

**HALF-YEAR REPORT**

**20**

**17**

## GROUP KEY FIGURES (IFRS)

### INCOME STATEMENT

EUR '000	H1 2017	H1 2016*	Δ
<b>Group revenue</b>	<b>17,138</b>	<b>23,974</b>	<b>-28.5%</b>
Sports Betting segment revenue	12,002	14,544	-17.5%
Casino segment revenue	4,022	8,364	-51.9%
B2B segment revenue	1,114	1,066	+4.5%
EBITDA	8,007	-1,331	n/a
EBIT	7,030	-1,781	n/a
<b>Net profit for the period</b>	<b>4,039</b>	<b>4,182</b>	<b>-3.4%</b>
Earnings per share (basic, EUR)	0.16	0.14	+14.3%
Earnings per share (diluted, EUR)	0.16	0.14	+14.3%

\*Group revenue, EBITDA and EBIT adjusted for contributions of pferdewetten.de AG, which was sold in June 2016

### BALANCE SHEET

EUR '000	30.6.2017	31.12.2016	Δ
<b>Balance sheet total</b>	<b>20,290</b>	<b>19,392</b>	<b>+4.6%</b>
Shareholders' equity	11,703	7,649	+53.0%
Equity ratio	57.7%	39.4%	+18.3 pp
Net debt	146	1,936	-92.5%
Cash and cash equivalents	1,313	528	+148.7%

### CUSTOMERS AND SHOPS

	Q2 2017	2016	Δ
Registered customers	1,692,958	1,631,213	+61,745
Betting shops in Germany	151	155	-4

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# FOREWORD



**Dear Shareholders,**

Compared to the first half of 2016, our financial statements for the first half of the current financial year show a decline in revenue of around 29 percent. This did not come as a surprise to us in view of the negative business performance in the first quarter, which had already been reported, and a second quarter that included a regular summer break in the European professional football leagues instead of a European Championship tournament. However, given that our new online product platform [www.mybet.com](http://www.mybet.com) was fully operational for the first time in the second quarter, this result requires explanation. We have always emphasised that our results will not instantly leap up as a result of the new platform, especially if its first few months in the highly important sports betting market happen to be in a summer break without a relevant major sporting event. Add to this the very unfortunate continued official suspension of our casino activities in Greece, and the first half of the year did not yet offer us the conditions to convert the performance of our new platform into a positive revenue development.

However, I would like to emphasise that we have observed positive effects of the new platform on customer behaviour in the Casino segment, in which it makes sense to examine the initial data as the summer slump in the second quarter is less pronounced here. In addition, when comparing the first and second quarter 2017, meaning before and after the platform was fully in operation, our EBIT from sports betting and casino as well improved - despite lower revenue! If these observed improvements stabilise, it will represent a major success for us.

Looking at our total earnings before interest and taxes, a huge improvement can be seen. This is based on the settlement payment from the Westlotto case. The payment gave us more financial leeway, for example enabling us to sponsor Borussia Mönchengladbach. But it did not solve our fundamental problem of the very low marketing budget compared to the competition. We will therefore continue to examine whether there are possibilities to improve the company's financial resources. We are confident that we can be successful with the new mybet and will do our utmost to prove this to you with our further development.

Berlin, 29 August 2017

With kind regards

A handwritten signature in black ink, appearing to be 'M. Peuler', written in a cursive style.

Markus Peuler

CEO of mybet Holding SE

# 1

## ECONOMIC REPORT

To improve comparability, all prior-year figures reported below have been adjusted where necessary for the effects of the sale of pferdewetten.de AG in June 2016.

### GENERAL ECONOMIC AND REGULATORY CONDITIONS

#### ECONOMIC CONDITIONS

There were no major changes in general economic conditions in the first half of 2017 compared to the situation described in the mybet Group's 2016 annual report. This applies both to the development of the market for gambling and the competitive situation.

#### REGULATORY CONDITIONS

The main developments in the regulatory environment for the business activities of the mybet Group in the first half of 2017 compared to the end of 2016 are described below.

##### Germany

According to the information available to us at this time, the German State Treaty on Gambling (2. Glücksspieländerungsstaatsvertrag) newly negotiated by representatives of Germany's federal states will not enter into effect in its current form. Among other things, the new treaty included the issuance of sports betting licences in Germany according to qualitative criteria, and mybet is one of the 35 providers that was granted a provisional licence on this basis. The reason for the blockade is the declaration by the newly elected state government of Schleswig-Holstein in May 2017 that it will not sign the current treaty. However, the treaty must be approved by all federal states in order to become effective. The mybet Group cannot foresee the further development of this matter at the current time. The regulatory framework for the business activities of the mybet Group in Germany that has been in place for years will therefore remain unchanged for the time being.

### BUSINESS DEVELOPMENT

The low overall revenue level in the mybet Group reported for the first quarter of 2017 continued through the entire first half of the year. As was reported, the extraordinary statistical effect of unusually successful betting by customers as a result of sports outcomes generally very unfortunate for betting providers, specifically in February and March, brought particular pressure to bear on margins in sports betting business. In addition, our daily operations were carried out completely on the old IT platform during almost the entire first quarter. The new IT infrastructure and the newly developed online product platform then went live at the end of March 2017. So far we have been able to convince a very gratifying share of our existing customer base to use the new service as planned.

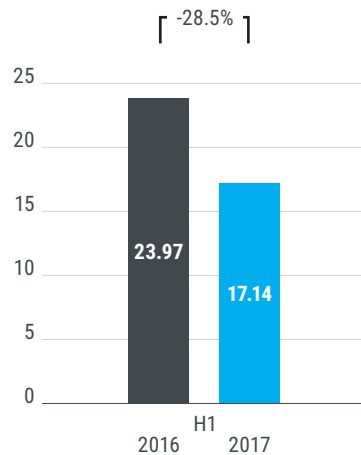
As the months of April, May and June progressed, we then experienced the anticipated decline in activity among our customers, and therefore in our revenue as well, especially in Sports Betting. The reason for this was the summer break for European professional football leagues, as experience shows that the tournaments played during this summer hiatus, such as the U21 European Championship or the Confederations Cup, do not attract the same level of betting activity as UEFA Euro 2016. This was apparent both for the online sales channel and in retail sales in betting shops. It has therefore not yet been possible to gather information on the acceptance of the new online product platform for Sports Betting. However, initial promising changes were observed in customer behaviour in the Casino segment in the same period shortly after the launch of the new product platform and our first-ever fully fledged mobile

casino offering. Although revenue fell short of the previous year's level in this segment as well, this was primarily due to the fact that casino activities are still blocked in Greece and we have a generally smaller customer base compared to the first half of the previous year.

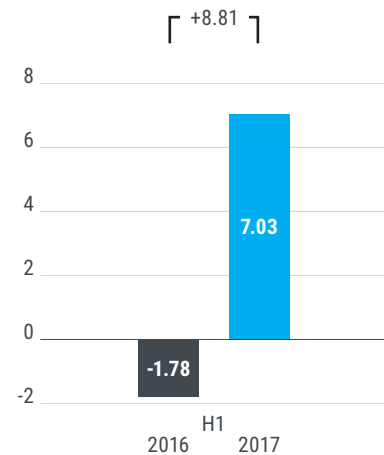
Our B2B service segment continued its positive development with a mid-range, single-digit growth rate in the first half of 2017.

In addition to these operating developments, two external factors in particular shaped business performance in the first half of the year. Firstly, as mentioned above, we had to do without our online casino activities in Greece for the whole of the first half of the 2017 financial year. The regulatory authority in charge there has not yet allowed us to resume our operations. We are, however, still engaged in constructive talks to be able to activate our online casino in Greece again as soon as possible in the second half of the year. The second key external factor was the end of the legal proceedings for damages against Westdeutsche Lotterie GmbH & Co. OHG by way of settlement. This led to a payment of EUR 11.8 million to SWS Service GmbH, a company of the mybet Group, with a correspondingly massive positive effect on our earnings figures.

**Group: Revenue development\***  
EUR million



**Group: EBIT development\***  
EUR million



\*Prior-year figures adjusted for contributions of pferdewetten.de AG, which was sold in June 2016.

As a result of these factors, the mybet Group's revenue in the first half of 2017 was down 28.5 percent on the previous year at EUR 17.1 million. EBIT was highly positive at EUR 7.0 million as a result of the settlement payment from the Westlotto proceedings. mybet had reported EBIT of EUR -1.8 million in the same period of the previous year.

The mybet Group's net profit for the first half of 2017 was also clearly positive at EUR 4.0 million. However, the non-recurring effect of the sale of the pferdewetten.de AG equity investment had led to a net profit of practically the same amount in the previous year (previous year: EUR 4.2 million).

The number of registered mybet customers rose from 1,631,213 to 1,692,958 and therefore by 3.8 percent the first half of 2017.

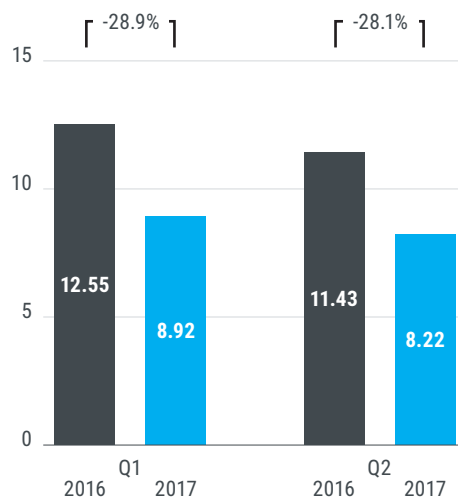
## EARNINGS POSITION

### REVENUE

In view of the negative development in the first quarter, the continuing suspension of the casino activities in Greece and the seasonally low level of betting activity of our customers since the middle of the second quarter, which was especially noticeable in comparison to previous-year's figures being influenced by the European football championships, the mybet Group's revenue fell short of the previous year's figure in the reporting period. We generated consolidated revenue of EUR 17.1 million in the first half of 2017, a decrease of 28.5 percent compared to the previous year (previous year: EUR 24.0 million).

#### Group: Revenue by quarter\*

EUR million



\*Prior-year figures adjusted for contributions of pferdewetten.de AG, which was sold in June 2016.

### OWN WORK CAPITALISED

Work performed by the enterprise and capitalised amounted to around EUR 1.0 million in the first half of 2017. The figure was therefore at the same level as in the previous year (previous year: EUR 0.9 million).

### OTHER OPERATING INCOME

Other operating income amounted to EUR 12.3 million in the reporting period (previous year: EUR 1.1 million). The rise in this income is entirely due to the settlement payment of EUR 11.8 million ending the legal proceedings for damages against Westdeutsche Lotterie GmbH & Co. OHG.

### Group: Key expenses

EUR '000	H1 2017	H1 2016	Δ	Q2 2017	Q2 2016	Δ
<b>Cost of materials</b>	<b>13,491</b>	<b>17,806</b>	<b>-24.2%</b>	<b>6,092</b>	<b>8,560</b>	<b>-28.8%</b>
thereof commission charges	9,466	13,110	-27.8%	4,030	6,185	-34.8%
thereof licence fees	681	1,251	-45.6%	305	608	-49.8%
thereof gambling taxes	338	505	-33.1%	158	355	-55.5%
thereof bonus costs	1,892	1,629	+16.1%	1,112	731	+52.1%
thereof payment transaction costs	560	837	-33.1%	276	432	-36.1%
thereof other	554	474	+16.9%	210	249	-15.7%
<b>Personnel expenses</b>	<b>4,517</b>	<b>4,644</b>	<b>-2.7%</b>	<b>2,319</b>	<b>2,280</b>	<b>+1.7%</b>
<b>Other operating expenses</b>	<b>4,347</b>	<b>4,927</b>	<b>-11.8%</b>	<b>2,160</b>	<b>2,487</b>	<b>-13.1%</b>
thereof marketing/sales	1,092	1,697	-35.7%	534	888	-39.9%

### COST OF MATERIALS

The year-on-year decline in revenue in the first half of 2017 was accompanied by a significant reduction in the cost of materials. However, down by 24.2 percent, the cost of materials fell at a slightly slower rate than revenue, even though significant portions of this cost item are directly related to revenue. This was largely due to higher betting bonuses that we gave customers in support of the launch of the new product platform.

### PERSONNEL EXPENSES

The mybet Group had 138 employees as at 30 June 2017 (previous year: 137). Down 2.7 percent as against the previous year, staff costs were within the normal range of fluctuation. The staff cost ratio climbed to 26.4 percent (previous year: 19.4 percent) as a result of the lower revenue level.

### OTHER OPERATING EXPENSES

Other operating expenses were down 11.8 percent year-on-year. Above all, this decline was attributable to the reduction in marketing and sales expenses reported in this item. These lower marketing expenses were mainly due to the unchanged financing situation of the mybet Group. The financial position only allowed a shift in costs to the higher betting bonuses reported under cost of materials, but necessitated an overall reduction in total expenses for marketing, sales and betting bonuses in the first half of 2017.

### Group: Earnings figures

EUR '000	H1 2017	H1 2016*	Δ	Q2 2017	Q2 2016*	Δ
EBITDA	8,007	-1,331	n/a	10,173	-528	n/a
EBIT	7,030	-1,781	n/a	9,675	-752	n/a
<b>Net profit for the period</b>	<b>4,039</b>	<b>4,182</b>	<b>-3.4%</b>	<b>6,888</b>	<b>4,984</b>	<b>+38.2%</b>

\*EBITDA and EBIT adjusted for contributions of pferdewetten.de AG, which was sold in June 2016.



### EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION

Our EBITDA was very clearly in positive territory at EUR 8.0 million. By comparison, it had been EUR -1.3 million in the first half of the previous year. The reason for this development is the settlement payment of EUR 11.8 million ending the Westlotto action for damages.

### DEPRECIATION AND AMORTISATION

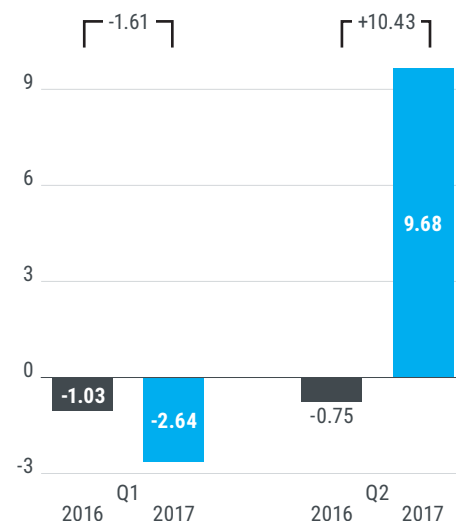
Depreciation and amortisation doubled year-on-year to EUR 1.0 million in the period between January and June 2017 (previous year: EUR 0.5 million). This was mainly due to the fact that the old IT platform for the mybet product range was effectively written down in full in 2015. As a result, significantly lower write-downs were recognised for this platform in the first half of 2016. By contrast, write-downs were recognised again for the newly launched IT platform in the first half of 2017 which, together with the unchanged depreciation and amortisation on software and betting shop fixtures, brought the figure back to a normal level for mybet.

### EARNINGS BEFORE INTEREST AND TAXES

The mybet Group's EBIT amounted to EUR 7.0 million in the reporting period. There was therefore again a clear improvement as against the previous year as a result of the higher EBITDA (previous year: EUR -1.8 million).

### Group: EBIT development by quarter\*

EUR million



\*Prior-year figures adjusted for contributions of pferdewetten.de AG, which was sold in June 2016.

### NET PROFIT FOR THE PERIOD

The net profit for the period was roughly on par with the previous year's level at EUR 4.0 million (previous year: EUR 4.2 million). Both figures were greatly influenced by positive non-recurring effects. While the disposal of the pferdewetten.de AG shares boosted the net profit for the first half of 2016, in the current reporting period it was the settlement payment ending the Westlotto legal proceedings for damages.

In the Group's Sports Betting segment, the mybet Group reports the development of the sports betting offering on the online platform (online sales channel) and at stationary franchise betting shops (retail sales channel).

## SPORTS BETTING SEGMENT

### Betting stakes

The betting stakes of mybet customers on our online platform and in stationary betting shops (retail) amounted to EUR 71.3 million in total in the first half of 2017. They were therefore down by 13.3 percent compared to the figure for the previous year. However, there had been a major event relevant to the industry in the same period of the previous year with the UEFA European Championship.

The negative trend in the online sales channel already seen in 2016 persisted with betting stakes down 27.0 percent. Thus, having launched the new product platform for sports betting, we cannot yet report any positive effect on online stakes. However, this was as expected in view of the summer break for European professional football leagues and the associated lower level of betting activity among our customers.

Nonetheless, despite the summer downturn in the second quarter, our performance in the sales channel retail was stable in the first half of the year with betting stakes down by 1.0 percent.

### Sports Betting: Key figures

EUR '000	H1 2017	H1 2016	Δ	Q2 2017	Q2 2016	Δ
<b>Betting stakes</b>	<b>71,280</b>	<b>82,241</b>	<b>-13.3%</b>	<b>33,148</b>	<b>40,249</b>	<b>-17.6%</b>
Online	28,396	38,920	-27.0%	13,448	18,325	-26.6%
Retail	42,884	43,321	-1.0%	19,699	21,924	-10.2%
<b>Hold</b>	<b>11,795</b>	<b>14,218</b>	<b>-17.1%</b>	<b>5,747</b>	<b>6,729</b>	<b>-14.6%</b>
Online	2,981	4,486	-33.5%	1,447	2,151	-32.8%
Retail	8,813	9,733	-9.5%	4,300	4,578	-6.1%
<b>Hold margin</b>	<b>16.6%</b>	<b>17.3%</b>	<b>-0.7 pp</b>	<b>17.3%</b>	<b>16.7%</b>	<b>+0.6 pp</b>
Online	10.5%	11.5%	-1.0 pp	10.8%	11.7%	-1.0 pp
Retail	20.6%	22.5%	-1.9 pp	21.8%	20.9%	+0.9 pp

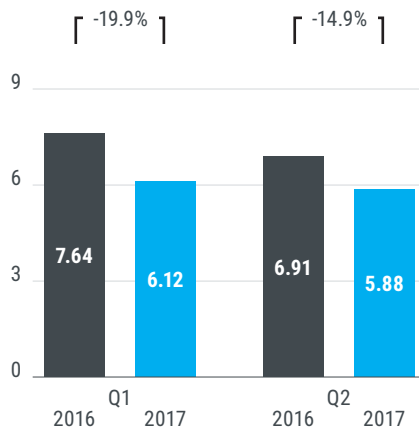
### Hold and hold margin

The hold, i.e. betting stakes less the calculated winnings, was around EUR 11.8 million in the first half of 2017, a year-on-year decline of 17.1 percent. The hold also reveals the clear difference in the development of online business (down 33.5 percent) and retail business (down 9.5 percent). For both sales channels, the gentler drop in the hold relative to the development in stakes is firstly due to the effect observed in the first quarter that carried through to the entire first half of the year of statistically unusual and, for betting providers, generally negative sporting results in the February/March period. Secondly, given the relatively low level of betting stakes in general at the current time, a slightly higher fluctuation in hold margins is not unusual.

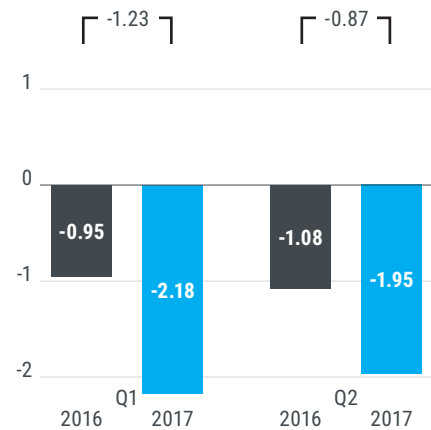
### Revenue and earnings

The mybet Group generated revenue of EUR 12.0 million in the Sports Betting segment in the first half of 2017. This was 17.5 percent lower than the comparable value for the previous year (previous year: EUR 14.5 million). The earnings before interest and taxes (EBIT) attributable to the segment amounted to EUR -4.1 million in the reporting period (previous year: EUR -2.0 million). This disproportionate EBIT decline compared to the decline in revenue was a result of the lower revenue contribution of the more profitable online sales channel. As a consequence we generated a much larger part of our total sports betting revenues in the less profitable sales channel retail when compared to the previous year's period. Clearly higher expenses for betting bonuses associated with introductory offers to support the start of the new platform added to this effect as .

**Sports Betting: Revenue by quarter**  
EUR million



**Sports Betting: EBIT by quarter**  
EUR million



**Sports Betting: Stationary betting shops by quarter**

Germany	Q2 2017	Q1 2017	2016
Betting shops	151	153	155

In the Group's Casino segment, the mybet Group reports the performance of the casino gaming offering on its online platform (online sales channel).

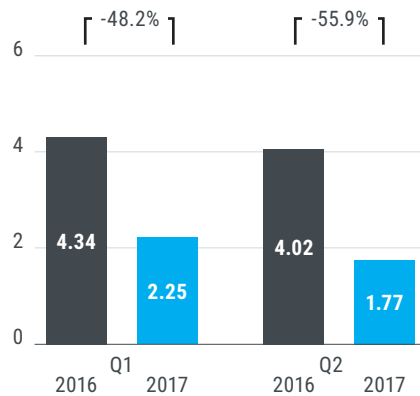
### CASINO SEGMENT

#### Revenue and earnings

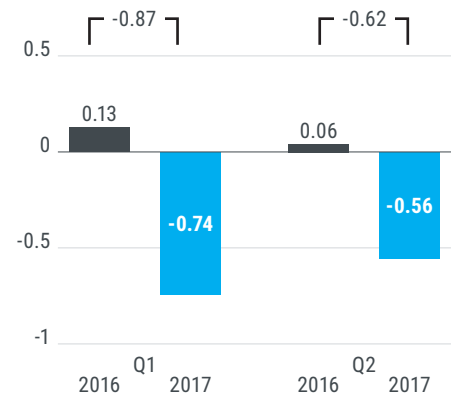
As described in the section on business performance, the negative revenue and earnings impact of the blocking of casino activities in Greece in the first half of the year overshadowed the business performance in the Casino segment. Revenue declined to EUR 4.0 million after EUR 8.4 million in the previous year, when Greek casino activities had been fully operational. EBIT amounted to EUR -1.3 million in the reporting period (previous year: EUR 0.2 million).

Despite the decline in revenue and earnings we observed first positive effects in customer behaviour in the casino segment since the start of the new product platform, which also for the first is offering a full-featured mobile casino. This especially relates to the customer lifetime, being the period in which customers are active on a regular basis after the first registration. This improvement, if it is going to be stable, has in the course of time particularly high effects on revenue and earnings according to experience.

**Casino: Revenue by quarter**  
EUR million



**Casino: EBIT by quarter**  
EUR million



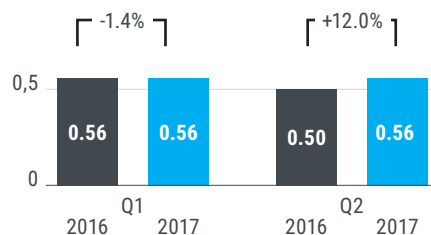
In its B2B segment, the mybet Group reports the performance of services for other sports betting providers, currently for providers in Ghana and Belgium.

**B2B SEGMENT**

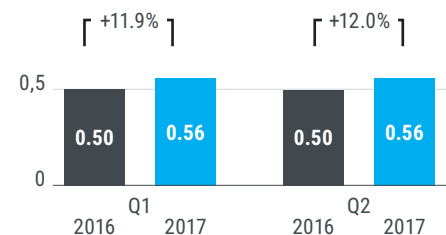
**Revenue and earnings**

The stable to slightly positive development of past reporting periods continued in our B2B segment in the first half of 2017. Revenue rose by 4.5 percent year-on-year to EUR 1.1 million (previous year: EUR 1.1 million). EBIT amounted to EUR 1.1 million in the same period (previous year: EUR 1.0 million).

**B2B: Revenue by quarter**  
EUR million



**B2B: Revenue by quarter**  
EUR million



## FINANCIAL AND ASSETS POSITION

### CASHFLOW

In addition to the proceeds from operating activities, the ongoing operations of the mybet Group were financed by cash and cash equivalents in the 2017 financial year (see Liquidity).

#### Group: Cash flow

EUR '000	H1 2017	H1 2016
Cash flow before changes to working capital	8,038	-1,936
Cash flow from operating activities	2,990	-8,507
Cash flow from investing activities	-1,205	4,910
Cash flow from financing activities	-1,000	0
Free cash flow	1,785	-3,597

Cash flow before changes in working capital amounted to EUR 8.0 million in the first half of 2017 (previous year: EUR -1.9 million). The improvement to this clearly positive amount was largely due to the net income for the period in connection with the settlement payment ending the Westlotto legal proceedings for damages.

Starting with the clearly positive cash flow before changes in working capital, essentially the reduction of liabilities and the costs resulting from the repayment of the Westlotto interim financing led to a cash flow from operating activities of EUR 3.0 million. Nonetheless, this was clearly higher than the previous year's figure (previous year: EUR -8.5 million).

Cash flow from investing activities amounted to EUR -1.2 million in the first half of the current financial year, well below the figure for the previous year (previous year: EUR 4.9 million). While the previous year's figure benefited from the extraordinary effect of the proceeds from the sale of the pferdewetten.de AG equity investment, the current value is solely including the investment in the development of the new IT platform.

Cash flow from financing activities was negative at EUR -1.0 million (previous year: EUR 0 million). This is the net total in the first half-year of borrowing on a credit facility – the Westlotto interim financing – and the subsequent full repayment of the same.

Free cash flow, i.e. the total cash flows from operating activities and investing activities, climbed into the black at EUR 1.8 million (previous year: EUR -3.6 million).

### LIQUIDITY

The mybet Group's total cash and cash equivalents amounted to EUR 1.3 million as at 30 June 2017. Uncommitted liquidity was therefore around EUR 0.8 million higher than as at the end of 2016.

#### Group: Liquidity by quarter

EUR '000	30.6.2017	31.3.2017	31.12.2016
Liquidity	1,313	228	528

This development in the first half of 2017 was caused by the inflow of cash of EUR 3.0 million from the Westlotto interim financing and EUR 4.9 million from the settlement payment ending the Westlotto legal proceedings for damages (net inflow after settlement of all payment obligations for the Westlotto interim financing). This was offset by the continuing cash outflow in the reporting period for investments in the new product platform and the financing of ongoing operating activities.

#### BALANCE SHEET TOTAL

The balance sheet total of the mybet Group amounted to around EUR 20.3 million as at 30 June 2017, an increase of EUR 0.9 million compared to the end of 2016 (31 December 2016: EUR 19.4 million). The key factors resulting in this development are described in the following sections.

#### ASSETS

The non-current assets of the mybet Group rose by around EUR 0.3 million as against the end of 2016 in the first half of the year. The slight increase is primarily due to higher intangible assets, specifically other intangible assets.

#### Group: Assets by quarter

EUR '000	30.6.2017	31.3.2017	31.12.2016
Non-current assets	11,735	11,589	11,463
Current assets	8,555	7,241	7,928

Current assets were around EUR 0.6 million higher as at 30 June 2017 than as at 31 December 2016. The rise in the first half of 2017 essentially resulted from the increase in cash and cash equivalents in the current reporting period.

#### SHAREHOLDERS' EQUITY

The mybet Group reported an increase in shareholders' equity of around EUR 4.1 million compared to the end of the previous year in its statement of financial position as at 30 June 2017.

#### Group: Shareholders' equity by quarter

EUR '000	30.6.2017	31.3.2017	31.12.2016
Shareholders' equity	11,703	4,801	7,649
Equity ratio	57.7%	25.5%	39.4%

The significant growth in equity is thanks to the positive net income for the period achieved in the first half of 2017. Accordingly, the equity ratio was also up substantially by 18.3 percentage points compared to the end of 2016, as balance sheet total rose only slightly in the first half of the year.

#### LIABILITIES

The non-current liabilities of the mybet Group declined by around EUR 1.0 million in the reporting period. This reflects the full repayment of the Westlotto interim financing loan. The mybet Group no longer had any loan or credit liabilities as at 30 June 2017. The non-current liabilities consist exclusively of the outstanding volume of the convertible bond and deferred tax liabilities.

#### Group: Liabilities by quarter

EUR '000	30.6.2017	31.3.2017	31.12.2016
Non-current liabilities	2,445	5,584	3,444
Current liabilities	6,142	8,445	8,298

Current liabilities were around EUR 2.2 million lower as at the end of 2017 than at 31 December 2016. The decline in current liabilities is largely due to the reduction in trade payables and tax liabilities.

### SUPPLEMENTARY REPORT

Please see note 7.10 Events after the end of the reporting period in the notes to the financial statements for details of any significant events after the end of the reporting period.

# 2

## FORECAST

Two events in the first half of 2017 have had a significant influence on the forecast for the business performance of the mybet Group in 2017. With the exception of these two events described below, the conditions for the business performance of the mybet Group as set out in the forecast in the 2016 annual report remained essentially unchanged in the first half of 2017.

Firstly, the mybet Group received a settlement payment of EUR 11.8 million, thereby ending the antitrust action for damages against Westdeutsche Lotteriede GmbH & Co. OHG. The result of operations and financing situation of the mybet Group changed significantly as a direct consequence of this payment. The Management Board therefore raised the forecasts for the mybet Group's EBIT and liquidity figures in the 2017 financial year on 24 May 2017. The revenue target was not changed.

Secondly, the attainment of our forecast for 2017 published in the 2016 annual report was dependent, among other things, on casino activities in Greece being restarting before the end of the first half of 2017. As casino operations in Greece had still not recommenced by the middle of August 2017, this delay is now having an increasingly adverse effect on our planned business development on this market.

Despite the results for the first half of 2017 and the longer-than-planned suspension of online casino activities in Greece, the Management Board is standing by its forecast of May 2017. This assessment is based on the positive business stimulus still expected from the newly launched online product platform in the third and fourth quarters. This stimulus is expected in Sports Betting in particular, as European professional football leagues will return to regular play from August.

### Group: Forecast financial performance indicators

EUR million	2016	Forecast 2017 (April)	Forecast 2017 (May)
Revenue	45.0	44.5 to 47.0	44.5 to 47.0
EBIT	-5.8	-3.2 to -2.7	4.5 to 5.5
Liquidity	0.5	0.3 to 1.0	1.0 to 2.0

In view of developments in the first half of the year, the achievement of the current forecasts for the financial performance indicators in 2017 is subject in particular to the risks "Customer acceptance of the new product range" and "Casino activities in Greece" described in the report on risks and opportunities not occurring. The occurrence of these or other risks described in the 2016 annual report could constitute an extraordinary unplanned burden on the mybet Group in the sense of the "Liquidity risk" also described in the report on risks and opportunities.



# 3

## OPPORTUNITIES AND RISK REPORT

Information on the material opportunities and risks that could affect the economic and financial situation of the mybet Group, and a description of the risk management system, can be found in the Opportunities and Risk Report in the mybet Group's annual report on the past financial year. The scale for assessing the probabilities of occurrence and the impact of the risks and opportunities on the earnings, financial and assets position of the mybet Group, and the associated numbering, is also explained there. The annual report has been published on our website at [www.mybet-se.com](http://www.mybet-se.com) under "Financial Reports" in the "News & Publications" section.

With the exception of the changes in the reporting period described below, the risks and opportunities cited in the annual report for the past financial year are essentially unchanged.

### **Payment of damages in the Westlotto case**

The opportunity described in the 2016 annual report of generating income from the action for damages against Westdeutsche Lotterie GmbH & Co. OHG (Westlotto) occurred as a result of the settlement reached in the first half of 2017. As a result of this, the financing and earnings situation of the mybet Group has improved in 2017 following the receipt of the agreed payment of EUR 11.8 million and after repaying the directly related interim financing using the proceeds from the court case.

### **Liquidity risk (R3)**

On 15 May 2017 the mybet Group reached a settlement with Westdeutsche Lotterie GmbH & Co. OHG (Westlotto), thus ending the ongoing court proceedings in relation to claims for damages brought by SWS Service GmbH, a company of the mybet Group, against Westlotto. As a result, the mybet Group received EUR 11.8 million in total in the second quarter, leading to additional cash and cash equivalents of around EUR 4.9 million after repayment of all obligations for the financing agreement directly related to the court proceedings (Westlotto interim financing). Nonetheless, the assessment of liquidity risk as a moderate risk, as presented in the 2016 annual report, still applies with a "very unlikely" probability of occurrence but a "critical" impact in terms of the company's internal risk categorisation. The basis for this assessment is that the mybet Group's financial resources would still not be able to sustain extraordinary unplanned negative effects in 2017 and that such negative effects would represent a critical risk to the continued existence of mybet Group if it were not possible to implement additional financing measures.

Without prejudging the outcome, the Management Board is therefore continuing to examine all available options to improve the mybet Group's financial resources in an economically expedient way and limit the liquidity risk while also supporting the company's economic performance whenever the opportunity arises in 2017. These options primarily include increasing equity or taking on new debt.

#### **Customer acceptance of the new product range (R4)**

Given the relatively short time since launching the new online product platform, a conclusive assessment of the risk that a number of customers will not accept mybet's new online presence and extended product range and therefore switch to other service providers is not yet possible. While there are already positive initial signals of good acceptance of the new Casino activities by customers, as yet there is no reliable data for Sports Betting on account of the relatively low customer activity level owing to seasonal reasons. The Management Board still rates the probability of occurrence of this risk of poor overall customer acceptance of the new range as unlikely and its impact as critical. It is therefore a moderate risk.

This risk is offset by the opportunity that the newly presented and expanded product range will be exceptionally well received by existing customers and a high number of new customers as well. Growth greater than forecast could thus be achieved. Here, too, a conclusive assessment of this opportunity is not yet possible for the reasons given above, even though there have already been positive signals in the Casino segment as stated above. However, as the Management Board already assumes growth within a certain range in its forecast, the probability of occurrence of this opportunity for growth greater than planned is still considered unlikely and its impact moderate. The assessment of the opportunity is therefore rated as moderate. All segments would be affected by the occurrence of the risk or opportunity.

#### **Gambling taxes in Germany (R11)**

Since 1 July 2012, tax in the amount of five percent has had to be paid on the amounts spent by the customer to place a sports bet. The mybet Group declares the tax each month and pays the amounts to the nationally competent tax office. At the same time, however, mybet files an appeal against the tax return. The mybet Group has reached an agreement with the competent tax office in Frankfurt/Main III to suspend the appeal proceedings instituted concerning the tax returns already submitted and to be submitted in future until a decision is reached in a pending test case before the fiscal court. In the event that the gambling tax is unlawful, the mybet Group would have a claim against the Frankfurt/Main III tax office for compensation in the amount of EUR 24.6 million as at 30 June 2017 (EUR 22.1 million as at 31 December 2016). The Management Board estimates the probability of reimbursement of the gambling taxes paid as unlikely, while the impact would be critical on the basis of our internal risk categorisation in the sense of a positive effect of more than EUR 3.5 million. This results in a moderate assessment of the opportunity.

Should the gambling tax turn out to be unlawful the sports bet could then in principle be subject to German value added tax with effect from 1 January 2015, as then sports bets would not be subject to an exemption from the German value added tax. Which basis would then be used for the value added tax cannot currently be foreseen. If the hold was assumed to form the basis for the value added tax, the tax obligation would amount to around EUR 9.7 million as at 30 June 2017 (EUR 8.1 million as at 31 December 2016). Similar to the assessment of the opportunity, the Management Board estimates the risk that this payment obligation will arise as unlikely and the impact as critical. The potential threat is nevertheless rated as moderate on account of the opportunity described that is associated with it.

If both the opportunity and the risk occurred, it would essentially be the sports betting segment that would be impacted.

### **Casino offer in Greece (R12)**

On account of an increase, previously non-existent in this form, of official formal objections to our casino offerings in Greece, mybet had to provisionally suspend its offer in the second half of 2016. Intensive exchanges have since taken place with the Greek authorities in order to reactivate the casino offering. The risk exists, however, that this will not prove successful within the 2017 financial year. Activities remained suspended throughout the whole first half of 2017 and, despite regular contact with the Greek authorities, there is still no reliable information on when our activities can resume. However, the Management Board still rates the probability of occurrence of the risk that casino activities will stay blocked for the entire 2017 financial year as unlikely and its impact as moderate. This risk is therefore rated as moderate.

This is offset by the opportunity for higher earnings in the Casino segment compared to 2016 in excess of planning as a result of the swift resumption of activities. This is no longer possible on account of the development in the reporting period, and the opportunity will therefore no longer be included in future financial reporting.

### **German State Treaty on Gambling (R13)**

The Prime Ministers of the German federal states drafted an amendment to the State Treaty on Games of Chance in Germany on 28 October 2016. This amendment envisages a licensing system for sports betting providers that does not stipulate any limit on the number of licences to be issued. Instead, the aim is for licences to be issued based on qualitative criteria. At the same time, 35 provisional licences have been issued to sports betting providers, including mybet. In addition to the new regulation in the field of sports betting, online casino offerings in Germany are also set to be examined. It cannot be said at this time whether any changes to the regulatory framework in Germany resulting from this will ultimately come into effect in 2018 as planned by the Conference of Prime Ministers, whether such changes will be as currently drafted or whether they will have any impact on our business activity.

There was also a reassessment of the new legislation in the reporting period, in particular by the new state government of Schleswig-Holstein. As a result of this reassessment, leading state government members have refused to sign the new state treaty and are hoping for a resolution by the state parliament in support of this. As the new version of the treaty has to be ratified unanimously by all states to become effective, it has become very unlikely that this draft, which forms the basis for the mybet Group's assessment of the risks posed by this treaty, will come into effect. So far there is no new proposal for new regulations for the State Treaty on Games of Chance that could be voted on.

In the draft submitted, the amended State Treaty on Games of Chance in Germany stipulates the introduction of a cap of EUR 1,000 per month for bets by players. At the same time, however, there is debate about changing this to a monthly loss ceiling or scrapping it altogether. As a worst-case scenario, the Management Board assesses the probability of a cap on stakes being introduced as unlikely and its impact as moderate. This risk is therefore rated as moderate. If the risk occurred, it would affect the Sports Betting segment. The Management Board is standing by this assessment until further notice, as so far there has been no new basis in the form of a new proposal for a legal regulation by the federal states. Changes are still not expected to take effect before the end of 2017.

This risk is not offset by any opportunity at this time as there is no binding proposal for a new version of the State Treaty on Games of Chance in Germany. It is therefore not possible for mybet to assess the possible positive consequences.

Berlin, 29 August 2017

A handwritten signature in black ink, appearing to read 'M. Peuler', with a stylized flourish at the end.

Markus Peuler

CEO of mybet Holding SE

# 4

## CONSOLIDATED FINANCIAL STATEMENTS

### BALANCE SHEET

#### Assets

EUR '000	Note	30.6.2017	31.12.2016
<b>Non-current assets</b>		<b>11,735</b>	<b>11,463</b>
<b>I. Intangible assets</b>	<b>6.1.1</b>	<b>9,909</b>	<b>9,713</b>
1. Goodwill		5,581	5,581
2. Other intangible assets		4,097	3,941
3. Properties under construction		231	192
<b>II. Property, plant and equipment</b>	<b>6.1.2</b>	<b>530</b>	<b>500</b>
1. Leasehold improvements		9	15
2. Other plant and equipment		520	460
3. Properties under construction		0	25
<b>III. Financial assets</b>	<b>6.1.3</b>	<b>0</b>	<b>0</b>
<b>IV. Deferred taxes</b>	<b>6.1.4</b>	<b>1,296</b>	<b>1,251</b>
<b>Current assets</b>		<b>8,555</b>	<b>7,928</b>
<b>I. Inventories</b>	<b>6.2.1</b>	<b>183</b>	<b>202</b>
<b>II. Receivables and other assets</b>	<b>6.2.2</b>	<b>7,059</b>	<b>7,198</b>
1. Trade accounts receivables, other receivables		1,097	1,294
2. Other financial assets		5,962	5,903
<b>III. Cash and cash equivalents</b>	<b>6.2.3</b>	<b>1,313</b>	<b>528</b>
<b>Total assets</b>		<b>20,290</b>	<b>19,392</b>

## BALANCE SHEET

### Shareholders' equity and liabilities

EUR '000	Note	30.6.2017	31.12.2016
<b>Shareholders' equity</b>		<b>11,703</b>	<b>7,649</b>
<b>I. Share capital</b>	<b>6.3.1</b>	<b>25,585</b>	<b>25,585</b>
<b>II. Capital reserve</b>	<b>6.3.2</b>	<b>12,367</b>	<b>12,353</b>
<b>III. Retained earnings</b>		<b>-26,250</b>	<b>-30,289</b>
Shareholders' equity attributable to shareholders of mybet Holding SE		11,703	7,649
<b>Non-current liabilities</b>		<b>2,445</b>	<b>3,444</b>
1. Bonds	6.4	1,459	1,424
2. Loan liabilities		0	1,041
3. Deferred tax liabilities	6.4	986	980
<b>Current liabilities</b>		<b>6,142</b>	<b>8,298</b>
1. Trade accounts payable, other liabilities	6.5	2,973	4,109
2. Tax liabilities	6.5	371	1,064
3. Other financial liabilities	6.5	2,370	2,823
4. Other accrued expenses	6.5	178	52
5. Income tax liabilities	6.5	249	251
<b>Total shareholders' equity and liabilities</b>		<b>20,290</b>	<b>19,392</b>

## INCOME STATEMENT

for the period from 1 January to 30 June 2017

EUR '000	Note	H1 2017	H1 2016 adjusted*
<b>Revenue</b>	5.1	17,138	23,974
<b>Own work capitalised</b>	5.2	951	928
<b>Other operating income</b>	5.3	12,273	1,143
<b>Cost of materials</b>	5.4	13,491	17,806
a) Commission charges		9,466	13,110
b) Licence fees		681	1,251
c) Gambling taxes		338	505
d) Bonus costs		1,892	1,629
e) Payment transaction expenses		560	837
f) Other cost of materials		554	474
<b>Personnel expenses</b>	5.5	4,517	4,644
a) Wages and salaries		3,929	4,067
b) Social security contributions		587	577
<b>Depreciation and amortisation</b>	5.6	977	450
<b>Other operating expenses</b>	5.7	4,347	4,927
<b>Operating income</b>		7,030	-1,781
<b>Other interest and similar income</b>	5.8	15	2
<b>Interest and similar expenses</b>	5.8	2,954	251
<b>Financial income</b>		-2,939	-249
<b>Income before taxes</b>		4,091	-2,030
<b>Taxes on income and profit</b>	5.9	52	164
<b>Net profit/loss for the period from continuing operations</b>		4,039	-2,194
<b>Net profit/loss for the period from discontinued operations</b>		0	6,376
<b>Net profit/loss for the period</b>		4,039	4,182
Profit/loss attributable to non-controlling interests		0	556
Profit/loss attributable to shareholders of mybet Holding SE		4,039	3,626
<b>Earnings per share (basic, EUR)</b>	7.1	0.16	0.14
Earnings per share (diluted, EUR)	7.1	0.16	0.14

\* The column "H1 2016 adjusted" includes the consolidated figures adjusted by the operative figures of the pferdewetten.de AG, deconsolidated in 2016.

## INCOME STATEMENT

for the period from 1 April to 30 June 2017

EUR '000	Note	Q2 2017	Q2 2016 adjusted*
<b>Revenue</b>	5.1	8,216	11,428
<b>Own work capitalised</b>	5.2	494	572
<b>Other operating income</b>	5.3	12,033	799
<b>Cost of materials</b>	5.4	6,092	8,560
a) Commission charges		4,030	6,185
b) Licence fees		305	608
c) Gambling taxes		158	355
d) Bonus costs		1,112	731
e) Payment transaction expenses		276	432
f) Other cost of materials		210	249
<b>Personnel expenses</b>	5.5	2,319	2,280
a) Wages and salaries		2,019	1,983
b) Social security contributions		300	297
<b>Depreciation and amortisation</b>	5.6	498	224
<b>Other operating expenses</b>	5.7	2,160	2,487
<b>Operating income</b>		9,675	-752
<b>Other interest and similar income</b>	5.8	0	2
<b>Interest and similar expenses</b>	5.8	2,802	123
<b>Financial income</b>		-2,802	-121
<b>Income before taxes</b>		6,873	-873
<b>Taxes on income and profit</b>	5.9	-14	134
<b>Net profit/loss for the period from continuing operations</b>		6,888	-1,007
<b>Net profit/loss for the period from discontinued operations</b>		0	5,991
<b>Net profit/loss for the period</b>		6,888	4,984
Profit/loss attributable to non-controlling interests		0	309
Profit/loss attributable to shareholders of mybet Holding SE		6,888	4,675
<b>Earnings per share (basic, EUR)</b>	7.1	0.27	0.18
Earnings per share (diluted, EUR)	7.1	0.27	0.18

\* The column "Q2 2016 adjusted" includes the consolidated figures adjusted by the operative figures of the pferdewetten.de AG, deconsolidated in 2016.



## COMPREHENSIVE INCOME STATEMENT

for the period from 1 January to 30 June 2017

EUR '000	H1 2017	H1 2016 adjusted*
<b>Net profit/loss for the period</b>	<b>4,039</b>	<b>4,182</b>
income and expenses recognized in other results	0	0
<b>Total comprehensive income</b>	<b>4,039</b>	<b>4,182</b>
thereof non-controlling interests	0	556
thereof shareholders of mybet Holding SE	4,039	3,626

\* The column "H1 2016 adjusted" includes the consolidated figures adjusted by the operative figures of the pferdewetten.de AG, deconsolidated in 2016.

## COMPREHENSIVE INCOME STATEMENT

for the period from 1 April to 30 June 2017

EUR '000	Q2 2017	Q2 2016 adjusted*
<b>Net profit/loss for the period</b>	<b>6,888</b>	<b>4,984</b>
income and expenses recognized in other results	0	0
<b>Total comprehensive income</b>	<b>6,888</b>	<b>4,984</b>
thereof non-controlling interests	0	309
thereof shareholders of mybet Holding SE	6,888	4,675

\* The column "Q2 2016 adjusted" includes the consolidated figures adjusted by the operative figures of the pferdewetten.de AG, deconsolidated in 2016.

## CASH FLOW STATEMENT

for the period from 1 January to 30 June 2017

EUR '000	H1 2017	H1 2016
<b>Net profit/loss for the period</b>	<b>4,039</b>	<b>4,182</b>
Depreciation and amortisation of intangible assets and property, plant and equipment	977	514
Loss/profit from disposal of non-current assets	3	0
Taxes on income and profit	52	164
Other interest and similar income	-15	-2
Interest and similar expenses	2,954	251
Profit from the disposal of discontinued operations	0	-337
Other non-cash expenses and income	29	65
Net profit pferdewetten.de AG before sale	0	-1,145
Reallocation gains on disposal pferdewetten.de AG	0	-5,628
<b>Cash flow before changes to working capital</b>	<b>8,038</b>	<b>-1,936</b>
Changes in inventories, receivables and other assets that are not investing or financing activities	164	-7,300
Changes in liabilities and other liabilities that are not investing or financing activities	-2,281	838
Change in short-term accruals	126	146
Interest paid	-2,959	-158
Income taxes paid	-98	-97
<b>Cash flow from operating activities</b>	<b>2,990</b>	<b>-8,507</b>
Cash payments for investments in intangible assets and property, plant and equipment	-1,206	-2,014
Cash receipts from disposal of discontinued operations	0	6,924
<b>Cash flow from investing activities</b>	<b>-1,205</b>	<b>4,910</b>
Cash payments for the redemption of bonds and loans	-4,000	0
Cash receipts from issuing bonds and taking out loans	3,000	0
<b>Cash flow from financing activities</b>	<b>-1,000</b>	<b>0</b>
Cash effective changes in cash and cash equivalents	785	-3,597
Changes in cash and cash equivalents from exchange rate fluctuations and from discontinued operations	0	-495
<b>Cash and cash equivalents at the start of the period</b>	<b>528</b>	<b>6,834</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,313</b>	<b>2,743</b>

## STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 30 June 2017

EUR '000	Share capital	Capital reserve	Retained earnings	Shareholders of parent company	Non-controlling interests	Total
<b>Position as of 31.12.2015</b>	<b>25,585</b>	<b>12,938</b>	<b>-30,798</b>	<b>7,725</b>	<b>3,943</b>	<b>11,668</b>
mybet Holding SE: Recognition of share-based payments		1		1		1
mybet Holding SE: Equity capital component in convertible bond		-586		-586		-586
pferdewetten.de AG: Deconsolidation					-4,543	-4,543
Acquisition non-controlling interest in QED Ventures			-157	-157	45	-112
Net profit/loss for the period			666	666	555	1,221
Total comprehensive income			666	666	555	1,221
<b>Position as of 31.12.2016</b>	<b>25,585</b>	<b>12,353</b>	<b>-30,289</b>	<b>7,649</b>	<b>0</b>	<b>7,649</b>
mybet Holding SE: Recognition of share-based payments		14		14		14
Net profit/loss for the period			4,039	4,039		4,039
Total comprehensive income			4,039	4,039		4,039
<b>Position as of 30.6.2017</b>	<b>25,585</b>	<b>12,367</b>	<b>-26,250</b>	<b>11,703</b>	<b>0</b>	<b>11,703</b>

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## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (IFRS) AS AT 30 JUNE 2017**

### **1 GENERAL INFORMATION**

mybet Holding SE, domiciled at Karl-Liebknecht-Straße 32, 10178 Berlin, Germany, is entered in the Berlin Commercial Register at the Charlottenburg Local Court (HRB 182840), and has prepared its consolidated financial statements in accordance with the International Financial Reporting Standards as at 30 June 2017.

The consolidated financial statements of mybet Holding SE include the company and its subsidiaries (collectively referred to as the "Group" or "mybet Group" and individually referred to as "Group companies").

On the basis of its own licenses and permits, the Group offers games of chance on the European market, depending on the respective national regulations. In Greece the company's offering is tolerated up to granting licenses. The Group's business activities focus on the Sports Betting and Casino divisions. The Poker division was discontinued during the 2016 financial year.

The declaration on the German Corporate Governance Code required by section 161 of the Aktiengesetz (AktG – German Stock Corporation Act) was issued by mybet Holding SE and made available to its shareholders. These compliance declarations can also be viewed on the website of mybet Holding SE ([www.mybet-se.com](http://www.mybet-se.com)).

The shares of mybet Holding SE are traded on the Frankfurt Stock Exchange under ISIN DE000A0JRU67.

The annual financial statements issued with an unqualified audit opinion by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, and the consolidated financial statements of mybet Holding SE as at 31 December 2016 issued with an unqualified audit opinion were published in the electronic Federal Gazette.

The consolidated financial statements of mybet Holding SE are in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standard Board (IASB) as adopted by the EU and the additional requirements of German commercial law in accordance with section 315a(1) of the Handelsgesetzbuch (HGB – German Commercial Code). In accordance with IAS 34, Interim Financial Reporting, a condensed scope of reporting has been selected for these consolidated financial statements. Separate consolidated financial statements and a Group management report in accordance with the German Commercial Code have not been prepared.

Unless stated otherwise in these notes, the same accounting policies were applied in the report for the first half-year as in the consolidated financial statements for the 2016 financial year. Accordingly, please see the consolidated financial statements as at 31 December 2016 for further information. In the opinion of the Management Board, the interim consolidated financial statements include all customary ongoing adjustments necessary for an appropriate presentation of the Group's financial position and performance.

These consolidated financial statements were prepared in euro, the functional currency of the Group. All financial information presented in euro has been rounded to the nearest thousand, unless stated otherwise. Rounding differences are therefore possible.

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

The interim consolidated financial statements and the interim Group management report of mybet Holding SE have not been audited or reviewed by an auditor.

In this financial report rounding differences may occur in monetary units, percentages etc. that do not match the mathematically exact figures.

#### Shareholdings

	Registered office	Nominal capital EUR '000	Shareholding in %
<b>Parent company</b>			
mybet Holding SE	Berlin	25,585	–
<b>Direct shareholdings</b>			
ANYBET GmbH	Hamburg	110	100.0
SWS Service GmbH	Berlin	110	100.0
PNO Ventures Ltd.	Malta	500	100.0
QED Ventures Ltd.	Malta	5	100.0
<b>Indirect shareholdings</b>			
PNO Casino Ltd.	Malta	240	100.0
PNO Sportsbetting Ltd.	Malta	20	100.0
PEI Ltd.	Malta	500	100.0
QED Software Systems GmbH	Vienna	18	100.0
Derrypark Ltd.	Gibraltar	2	100.0
QED Belgium s.p.r.l	Brussels	19	100.0
QED Network N.V.	Curacao	0	100.0
PCM Services Ltd.	Malta	5	100.0

## 2 CONSOLIDATION

### 2.1 CONSOLIDATED GROUP

The consolidated financial statements include 3 domestic companies (previous year: 3) and 10 foreign companies (previous year: 10) in which mybet Holding SE directly or indirectly holds a majority of the voting rights.

The significant shareholdings in accordance with section 313(2) HGB are presented below.

### 2.2 CHANGES IN THE CONSOLIDATED GROUP

There were no changes in the consolidated group in the 2017 reporting period.

### 3 KEY ACCOUNTING POLICIES

Unless stated otherwise, the accounting policies are the same as those already stated in the consolidated financial statements as at 31 December 2016.

### 4 SEGMENT REPORTING

H1 2017 EUR '000	Sports Betting	Casino	B2B	Total operating segments	Others	Total segments	Reclassifi- cations	Total
<b>Revenue</b>	<b>12,002</b>	<b>4,002</b>	<b>1,114</b>	<b>17,138</b>	<b>1</b>	<b>17,138</b>	<b>0</b>	<b>17,138</b>
Other operating income/work performed by the entity and capitalised	396	0	0	396	13,702	14,098	-875	<b>13,223</b>
Expenses (EBITDA costs)	-16,449	-5,323	0	-21,772	-583	-22,354	0	<b>-22,355</b>
EBITDA	-4,051	-1,301	1,114	-4,238	13,120	8,882	-875	<b>8,007</b>
Depreciation and amortisation	-71	0	0	-71	-441	-512	-464	<b>-977</b>
EBIT	-4,122	-1,301	1,114	-4,309	12,679	8,370	-1,339	<b>7,030</b>
Net finance costs					-2,939	-2,939		<b>-2,939</b>
EBT								<b>4,091</b>
Taxes					-52	-52		<b>-52</b>
Net income from discontinued operations								<b>0</b>
<b>Profit/loss for the period (IFRS)</b>								<b>4,039</b>

H1 2016 EUR '000	Sports Betting	Casino	B2B	Total operating segments	Others	Total segments	Reclassifi- cations	Total
<b>Revenue</b>	<b>14,544</b>	<b>8,364</b>	<b>1,066</b>	<b>23,974</b>	<b>0</b>	<b>23,974</b>	<b>0</b>	<b>23,974</b>
Other operating income/work performed by the entity and capitalised	602	15	5	623	-1,205	-583	2,654	<b>2,071</b>
Expenses (EBITDA costs)	-17,018	-8,153	-69	-25,240	-1,690	-26,930	-447	<b>-27,377</b>
EBITDA	-1,871	225	1,003	-643	-2,895	-3,538	2,207	<b>-1,331</b>
Depreciation and amortisation	-160	-34	0	-194	-97	-291	-159	<b>-450</b>
EBIT	-2,032	191	1,003	-838	-2,992	-3,829	2,048	<b>-1,781</b>
Net finance costs					-249	-249		<b>-249</b>
EBT								<b>-2,030</b>
Taxes					-164	-164		<b>-164</b>
Net income from discontinued operations							6,376	<b>6,376</b>
<b>Profit/loss for the period (IFRS)</b>								<b>4,182</b>

The Casino & Poker segment was renamed in June 2016 following the discontinuation of the poker offering. The horse betting segment was discontinued in June 2016 as a result of the sale and deconsolidation of the relevant Group company pferdewetten.de AG, and the discontinued segment was replaced by the B2B segment. External reporting was revised accordingly. By contrast to the previous year's financial reporting, the "Other Operating Activities" segment is no longer reported owing to the sale and deconsolidation of C4U-Malta Ltd.

With regard to contribution to the group's total revenue the most important regional markets in the first half of the year 2017 are Germany with 62.5 percent (previous year: 55.0 percent), Greece with 9.2 percent (previous year: 22.5 percent), Belgium with 8.5 percent (previous year: 6.1 percent) and Ghana with 4.2 percent (previous year: 2.9 percent).

## 5 NOTES TO THE CONSOLIDATED INCOME STATEMENT

### 5.1 REVENUE

Revenue includes the hold from sports betting organised, gambling fees from casinos, service proceeds, from B2B business in particular, and other proceeds.

#### Revenue

EUR '000	H1 2017	H1 2016 adjusted
Hold	11,795	14,218
Gambling Fees	3,880	8,325
Service proceeds	1,114	1,066
Other	349	365
Commission	0	0
<b>Total</b>	<b>17,138</b>	<b>23,974</b>

### 5.2 PRODUCTION OF OWN ASSETS CAPITALISED

Own work capitalised relates exclusively to internally generated software in the amount of EUR 951,000 (previous year: EUR 928,000). In particular, work performed by the enterprise and capitalised relates to expenses for the development of the new Internet platform in the reporting period.

### 5.3 OTHER OPERATING INCOME

Other operating income includes:

#### Other operating income

EUR '000	H1 2017	H1 2016 adjusted
Income from reimbursements by betting shop operators	328	381
Income from the disposal of assets	0	337
Prior-period income	0	76
Income from foreign currency translation	1	8
Other income	11,943	341
<b>Total</b>	<b>12,273</b>	<b>1,143</b>

Other income in the reporting period includes income of EUR 11,800,000 resulting from a legal dispute between SWS Service GmbH and Westdeutsche Lotterie GmbH & Co. OHG. For more information please see note 6.4.

### 5.4 COST OF MATERIALS

The cost of materials breaks down as follows:

#### Cost of materials

EUR '000	H1 2017	H1 2016 adjusted
Commission paid	9,466	13,110
Licence fees	681	1,251
Gaming taxes	338	505
Bonus expenses	1,892	1,629
Payment processing expenses	560	837
Other costs of materials	554	474
<b>Total</b>	<b>13,491</b>	<b>17,806</b>



## 5.5 STAFF COSTS

Staff costs and headcount developed as follows:

### Staff costs

EUR '000	H1 2017	H1 2016 adjusted
Salaries	3,915	4,067
Share-based payment	14	0
Social security contributions	587	577
Severance payments	0	0
<b>Total</b>	<b>4,517</b>	<b>4,644</b>

### Number of employees

	As at 30.6.2017	As at 30.6.2016	Average for H1 2017	Average for H1 2016
Salaried employees	138	137	138	141
Management Board of the parent company	1	2	1	2
<b>Total</b>	<b>139</b>	<b>139</b>	<b>139</b>	<b>143</b>

The employee numbers for the prior-year period, H1 2016, have been adjusted to reflect the method of presentation in the current reporting period to improve comparability. Figures were also adjusted to exclude trainees and employees on parental leave.

## 5.6 DEPRECIATION AND AMORTISATION

This item includes amortisation on intangible assets amounting to EUR 810,000 (previous year, adjusted: EUR 225,000) and depreciation on property, plant and equipment amounting to EUR 166,000 (previous year, adjusted EUR 225,000).

## 5.7 OTHER OPERATING EXPENSES

### Other operating expenses

EUR '000	H1 2017	H1 2016 adjusted
Marketing, sales	1,092	1,697
Service and maintenance, hosting, technical services	1,149	926
Other consulting costs	184	391
Legal consulting costs	185	263
Office costs	313	321
Non-deductible input tax	147	91
Other staff costs	460	124
Costs of financial statements and audits	126	218
Contributions, fees, insurance	137	110
Travel and hospitality expenses	160	144
Costs of bad debts	14	38
Telephone	62	120
Supervisory Board remuneration	56	56
Vehicle costs	50	61
Clearing expenses	32	29
Currency translation differences	4	11
Miscellaneous operating expenses	177	328
<b>Total</b>	<b>4,347</b>	<b>4,927</b>

## 5.8 NET FINANCE COSTS

Other interest and similar income result from bank balances. Interest expenses relate to liabilities to banks, third parties and creditors of the convertible bond.

## 5.9 INCOME TAXES

Income taxes include business taxes such as corporation tax and trade tax, or similar taxes for German and foreign companies. In addition to the tax expense on the current earnings of individual subsidiaries, this item also includes deferred tax assets and liabilities.

The recoverability of deferred tax assets on loss carryforwards is based on company planning in conjunction with the development of the individual Group companies observed in the past.

## 6 NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 6.1 NON-CURRENT ASSETS

#### 6.1.1 Intangible assets

The intangible assets reported in the reporting period essentially consist of the goodwill of the QED Group (EUR 5,581,000) and the Internet platforms (EUR 4,054,000).

#### 6.1.2 Property, plant and equipment

Property, plant and equipment relates to hardware and other operating and office equipment.

#### 6.1.3 Financial assets

There were no reportable financial assets in the reporting period.

#### 6.1.4 Deferred taxes

Please see note 5.9 for information on deferred taxes.

### 6.2 CURRENT ASSETS

#### 6.2.1 Inventories

Inventories include infrastructure components for betting shops (betting terminals, scanners, printers) which are sold to the shop franchisees. Inventories amounted to EUR 183,000 as at the end of the reporting period (31 December 2016: EUR 202,000).

#### 6.2.2 Receivables and other assets

All receivables and assets have a residual term of up to one year and break down as follows:

##### Receivables and other financial assets

EUR '000	30.6.2017	31.12.2016
Trade receivables	1,097	1,294
Other financial assets	5,962	5,903
<b>Total</b>	<b>7,059</b>	<b>7,198</b>

Trade receivables mainly comprise receivables from operational in-house betting business.

Other financial assets include:

### Other financial assets

EUR '000	30.6.2017	31.12.2016
Committed funds/deposits	2,274	1,928
Convertible bond collateral	1,768	1,768
Receivables from payment service providers	723	997
Prepaid expenses/advance payments	492	473
Creditors with debit balances	103	211
Miscellaneous other financial assets	600	528
<b>Total</b>	<b>5,962</b>	<b>5,903</b>

The trade receivables and other receivables are not past due as at 30 June 2017. On the basis of past payment morale and extensive analyses with regard to the risk of default by customers, the Management Board assumes that all receivables are recoverable.

### 6.2.3 Cash and cash equivalents

Cash and cash equivalents amounted to EUR 1,313,000 as at 30 June 2017 (31 December 2016: EUR 528,000).

### 6.3 EQUITY

Consolidated equity breaks down as follows:

#### Equity

EUR '000	30.6.2017	31.12.2016
Issued capital	25,585	25,585
Capital reserves	12,367	12,353
Consolidated retained earnings	-26,250	-30,289
<b>Total</b>	<b>11,703</b>	<b>7,649</b>

Please refer to the consolidated statement of changes in equity for information on the development of the Group's equity.

### 6.3.1 Issued capital

The issued capital of mybet Holding SE still amounts to EUR 25,585,000 and is divided into the same number of non-par value shares.

### 6.3.2 Capital reserves

The company has capital reserves of EUR 12,367,000 (31 December 2016: EUR 12,353,000), which essentially comprise additional payments from capital increases and the equity portion of the convertible bonds issued.

### 6.4 NON-CURRENT LIABILITIES

Non-current liabilities break down as follows:

#### Non-current liabilities

EUR '000	30.6.2017		31.12.2016	
	1-5 years	> 5 years	1-5 years	> 5 years
Convertible bond	1,459	0	1,424	0
Loan liabilities	0	0	1,041	0
Provision for deferred tax liabilities	986	0	980	0
<b>Total</b>	<b>2,445</b>	<b>0</b>	<b>3,444</b>	<b>0</b>

The discounted residual liability from the convertible bond issued on 11 December 2015 is reported under bonds as at the end of the reporting period.

As at 31 December 2016, the "Loan liabilities" item included the contingently repayable loan from an interim financing agreement dated 21 October 2016, which was granted to SWS Service GmbH ("SWS"), a Group company of the mybet Group, for possible cash flows in connection with the court proceedings against Westdeutsche Lotterie GmbH & Co. OHG (Westlotto interim financing). The proceedings were ended by way of settlement in the reporting period. Westlotto undertook to pay SWS EUR 11.8 million in the settlement. Payment was made in the second quarter of 2017. SWS did withdraw its action to end the legal dispute. The interim financing agreed with the mybet Group became due for repayment, with a performance fee, on receipt of the payment. In accordance with the terms and conditions of the agreement, the mybet Group had to pay back the lender the amount of EUR 4.0 million previously received from the credit facility provided. The lender received 50 percent of this total as its performance fee, and a further 15 percent of the remainder of the settlement was also paid to the lender. In addition, a commitment fee of 3 percent per year was charged for credit facility funds not utilised in the interim. After repayment of the interim financing, the mybet Group therefore received additional cash of EUR 4.9 million in the second quarter of 2017.

Please see note 5.9 for information on deferred taxes.

## 6.5 CURRENT LIABILITIES

Current liabilities break down as follows:

### Current liabilities

EUR '000	30.6.2017	31.12.2016
Trade payables	2,973	4,109
Other financial liabilities	2,370	2,823
Tax liabilities	371	1,064
Other provisions	178	52
Tax provisions	249	251
<b>Total</b>	<b>6,142</b>	<b>8,298</b>

The trade payables are secured by the normal retention of title.

Other financial liabilities include:

### Other financial liabilities

EUR '000	30.6.2017	31.12.2016
Gamers' liabilities	1,171	1,320
Debtors with credit balances	154	160
Derivative liabilities from pending bets	66	142
Other liabilities	978	1,201
<b>Total</b>	<b>2,370</b>	<b>2,823</b>

Provisions for staff costs were reported under other provisions as at 31 December 2016. The corresponding items are now reported under other financial liabilities in the current reporting period. The amount reported as at 31 December 2016 was restated accordingly with an adjustment effect of EUR 278,000.

Provisions developed as follows overall:

#### Consolidated statement of changes in provisions as at 30 June 2017

EUR '000	1.1.2017	Utilisation	Unused amounts reversed	Addition	30.6.2017
Other tax provisions	34	-54	0	180	160
Provisions for onerous contracts	18	-9	0	10	18
<b>Total</b>	<b>52</b>	<b>-63</b>	<b>0</b>	<b>189</b>	<b>178</b>

## 7 OTHER DISCLOSURES

### 7.1 EARNINGS PER SHARE

Earnings per share in EUR '000	H1 2017 30.6.2017 Total	H1 2017 30.6.2017 Continuing operations	H1 2016 30.6.2016 Total	H1 2016 30.6.2016 Continuing operations
Net income of the shareholders of mybet Holding SE (EUR '000)	4,039	4,039	3,626	-2,194
Weighted average number of ordinary shares outstanding in the reporting period	25,584,924	25,584,924	25,584,924	25,584,924
<b>Basic earnings per share (EUR)</b>	<b>0.16</b>	<b>0.16</b>	<b>0.14</b>	<b>-0.09</b>
Dilutive shares from options and bonds	0	0	0	0
Dilution of results of pferdewetten.de AG (EUR '000)	0	0	0	0
Interest payments saved (EUR '000)	0	0	0	0
Consolidated earnings (EUR '000) + offsetting dilutive effect (EUR '000)	4,039	4,039	3,626	-2,194
Number of dilutive shares	25,584,924	25,584,924	25,584,924	25,584,924
<b>Diluted earnings per share (EUR)</b>	<b>0.16</b>	<b>0.16</b>	<b>0.14</b>	<b>-0.09</b>

As at the end of the reporting period, earnings per share were not influenced by the potential dilutive effects of the convertible bond issued in December 2015 or the possible dilutive effects of employee options.

The reporting of continuing operations for the H1 2016 period was restated for the write-down of EUR 64,000 on the customer bases of pferdewetten.de AG. This division was sold in the previous year.

## 7.2 OTHER FINANCIAL OBLIGATIONS

The company must pay EUR 2,328,000 in future for rent, leases, service agreements and similar obligations (previous year: EUR 1,791,000).

## 7.3 CONTINGENT LIABILITIES

The company successfully placed a secured convertible bond on the capital market in December 2015. The bond has a volume of EUR 5 million and bears interest at 6.25 percent. Shares in pferdewetten.de AG were pledged as collateral for all claims of bond creditors to the payment of capital and interest. In the course of the sale of all shares in pferdewetten.de AG by the company in June 2016, this collateral was replaced by a cash deposit in an escrow account. The secured remaining liability amounts to EUR 1,768,000.

## 7.4 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Companies of the mybet Group are involved in various procedures in connection with the Glücksspielstaatsvertrag (GlüStV – State Treaty on Games of Chance in Germany), the outcome of which is uncertain. On the basis of the legal assessment of the company's legal advisors and judgements already declared, the company does not consider utilisation likely. There are no unrecognised risks from pending legal proceedings.

## 7.5 RENT AND LEASES

The leases entered into by the company are operating leases.

Vehicles, office equipment and telecommunication systems are financed with operating leases. The leases in place have remaining terms of between one and five years. The expenses for these operating leases and rental agreements for operating equipment amounted to EUR 48,000 in the financial year (previous year: EUR 53,000), with expenses for rental agreements of EUR 229,000 (previous year: EUR 231,000). The expenses are reported in "Other operating expenses" under vehicle costs, equipment rentals and office costs.

The following table shows the minimum future expenses arising from leases and rental agreements based on the terms and notice periods for these agreements. These are part of the other financial obligations (see also note 7.2).

### Rental and lease agreements

EUR '000	30.6.2017	30.6.2016
<b>Rental agreements</b>		
Term of up to 1 year	308	373
Term between 1 and 5 years	228	376
<b>Leases</b>		
Term of up to 1 year	29	68
Term between 1 and 5 years	35	37



## 7.6 RELATED PARTY DISCLOSURES

The following table shows the amounts to related parties that reduced the results for the reporting period. These amounts relate to consulting services.

### Related party disclosures

EUR '000	H1 2017	H1 2016
BankM, indirect shareholder Markus Knoss (member of the Supervisory Board)	1	3
<b>Total</b>	<b>1</b>	<b>3</b>

The prices are in line with the market. The consulting services are charged either according to the hours worked on the basis of standard market hourly rates, the tariffs on which the services are based or an offer made following due diligence on this basis. There were no outstanding liabilities from consulting services as at the end of the reporting period.

There were no outstanding liabilities to related parties as at the end of the reporting period.

## 7.7 STOCK OPTION PLANS

The 2015 General Meeting approved Contingent Capital 2015/I of EUR 1,000,000. 200,000 pre-emption rights had been issued to the Management Board as at 31 December 2016 and as at the end of the current reporting period, 30 June 2017.

For further information on the pre-emption rights (Contingent Capital 2015/I), please see the detailed information in the consolidated financial statements of the Group as at 31 December 2016.

A further 639,300 pre-emption rights were issued to employees within the mybet Group from Contingent Capital 2015/I as part of an employee option plan in May 2017. This constitutes equity-settled share-based payment as defined by IFRS 2. The terms and conditions of this stock option plan are shown in the table below.

Grant/issue date	24.5.2017
End of vesting period	24.5.2021
Redemption period	24.5.2021 to 24.5.2023 Pre-emption rights can only be exercised in the three-week periods following the publication of the quarterly reports for the second and third quarters and after the General Meeting.

Exercise price	Arithmetic mean of the closing prices of mybet Holding shares (Xetra trading, Deutsche Börse Frankfurt) in the three months prior to the issue date of the stock options. Not less than the par value per share of EUR 1 in accordance with section 9(2) AktG.
Relevant current value	Arithmetic mean of the closing prices of mybet Holding SE shares (Xetra trading, Deutsche Börse Frankfurt) in the three months prior to the exercise date of the stock options.
Absolute performance condition	The options can only be exercised if the relevant current value is greater than or equal to 115 percent of the exercise price (without par value condition).

The fair value of these options was calculated using a Monte Carlo simulation as at the measurement date 24 May 2017. The simulation allows the use of the share price at the time options are exercised as the average share price. Furthermore, the absolute performance target for mybet shares (115 percent) can be included as a condition in the simulated scenarios. The underlying parameters are shown in the following table.

#### Measurement parameters for employee stock option plan in May 2017

Measurement date	24.5.2017
Closing price of mybet shares as at measurement date	EUR 0.98
Remaining term of tranches as at measurement date	6 years
Average price for 3 months prior to issue: monitored until 24 May 2017	EUR 0.72
Exercise price relevant to measurement: max. (EUR 1, average for 3 months prior to issue)	EUR 1.00
Expected volatility of mybet shares	57%
Expected dividend on mybet shares	0%
Risk-free interest rate	0.1%
Absolute performance target (115% "3-month average at time of issue")	EUR 0.83

The development of the options to be taken into account in the reporting period in accordance with IFRS 2 is shown below.

	Number	Average exercise price
Outstanding stock options 1.1.2017	200,000	EUR 1.10
Vested stock options 1.1.2017	0	EUR 0.00
Granted in period (employees)	639,300	EUR 1.00
Expired in period (employees)	-5,600	EUR 1.00
Exercised in period	0	EUR 0.00
Outstanding stock options 30.06.2017	833,700	EUR 1.02
Vested stock options 30.06.2017	0	EUR 0.00

For the equity-settled stock options, the fair value as at the grant date is distributed over the vesting period in accordance with IFRS 2.10 to 13. A loss of the claims during this period results in a write-back of the corresponding expense. Staff costs of EUR 14,000 were recognised for stock options in the reporting period.

The stock options not yet issued from Contingent Capital 2015/I will be available until 4 June 2020.

## 7.8 EXECUTIVE BODIES OF THE COMPANY

### Members of the Management Board

Markus Peuler, business graduate, Berlin

### Members of the Supervisory Board

Dr Volker Heeg (Chairman), Hamburg, Lawyer and Tax Consultant  
(since 11 November 2010, Chairman since 1 October 2013)

Clemens Jakopitsch, Ludmannsdorf (Austria), Business Consultant  
(since 5 June 2014, Deputy Chairman since 5 June 2015)

Markus A. Knoss, Ludwigsburg, Business Development Manager  
(since 5 June 2014)

Patrick Möller, Fockbek, Director of Investor Relations  
(since 5 June 2014)

Michael Otto, Hamburg, Founder and Managing Director  
(since 5 June 2015)

Maurice Reimer, Berlin, Founder and Managing Director  
(since 5 June 2015)

#### **7.9 AUDITORS' FEES**

EUR 125,000 was recognised as an expense for the audit of the 2017 annual financial statements in the reporting period (previous year: EUR 110,000).

#### **7.10 EVENTS AFTER THE END OF THE REPORTING PERIOD**

The suspension of casino activities in Greece described in other sections, such as Business Development, Forecast and Opportunities and Risk Report, continued after the end of the reporting period. As at the middle of August, despite regular contact with the competent Greek authorities, mybet has not yet received reliable information on when casino activities can be expected to resume in Greece.

Berlin, 29 August 2017



Markus Peuler

CEO of mybet Holding SE

# 6

## **RESPONSIBILITY STATEMENT**

The Management Board gives assurance to the best of its knowledge that, in accordance with the applicable accounting principles for half-year interim financial reporting, the consolidated financial statements give a true and fair view of the Group's earnings, financial and assets position and the Group management report presents the business performance, including the business results and the situation of the Group, in such a way as to provide a true and fair view and describes the principal opportunities and risks of the Group's expected development.

Berlin, 29 August 2017



Markus Peuler

CEO of mybet Holding SE

## **FINANCIAL CALENDER**

29 August 2017	Half-year Report 2017
31 August 2017	Annual General Meeting, Berlin
23 November 2017	Interim Statement 3rd Quarter
27– 29 November 2017	Analysts' Conference (German Equity Forum)

## **FUTURE-RELATED STATEMENTS**

This Report contains future-related statements. These statements are based on the current information available to mybet at the time of compiling this report. Such statements relating to the future are, however, subject to risks and uncertainty. If the underlying assumptions should not prove accurate or in the event of additional opportunities/risks arise – potentially beyond the sphere of influence of mybet – the actual results could differ from those forecast. mybet is therefore unable to give any guarantee for these particulars.

This Report is a translation of the German version. In case of uncertainties, the German version shall prevail.

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