was 50.5% (31 December 2017: 71.7%). The decrease in equity results from the distribution of a dividend in the amount of EUR 52,635 thousand in May 2018.

Current liabilities include trade payables in the amount of EUR 2,238 thousand (31 December 2017: EUR 1,758 thousand), current provisions in the amount of EUR 27,947 thousand (31 December 2017: EUR 22,600 thousand) and other liabilities in the amount of EUR 10,829 thousand (31 December 2017: EUR 10,085 thousand), which primarily consist of liabilities to customers.

Financing measures were not required in the first half of 2018.

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

The Group's overall economic position was very positive in the first half of 2018.

C. EVENTS AFTER THE REPORTING DATE

There were no material events after the end of the first half of 2018.

D. OUTLOOK, RISKS AND OPPORTUNITIES**D.1. OUTLOOK**

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

Based on the assumptions and premises presented in Section B.1 above, the Management Board expects the following development in 2018:

Based on the current trends and assuming an unchanging regulatory and tax law environment in the financial year 2018, the Management Board expects gross betting and gaming revenues to increase to EUR 150 million.

The Management Board expects EBITDA to amount EUR 36 million to EUR 40 million in financial year 2018.

The maximum number of employees in the Group should increase to around 320 persons by 31 December 2018.

D.2. OPPORTUNITY REPORT

The development of the global online gaming market shows that the European market (EU 28) has made the largest contribution to growth in the past 10 years world-wide and is expected to continue generating annual growth rates of around 6.9%. This is confirmed by various studies by H2 Gambling Capital, also in the first half of 2018. According to recent studies, this trend will continue in the wake of broad-based acceptance of e-commerce and the global penetration of mobile applications and demographic trends and help the gambling sector – which does not depend on the state of the economy – on its way to sustained growth in the years to come.

D.3. RISK REPORT

The Notes to Interim Consolidated Financial Statements for the Period Ended 30 June 2018 contain detailed disclosures on the development of tax and regulatory risks, the risks from operating activities and financial risks (Section “VI.2. Risk report”) to which explicit reference is made.

D.3.1. Risk management system

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

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

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

D.3.2. Group accounting-related internal control and risk management system

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

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

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

E. RISK REPORTING IN RELATION TO THE USE OF FINANCIAL INSTRUMENTS

In the reporting period, available funds were exclusively invested in fixed term deposits and no securities or financial instruments were held.

F. CORPORATE GOVERNANCE STATEMENT

With regard to the disclosures on the working methods of the Management Board and Supervisors Board and the compliance statement 2018 in accordance with Section 161 AktG, please refer to the website of the parent company, www.bet-at-home.ag under Corporate Governance.

In accordance with Section 76 (4) AktG, the management boards of companies that are listed or subject to co-determination must specify the target percentages of women on both executive levels below the management board. However, bet-at-home.com AG is unable to determine such targets as the company does not have any employees and/or executive levels below the management board.

In accordance with Section 111 (5) AktG, the supervisory boards of companies that are listed or subject to co-determination must specify the target percentages of women on the supervisory and management boards. When determining the targets for its composition, the Supervisory Board specified that one third of the Supervisory Board should be women. This target has been reached at present. The Management Board is currently comprised of two men. As there are no plans to add further members to the Management Board, the company is currently not endeavouring to increase the percentage of women on the Management Board.

Düsseldorf, 27 July 2018

Franz Ömer

Michael Quatember

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DISCLAIMER

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

Imprint

Group Management Report

Notes to the Interim Consolidated Financial Statements

Interim Statement of Changes in IFRS Group Equity

Consolidated Interim Statement of Cash Flows

Consolidated Interim Statement of Income

Consolidated Interim Statement of Financial Position

bet-at-home.com Share

Report by the Supervisory Board

Report by the Management Board

bet-at-home.com AG

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