

**INTERIM REPORT
JANUARY THROUGH
SEPTEMBER**

2015

KEY FIGURES FOR THE GROUP (IFRS) MYBET HOLDING SE

INCOME STATEMENT	9M 2015	9M 2014	CHANGE	Q3 2015	Q3 2014	CHANGE
	€ '000	€ '000		€ '000	€ '000	
Total revenue	52,971	52,291	1.3 %	16,678	17,872	-6.7 %
<i>Sports Betting segment</i>	29,485	30,141	-2.2 %	9,605	10,262	-6.4 %
<i>Casino & Poker segment</i>	15,934	16,363	-2.6 %	4,244	5,444	-22.0 %
<i>Horse Betting segment</i>	7,041	5,014	40.4 %	2,662	1,888	41.0 %
<i>Other segment</i>	509	769	-33.8 %	166	274	-39.4 %
Revenue per employee	304	313	2.9 %	101	100	1.0 %
Net gaming revenue (NGR)	52,231	51,625	1.2 %	16,450	17,679	-7.0 %
EBITDA	517	1,766	-70.7 %	45	-2,156	N/A
EBITDA, adjusted	517	664	-19.7 %	45	-235	N/A
EBIT	-4,711	214	N/A	-3,955	575	N/A
EBIT, adjusted	-1,344	-887	N/A	-588	-719	N/A
EBT	-4,714	230	N/A	-3,960	550	N/A
Net profit/loss for the period	-4,417	-94	N/A	-4,180	440	N/A
Earnings per share (diluted, €)	-0.22	-0.03	N/A	-0,17	-0,01	N/A

BALANCE SHEET	30/09/2015	31/12/2014	CHANGE
	€ '000	€ '000	
Balance sheet total	32,546	36,978	-12.0 %
Shareholders' equity	14,551	18,934	-23.2 %
Equity ratio	44.7%	51.2%	-7.8 PP
Cash & cash equivalents	4,682 ¹	8,676	-46.0 %

¹ ex C4u

HIGHLIGHTS OF THE FIRST NINE MONTHS OF 2015

- **BETTING STAKES +3.2 % EVEN WITHOUT FIFA WORLD CUP**
-

- **MARKED RISE IN OFFLINE BETTING STAKES: +7.3 % AND € +4.5M**
-

- **BETTING STAKES IN GERMAN SHOPS: +20 %**
-

- **FURTHER GROWTH FOR MOBILE: +400 %**
-

- **HERA PROJECT PROCEEDING ACCORDING TO PLAN: LAUNCH OF NEW PLATFORM EXPECTED AT EARLY OF 2016**
-

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**// TO THE
SHAREHOLDERS**

01

DEAR SHAREHOLDERS,

In the first nine months of 2015, we continued to drive the change process initiated in the past financial year. The measures now pooled under the project name Hera are aimed at optimising mybet's product offerings, as well as its core processes and organisational structures. Together with the new IT platform, the expanded product range will give mybet a decisive competitive advantage in the medium term. The ongoing measures to improve our existing products and value added in transactions with existing customers are already reflected in our operating business: after the first nine months of 2015, total betting stakes in our core business Sports Betting are up on the previous year - despite the positive effect from the FIFA World Cup in the previous year. This trend is a vindication of our strategy.

Revenue after the first nine months reached EUR 53.0 million (previous year: EUR 52.3 million). However, capital controls introduced in Greece had a negative impact in the third quarter. Measures taken in the quarter now finished will enable mybet to successfully operate in Greece again in future. A positive trend is therefore expected here in the short term.

In our core segment Sports Betting, there was an increase in betting stakes of 3.2 percent in the reporting period. Average betting stakes online improved to EUR 413 per active customer (previous year: EUR 344). Betting stakes remained at the high level of the previous year, which was dominated by the FIFA World Cup. In our retail business (offline), we recorded growth in betting stakes of 7.3 percent across all outlets. Growth at our German shops was even more impressive. Betting stakes were raised by around 20 percent. This was facilitated by the successful implementation of our omni-channel strategy in conjunction with a systematic optimisation of the mybet shop portfolio. The omni-channel strategy enables our customers to use all mybet sales channels - shop, internet or mobile - via a central betting

account. In addition, tried and trusted CRM measures from our online business were transferred to the retail business for the first time. The resulting strong improvement in customer loyalty leads to increased customer values: the basis for sustainable revenue and earnings growth. At EUR 29.5 million, revenue in the Sports Betting segment was more or less on a par with the previous year (EUR 30.1 million). It should be noted that we are significantly expanding revenue in our high-margin mobile business and achieved a fourfold increase compared to the previous year.

Revenue in the Casino & Poker segment was also affected by the capital controls in Greece in the third quarter. At EUR 15.9 million, revenue in the first nine months was slightly down on the previous year (EUR 16.4 million). In the Horse Betting segment, however, there was significant growth in revenue to EUR 7.0 million (previous year: EUR 5.0 million).

With the roll-out of our new IT platform, we have now decided to completely replace the existing systems. As a result, there were one-off writedowns on legacy software of EUR 3.4 million and the remaining useful life of the existing platform was adjusted. This placed a corresponding burden on earnings before interest and taxes (EBIT) for the first nine months. In the reporting period, EBIT amounted to EUR -4.7 million. Adjusted for these writedowns and the effect of capital controls, EBIT amounts to EUR -1.3 million (previous year: adjusted EUR -0.9 million). Adjusted EBIT in the third quarter of EUR -0.6 million was slightly up on the previous year (adjusted EUR -0.7 million).

In line with our focus on the core business of Sports Betting - and subject to the approval of the relevant regulatory authorities - we have also sold our subsidiary C4U-Malta Ltd. C4U will continue to provide all necessary payment processing services for mybet. As a result of improved conditions in the field of payment processing and cost savings, we anticipate further positive effects on earnings as of 2016.

With regard to the latest developments in the legal framework for gambling in Germany, we welcome the recent proposal by the state government of Hesse to grant licences to all betting providers which meet the legal requirements and to generally modernise gaming regulation in Germany. The latest court ruling on licensing procedures for sports betting does not affect our objectives. After several years of deliberation, the proceedings were stopped by the Administrative Court of Hesse in October. The awarding of licences would have brought the legal certainty and fair competitive conditions which have long been sought in Germany.

With the improvements to our operating business described above, we have reached an important milestone which allows us to look ahead with great confidence to the coming months. The ongoing enhancement and expansion of our product range in the Sports Betting and Casino segments will help improve our value added and grow mybet's market share. We would be delighted if you chose to accompany us on our path to profitable growth.

Kiel, November 2015



Zeno Osskó



Markus Peuler

Management Board of mybet Holding SE

// INTERIM MANAGEMENT REPORT

MANAGEMENT REPORT

ECONOMIC REPORT

1 GENERAL ENVIRONMENT AND INDUSTRY-SPECIFIC CONDITIONS

1.1 ECONOMIC ENVIRONMENT

mybet is active in both European and non-European markets through subsidiaries as well as venture partners. Alongside the central sales market Germany, its defined target markets include Ghana and other European countries in particular. The economic environment in those countries consequently also affects the business performance of mybet.

Economic activity in Germany consolidated in the course of the first half of 2015 despite the unsettled backdrop of the global economy. Notwithstanding the considerable economic turmoil, the Kiel Institute for the World Economy (IfW) stands by its forecast of growth in gross domestic product (GDP) of 1.8 and 2.1 percent for this year and next year. In 2017, the pace of expansion should edge up even further to 2.3 percent, not least because of the continuing monetary stimulus and the favourable development of the labour market.

In the eurozone, the economy has regained its footing in the year to date. The IfW expects the recovery to continue in the second half of 2015. The upturn should become broader-based and be supported increasingly by the internal economy. This development is underpinned by the continuing recovery of the labour market. The IfW's economists forecast moderate GDP growth of 1.5 percent for the current year. In 2016 and 2017 growth should accelerate somewhat to 1.7 and 2.0 percent respectively. The economists at IfW rate the economic situation in Greece as still difficult. The reasons they give include the continuing political uncertainty and the controls imposed on capital movements. The capital controls in particular are also affecting the gaming and sports betting market in Greece. The IfW expects the Greek economy to contract by 0.4 percent in 2015. In 2016 and 2017 it expects GDP growth of 0.4 and 2.7 percent

respectively. For Ghana, the International Monetary Fund expects economic growth to reach 3.5 percent in the year in progress of 2015, and 5.7 percent for 2016.

1.2 INDUSTRY ENVIRONMENT

In Germany, betting stakes totalling around EUR 4.5 billion were placed in the sports betting market in 2014 according to current information from the market research institute Goldmedia. This figure does not include the illegal black market. The institute attributes the marked rise in the volume of betting stakes compared with the previous year (2013 betting stakes: EUR 3.8 billion) to a growing number of betting providers avoiding the legal grey area and striving for the (fiscal) legalisation of their business. It estimated mybet's market share at 4.1 percent.

According to earlier forecasts by Goldmedia and H2 Gambling, a limited opening-up of the market for sports betting by 2017 will lead to moderate long-term growth in the online sports betting market of 6.0 percent. In years with major sporting events, the overall market will grow correspondingly more strongly than in years without sporting highlights. For the online casino and poker market, average annual growth of 5.0 percent is forecast for the same period.

1.3 REGULATORY ENVIRONMENT

Based on a ruling by the Higher Administrative Court of Hesse on October 16, 2015 the licences for the organising of sports betting may still not be issued to the 20 applicants selected by the state of Hesse. A mybet group company is among the applicants that were informed they would be awarded a licence in September 2014.

The Higher Administrative Court has now dismissed the appeal, including by the state of Hesse, against the ruling of the Wiesbaden Administrative Court on May 5, 2015 and confirmed that court's ruling in the first instance. The anticipated awarding of licences based on the amended State Treaty on Gaming (German GlüÄndStV) is therefore not possible. The ruling of the Higher Administrative Court of Hesse may not be appealed. It remains to be seen how the Hesse Ministry of the Interior and Sports - as the centrally responsible body in Germany for the licensing process - will react to the ruling. As matters stand, the current legal basis for providers of sports betting in Germany therefore remains unchanged for the time being.

At European level, a dot-country model has emerged as the preferred format in many member states, binding providers to national licensing requirements. Companies of the mybet Group now hold licences in Germany (Schleswig-Holstein), Malta, the United Kingdom, Belgium and Cyprus. Operations are officially tolerated by the relevant authority in Greece. In other countries, such as Ghana, mybet works with licensed partners with which it has long-term tie-ins.

■ 2 BUSINESS PROGRESS

Business operations revealed positive progress overall in the period under review. In the first nine months of 2015 betting stakes in the core business area of Sports Betting were up on the prior-year level - even without the previous year's positive effect of the FIFA World Cup. Revenue for the segment was broadly unchanged from the previous year. By contrast, revenue in the Casino & Poker segment suffered from the industry-wide capital controls in Greece. Revenue in the Horse Betting segment increased significantly. Overall, consolidated revenue edged up to EUR 53.0 million. Profitability according to the measure of earnings before interest, taxes, depreciation and amortisation (EBITDA) after adjustment for non-operating non-recurring effects improved to EUR 0.5 million (previous year adjusted: EUR 0.7 million).

2.1 SPORTS BETTING SEGMENT

Betting stakes for the first nine months for this segment were 3.2 percent up on the previous year, at EUR 139.2 million (previous year: EUR 134.9 million). 53 percent of betting stakes were generated over the internet (online) and 47 percent via terrestrial channels in betting shops (offline). Compared with the previous year, online business was virtually unchanged at EUR 73.4 million (previous year: EUR 73.6 million). The betting stakes handled by the shops increased by 7.3 percent in the first nine months of 2015 to EUR 65.8 million (previous year: EUR 61.3 million). In the online area, mybet succeeded in growing monthly betting stakes per active customer by 20.0 percent compared with the previous year. Betting stakes overall were therefore increased even without the non-recurring effect of the previous year's FIFA World Cup.

The hold from sports betting (betting stakes less payouts of winnings) for the 2015 reporting period was approximately the same as the previous year's level at EUR 28.1 million (previous year: EUR 28.4 million). The hold margin of 20.2 percent was slightly below the

prior-year figure of 21.0 percent but is in line with expectations. Revenue for the segment in the 2015 reporting period had benefited from investment in the acquisition of new customers and the activation of existing customers in the first half of 2015. The capital controls imposed in Greece proved to be a burden from July on. Without these restrictions, revenue for the segment would have been well up on the previous year. Other operating income came to EUR 593 thousand (previous year: EUR 306 thousand). Expenses for the segment showed a slight rise to EUR 31.6 million (previous year: EUR 31.3 million) as a result of intensified marketing measures aimed at new and existing customers, along with higher commission payments attributable to a structural shift towards more cost-intensive sales channels. Earnings before interest and taxes (EBIT) for the Sports Betting segment thus came to EUR -1.7 million, compared with EUR -1.1 million in the previous year.

The number of registered online customers climbed to more than 1.4 million in the first half of 2015. The number of customers who use mybet's services at least once a month fell by -17.0 percent to 19,715 in the period under review (previous year: 23,744). The prior-year figures include betting customers who prefer to bet on major sporting events such as the FIFA World Cup. The capital controls in Greece in the current period equally impacted these indicators.

Thanks to constant optimisation of the drive to activate existing customers and successful cross-selling activities in the mobile area, the average monthly betting stakes per active customer were increased to EUR 413 (previous year: EUR 344).

KEY FIGURES FOR SPORTS BETTING	9M 2015	9M 2014	CHANGE	Q3 2015	Q3 2014	CHANGE
	€ '000	€ '000		€ '000	€ '000	
Betting stakes	139,187	134,928	3.2 %	39,338	40,689	-3.3%
Online	73,360	73,604	-0.3 %	19,740	22,151	-10.9 %
as % of betting stakes	53%	55%	-2 PP	50%	54%	-4 PP
Offline	65,827	61,324	7.3 %	19,598	18,538	5.7 %
as % of betting stakes	47%	45%	2 PP	50%	46%	4 PP
Hold	28,053	28,363	-1.1 %	9,195	9,656	-3.3 %
Overall margin in %	20.2%	21.0%	-0.8 PP	23.4%	23.7%	-0.3 PP
Hold online	11,273	12,221	-7.8 %	3,255	4,102	-20.6 %
Margin in %	15.4%	16.6%	-1.2 PP	16.5%	18.5%	2.0 PP
Hold offline	16,781	16,142	4.0 %	5,940	5,554	6.9 %
Margin in %	25.5%	26.3%	-1.2 PP	30.3%	30.0%	0.3 PP
Existing customers (online, million)	1.446	1.313	10.1 %	1.446	1,314	10.1 %
Active customers in period	158,524	183,179	-13.5 %	44,035	55,941	-21.3 %
Active sports betting customers in month (average)	19,715	23,744	-17.0 %	16,675	21,957	-24.1 %
Betting stakes per active customer in month (€)	413	344	20.0 %	395	336	17.3 %

2.2 CASINO & POKER SEGMENT

In the 2015 reporting period, revenue for this segment had also benefited from the investment in the Sports Betting segment in the first half of 2015. In the third quarter, however, the segment suffered from the industry-wide capital controls in Greece. Revenue for the segment after the first nine months came to EUR 15.9 million (previous year: EUR 16.4 million). EBIT for the 2015 reporting period of EUR 1.8 million was up on the prior-year level (previous year: EUR 1.5 million).

2.3 HORSE BETTING SEGMENT

The sharp rise in revenue from EUR 5.0 million in the previous year to EUR 7.0 million in the 2015 reporting period results from sustained growth in online business for

the segment. EBIT for the segment consequently showed an overproportional improvement, from EUR 1.1 million in the previous year to EUR 1.7 million in the 2015 reporting period.

2.4 OTHER OPERATING SEGMENT

The other operating segment mainly comprises the activities of C4U-Malta Ltd. (C4U). C4U offers payment processing and related services to third party companies on the basis of an e-money licence granted in 2013 in Malta, in the capacity of an independent financial institution. Revenue of EUR 0.5 million was down on the previous year (previous year: EUR 0.8 million). EBIT for the segment was EUR -0.1 million (previous year: EUR 0.4 million).

In the course of focusing on sports betting as the core business activity, the mybet Management Board has taken the decision to sell C4U. C4U will continue to perform all necessary payment transaction services for mybet and will thus ensure that the required payment services are available. The sale will only take effect once various conditions precedent are met, which include in particular the approval of the Malta Financial Services Authority (MFSA) as the supervisory body responsible. The Management Board expects the transaction to be completed in the fourth quarter of 2015.

■ 3 FINANCIAL POSITION, NET WORTH AND FINANCIAL PERFORMANCE

3.1 REVENUE AND FINANCIAL PERFORMANCE OF THE GROUP

In the first nine months mybet achieved revenue of EUR 53.0 million, representing growth of 1.3 percent compared with the same period of 2014 (previous year: EUR 52.3 million). This performance is all the more noteworthy in that the prior-year period had included a significant boost from the FIFA World Cup.

DEVELOPMENT IN REVENUE

in EUR million



Net gaming revenue (NGR), or revenue less gaming tax, amounted to EUR 52.2 million in the 2015 reporting period (previous year: EUR 51.6 million).

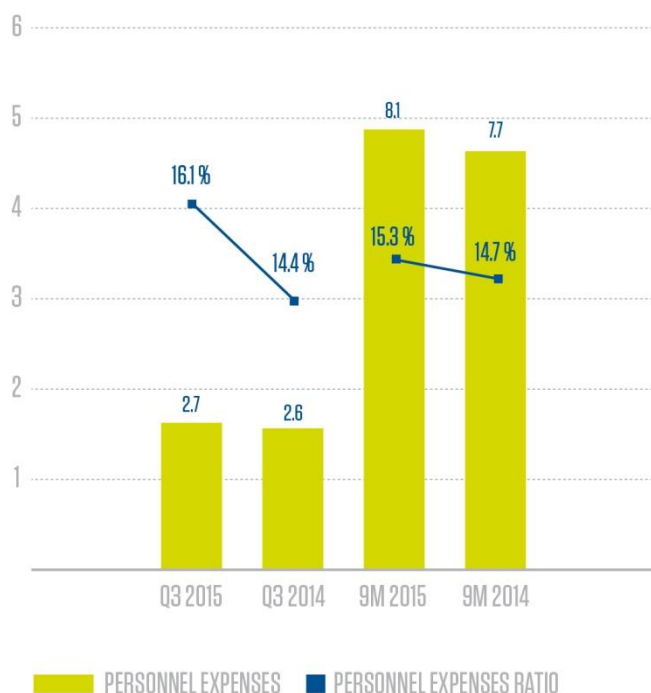
Production for own assets capitalised rose to EUR 1.3 million in the 2015 reporting period, up from EUR 981 thousand in the previous year. The projects realised in the period under review included the further development of the software for betting terminals, improved betting slip submission, the multi-outcome bet and the updating of the registration process. Other operating income of EUR 1.2 million was lower than in the previous year, when the figure had been strongly influenced by the deconsolidation effect for mybet Italia and the Spanish investments.

The cost of purchased materials in the 2015 reporting period rose by 3.3 percent overall to EUR 36.3 million (previous year: EUR 35.2 million). This increase is largely attributable to increased betting bonuses in connection with more intensive efforts to acquire new customers as well as various customer reactivation measures. The betting bonuses came to EUR 4.1 million in the 2015 reporting period (previous year: EUR 2.8 million).

The average employee total in the 2015 reporting period climbed from 167 in the previous year to 174 because mybet has recruited further well-qualified employees for key positions. At EUR 8.1 million, personnel expenses were 5.2 percent higher (previous year: EUR 7.7 million). The expenses per employee in the 2015 reporting period amounted to EUR 46.5 thousand (previous year: EUR 46.0 thousand). The expenses per employee in the 2015 reporting period came to EUR 304.4 thousand (previous year: EUR 313.1 thousand). The personnel expenses ratio was slightly up on the prior-year level at 15.3 percent in the first nine months of 2015 (previous year 14.7 percent).

PERSONNEL EXPENSES

in EUR million



Depreciation and amortisation reached EUR 5.2 million in the 2015 reporting period, compared with EUR 1.6 million in the corresponding period of 2014. This rise is attributable to the significantly higher depreciation and amortisation in connection with the shorter useful life of the existing software platform, which mybet will replace with the new Amelco platform. This non-recurring effect within depreciation and amortisation for the software modules due for replacement came to EUR 3.4 million in the third quarter of 2015.

Other operating expenses of EUR 10.6 million were unchanged from the prior-year period (previous year: EUR 10.6 million).

Earnings before interest, depreciation and amortisation and taxes (EBITDA) came to EUR 517 thousand in the first nine months of 2015, as against EUR 1.8 million in the prior-year period. A different picture emerges when the adjusted, purely operational development is considered. Disregarding the deconsolidation effects from the sale of mybet Italia and the Spanish investments, and treating business activity in Greece in 2015 as the normal level, EBITDA purely from operations for the 2014 reporting period came to EUR 664 thousand. There is a parallel development in earnings before interest and taxes (EBIT). For the first nine months of 2015, EBIT amounted to EUR -4.7 million (previous year: EUR 214 thousand). After adjustment for the above factors and the non-recurring write-off for the software platform, EBIT for the period under review comes to EUR -1.3 million as against EUR -887 thousand for the equivalent period of 2014. An adjusted EBIT of EUR 45 thousand was achieved in the third quarter of 2015 (previous year: EUR -235 thousand).

After tax, there was a net loss for the period of EUR -4.4 thousand (previous year: EUR -94 thousand) due to the capitalisation of deferred tax on loss carry-forwards for pferdewetten.de AG that were deemed sound. Taking account of the earnings contributions from investments, this corresponds to diluted earnings per share of EUR -0.22 (previous year: EUR -0.03); the basic earnings per share figure is likewise EUR -0.22 for the first nine months of 2015 (previous year: EUR -0.03).

PRINCIPAL EXPENSE ITEMS	9M 2015	9M 2014	CHANGE	Q3 2015	Q3 2014	CHANGE
	€ '000	€ '000		€ '000	€ '000	
Cost of purchased materials	36,330	35,154	3.3 %	11,335	11,934	-5.0 %
of which commissions	26,124	26,052	0.3 %	8,324	9,166	-9.2 %
Personnel expenses	8,088	7,686	5.2 %	2,689	2,580	4.2 %
Employees (average for the period)	174	167	4.2 %	174	168	4.2 %
Other operating expenses	10,598	10,618	-0.2 %	3,233	3,693	-12.5 %
of which marketing	3,399	3,540	-4.0 %	942	1,248	-24.5 %

3.2 FINANCIAL POSITION AND NET WORTH OF THE GROUP

Cash and cash equivalents declined from EUR 8.7 million at December 31, 2014 to EUR 4.7 million at September 30, 2015. Of this sum, EUR 3.0 million is attributable to pferdewetten.de AG (December 31, 2014: EUR 2.7 million) and is therefore not available group-wide. The decrease was driven substantially by the net loss for the period and the investment in the new software platform.

LIQUIDITY

30/09/2015 31/12/2014

Cash and cash equivalents (€ '000)*	6,228	8,676
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Liquidity 2**	89%	106%
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*INCL. C4U

**LIQUIDITY RATIO 2 DESCRIBES THE RATIO BETWEEN CURRENT ASSETS (EXCL. INVENTORIES) AND CURRENT LIABILITIES

In the period under review the group was financed from financial resources. Starting with a net loss for the period of EUR -4.4 million (previous year: EUR -94 thousand), the cash flow before changes in working capital is EUR 552 thousand (previous year: EUR 1.6 thousand). The cash flow from operating activities amounted to EUR 407 thousand (previous year: cash inflow of EUR 2.9 million). Compared with the previous year liabilities as well as other equity and liability items grew by EUR 1.4 million (previous year: EUR -500 thousand), while a cash inflow of EUR 895 thousand (previous year: EUR +1.9 million) resulted from the changes in inventories, receivables and other assets that are not investing or financing activities.

At EUR 2.9 million overall, cash flow from investing activities was higher than the previous year's level (previous year: EUR -1.5 million) as a result of increased investment spending on fixed assets. The areas of investment in the period under review were mobile solutions, system stability and the new software platform. No financing activities were undertaken in the 2015 reporting period (previous year: EUR -65 thousand).

Non-current assets totalled EUR 16.0 million at September 30, 2015 and were down on the level at the year-end reporting date of December 31, 2014 (EUR 18.6 million). This figure comprised mainly intangible assets of EUR 12.8 million (December 31, 2014: EUR 16.3 million), property, plant and equipment

of EUR 0.9 million (December 31, 2014: EUR 1.0 million) and deferred taxes of EUR 1.8 million (December 31, 2014: EUR 1.3 million). The decrease in intangible assets is attributable to depreciation and amortisation of the internally produced software capitalised: the other intangible assets came to EUR 5.9 million at September 30, 2015 (December 31, 2014: EUR 8.8 million).

Current assets at September 30, 2015 fell from EUR 18.4 million at December 31, 2014 to EUR 16.6 million. Receivables and other assets fell from EUR 9.6 million at the prior-year reporting date to EUR 6.9 million at September 30, 2015 mainly because of reclassification of C4U. The other financial assets at September 30, 2015 included restricted cash amounting to EUR 0.2 million (December 31, 2014: EUR 0.8 million). The restricted cash relates to security set aside mainly for licences.

Shareholders' equity was reduced to EUR 14.6 million at September 30, 2015 by the net loss for the 2015 period (December 31, 2014: EUR 18.9 million). Based on a balance sheet total of EUR 32.5 million (December 31, 2014: EUR 37.0 million), the equity ratio at September 30, 2015 declined to 44.7 percent, compared with 51.2 percent at December 31, 2014.

The mybet Group is free of non-current interest-bearing liabilities. Because of the increase in other financial liabilities as well as liabilities from trade accounts payable / other liabilities and other financial liabilities, current liabilities of EUR 17.1 million were on the EUR 17.1 million level at the reporting date of December 31, 2014. The current liabilities in addition include other accrued expenses and income taxes.

3.3 GENERAL STATEMENT ON THE ECONOMIC SITUATION

With the revenue level having improved slightly, the company has successfully invested a significant amount in marketing measures aimed at existing and new customers in the core Sports Betting business area and has consequently been able to increase revenue per active customer in the online sector, as well as revenue per shop. The liquidity position of the mybet Group is slightly weaker than at the end of the 2014 financial year, but still stable.

EVENTS

On September 21, 2015 mybet Holding SE announced a revised EBIT forecast and now expects EBIT for the current financial year to be negative by a single-digit million euro amount.

On October 2, 2015 mybet Holding SE and its subsidiaries reached agreement with a group of companies that is principally active in the financial services sector on the sale of the mybet group company C4U-Malta Ltd. The selling price is three million euros. The decision to sell it was taken in the context of the strategic decision to focus further on sports betting as mybet's core business activity. The sale will only take effect once various conditions precedent are met, which include in particular the approval of the Malta Financial Services Authority (MFSA) as the supervisory body responsible. Both parties to the contract expect the transaction to be completed in the fourth quarter of 2015.

There have been no significant changes compared with the opportunities and risks presented in the 2014 Annual Report. For detailed information on the significant opportunities and risks that could impact the economic and financial position of the mybet Group and for a description of the risk management system, please refer to the opportunities and risks report in the 2014 Annual Report of mybet Holding SE dated April 2, 2015. It can be downloaded from the mybet website (www.mybet-se.com) under Investor Relations.

In connection with the new value-added tax rules in the European Union from January 1, 2015, please also refer to the report on expected developments that forms part of the 2015 Annual Report.

According to leading VAT experts, the hold earned from the electronic services casino and poker should be taken as the basis for calculating value-added tax. However it cannot be ruled out that the fiscal authorities will identify a different tax base.

Political changes in Greece could lead to unforeseeable changes in the economic environment in the country and thus have a permanently detrimental effect on mybet's business operations.

■ OUTLOOK

Having successfully initiated the turnaround in the past year, the mybet Group will continue to pursue its chosen strategy and concentrate on its core operational business. The Management Board believes implementing the necessary product innovations and platform optimisations will be decisively influence how successful the turnaround is in the current year 2015. The Sports Betting segment in particular is to undergo further expansion in future and be developed into a key revenue driver and future earnings contributor for the company.

In this connection the Management Board has signed a partnership agreement with Amelco UK Ltd., a specialist for the development of software solutions and products for the betting industry. The principal aim of the partnership is to secure an immediate improvement to the product range in the Sports Betting and Casino segments. At the same time future innovativeness and scalability will be assured. Furthermore, the completely revamped product range will underpin the intrinsic value of the existing and new customers. Continually increasing customer lifetime value represents an important step towards securing sustained profitability. The Management Board expects the new software platform to go into operation at the start of 2016.

As previously communicated in the 2014 Annual Report as an alternative scenario, the partnership affects the full-year forecast for 2015. In the assessment of the Management Board, the decision to technologically extend the product range in collaboration with Amelco could help revenue reach the upper end of the forecast revenue range of EUR 70 to 75 million. Because of the introduction of the new technology platform, with the effect that major components of the existing platform will no longer be used, there is a non-cash, non-recurring write-down of EUR 3.9 million in the period under review. The capital controls in Greece furthermore had an industry-wide impact especially in the third quarter. The Management Board therefore expects EBIT for the current financial year to be negative by a single-digit million euro amount. After adjustment for the two above effects, the Management Board continues to expect operational development to

progress according to plan in the current financial year.

■ FUTURE-RELATED STATEMENTS

This Interim 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.

V RESPONSIBILITY STATEMENT BY THE MANAGEMENT

The Management Board gives assurance that to the best of its knowledge and belief the business performance, including the business results and the situation of the company, are presented in this Management Report in such a way as to provide a true and fair view and that the principal opportunities and risks are described.

Kiel, November 2015



Zeno Osskó



Markus Peuler

Management Board of mybet Holding SE

// INTERIM FINANCIAL STATEMENTS

03

CONSOLIDATED BALANCE SHEET AT SEPTEMBER 30

ASSETS

	NOTE	30/09/2015	31/12/2014
		€ '000	€ '000
A. Non-current assets	6.1	15,967	18,574
I. Intangible assets		12,829	16,325
1. Goodwill		6,186	6,186
2. Other intangible assets		5,932	8,759
3. Construction in progress		711	1,380
II. Property, plant and equipment		883	989
1. Leasehold improvements		41	54
2. Other plant and equipment		842	935
III. Financial assets		499	0
1. Other receivables		499	0
IV. Deferred taxes		1,756	1,260
B. Current assets	6.2	16,579	18,404
I. Inventories		259	177
II. Receivables and other assets		6,906	9,551
1. Trade accounts receivable / other receivables		2,284	2,235
2. Other financial assets		4,622	7,317
III. Cash and cash equivalents		4,682	8,676
IV. Assets held for sale	2	4,732	0
Total assets		32,546	36,978

SHAREHOLDERS' EQUITY AND LIABILITIES

	NOTE	30/09/2015	31/12/2014
		€ '000	€ '000
A. Shareholders' equity	6.3	14,551	18,934
I. Share capital		25,585	25,585
II. Additional paid-in capital		12,209	12,175
III. Group equity generated		-27,105	-21,549
Shareholders' equity attributable to the shareholders of mybet Holding SE		10,689	16,210
IV. Non-controlling interests		3,862	2,724
B. Non-current liabilities	6.4	870	893
1. Deferred tax liabilities		870	893
C. Current liabilities	6.4	17,124	17,151
1. Trade accounts payable / other liabilities		8,839	9,256
2. Other financial liabilities		5,796	6,637
3. Other accrued expenses		625	1,021
4. Income taxes		205	236
5. Liabilities Related Directly to Assets for Sale	2	1,660	0
Total shareholders' equity and liabilities		32,546	36,978

CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD JANUARY 1 TO SEPTEMBER 30

NOTE

2015

2014

€ '000

€ '000

Revenue	4.1	52,971	52,291
Production for own assets capitalised	4.2	1,343	981
Other operating income	4.3	1,219	1,951
Cost of purchased materials	4.4	36,330	35,154
a) Commission charges		26,124	26,052
b) Licence fees, gambling taxes		3,026	3,007
c) Betting bonuses		4,064	2,762
d) Payment transaction expenses		1,724	2,095
e) Other cost of purchased materials		1,391	1,238
Personnel expenses	4.5	8,088	7,686
a) Wages and salaries		7,106	6,747
b) Social insurance		982	940
Depreciation and amortisation	4.6	5,228	1,552
Other operating expenses	4.7	10,598	10,618
Operating profit/loss		-4,711	214
Other interest and similar income	4.8	-3	45
Interest and similar expenses	4.8	-1	29
Financial result		-2	16
Earnings before tax		-4,714	230
Income tax	4.9	-298	322
Other tax		2	1
Net profit/loss for the period		-4,417	-94
Profit attributable to non-controlling interests		1,139	528
Profit attributable to the shareholders of mybet Holding SE		-5,556	-622
Earnings per share			
Earnings per share (basic, €)	8.1	-0.22	-0.03
Earnings per share (diluted, €)	8.1	-0.22	-0.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD JANUARY 1 TO SEPTEMBER 30

2015

2014

€ '000

€ '000

Net profit/loss for the period

-4,417

-94

Foreign currency translation gains and losses from the financial statements of foreign subsidiaries

0

0

Overall result

-4,417

-94

of which non-controlling interests

1,139

528

of which shareholders of mybet Holding SE

-5,556

-622

CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD JANUARY 1 TO SEPTEMBER 30

NOTE

Q3 2015

Q3 2014

Q2 2015

Q1 2015

€ '000

€ '000

€ '000

€ '000

Revenue	4.1	16,678	17,872	17,949	18,344
Production for own assets capitalised	4.2	328	295	368	647
Other operating income	4.3	296	1,098	693	230
Cost of purchased materials	4.4	11,335	11,934	12,269	12,726
a) Commission charges		8,324	9,166	8,572	9,229
b) Licence fees, gambling taxes		869	986	1,098	1,059
c) Betting bonuses		1,319	903	1,466	1,279
d) Payment transaction expenses		401	618	658	665
e) Other cost of purchased materials		421	262	476	494
Personnel expenses	4.5	2,689	2,580	2,712	2,687
a) Wages and salaries		2,361	2,245	2,371	2,374
b) Social insurance		327	336	341	314
Depreciation and amortisation	4.6	4,000	484	613	615
Other operating expenses	4.7	3,233	3,693	3,385	3,980
Operating profit/loss		-3,955	575	30	-786
Other interest and similar income	4.8	-3	-14	0	0
Interest and similar expenses	4.8	2	11	-3	0
Financial result		-5	-25	3	0
Earnings before tax		-3,960	550	33	-786
Income tax	4.9	219	109	-608	91
Other tax		0	1	1	0
Net profit/loss for the period		-4,180	440	640	-878
Profit attributable to non-controlling interests		256	221	645	237
Profit attributable to the shareholders of mybet Holding SE		-4,436	219	-5	-1,115
Earnings per share					
Earnings per share (basic, €)	8.1	-0.17	0.01	0.00	-0.04
Earnings per share (diluted, €)	8.1	-0.17	0.01	0.00	-0.04

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD JANUARY 1 TO SEPTEMBER 30

	Q3 2015	Q3 2014	Q2 2015	Q1 2015
	€ '000	€ '000	€ '000	€ '000
Net profit/loss for the period	-4,180	440	640	-878
Foreign currency translation gains and losses from the financial statements of foreign subsidiaries	0	0	0	0
Overall result	-4,180	440	640	-878
<i>of which</i> non-controlling interests	256	221	645	237
<i>of which</i> shareholders of mybet Holding SE	-4,436	219	-5	-1,115

CASH FLOW STATEMENT

FOR THE PERIOD JANUARY 1 TO SEPTEMBER 30

2015

2014

€ '000

€ '000

Net profit/loss for the period

-4,417

-94

Depreciation and amortisation of intangible assets and property, plant and equipment

5,228

1,552

Expenses / income from income tax

-300

321

Expenses / income from other taxes

2

1

Interest income

3

-45

Interest expense

-1

29

Other non-cash expenses and income

37

-201

Cash flow before changes to working capital

552

1,564

Changes in inventories, receivables and other assets that are not investing or financing activities

104

1,898

Changes in liabilities and other items on the shareholders' equity and liabilities

365

-500

Increase / decrease in short-term accruals

-359

-13

Interest paid

-1

-47

Income taxes paid

-253

-30

Cash flow from operating activities

407

2,871

Cash payments for investments in fixed assets

-2,857

-2,151

Cash payments for repayment of loans and credits

0

89

Cash inflow from capital increase

0

250

Interest received

-3

45

Cash flow from investing activities

-2,860

-1,767

Cash payments for the redemption of bonds and loans

0

-65

Cash flow from financing activities

0

-65

Overall effective adjustment

-2,453

1,039

Changes to cash funds due to changes in exchange rate and consolidation

-1,541

7

Cash and cash equivalents at the start of the period

8,676

7,965

Cash and cash equivalents at the end of the period

4,682

9,011

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE PERIOD DECEMBER 31, 2013 TO SEPTEMBER 30, 2015 (SEE NOTE 6.3)	SHARE CAPITAL	ADDITION- AL PAID-IN CAPITAL	GROUP EQUITY GENERATED	SHAREHOLDERS OF PARENT COMPANY	NON- CONTROLLING INTERESTS	TOTAL
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Position at Dec 31, 2013	24,257	11,637	-21,127	14,767	2,192	16,960
mybet Holding SE: capital increase (by way of shares)	1,328	531		1,859		1,859
Taxes on cost of raising equity capital		-46		-46		-46
QED Network Curacao: cash contribution		9		9		9
pferdewetten.de AG: recognition of share-based payments		44		44		44
MYBET ITALIA S.R.L.: other netting			-104	-104		-104
Net profit/loss for the period			-317	-317	531	215
Equity transactions with shareholders: other netting			-2	-2		-2
Overall result			-318	-318	531	213
Position at Dec 31, 2014	25,585	12,175	-21,549	16,210	2,724	18,935
pferdewetten.de AG: recognition of share-based payments		34		34		34
Net profit/loss for the period			-5,556	-5,556	1,139	-4,417
Overall result			-5,556	-5,556	1,139	-4,417
Position at Sept 30, 2015	25,585	12,209	-27,105	10,689	3,862	14,551
pferdewetten.de AG: recognition of share-based payments		29		29		29
pferdewetten.de AG: other netting			-12	-12		-12
MYBET ITALIA S.R.L.: other netting			-104	-104		-104
Net profit/loss for the period			-622	-622	528	-94
Equity transactions with shareholders: other netting			-2	-2		-2
Overall result			-623	-623	528	-96
Position at Sept 30, 2014	24,257	11,666	-20,520	15,403	2,720	18,123

1 GENERAL DISCLOSURES

mybet Holding SE is a company based in Germany.

On the basis of its own licences and permits and those of its venture partners, the group offers gaming in the European market and selected non-European markets, subject to the various national laws. The focus of the group's business activities here is on the areas of sports betting, casino & poker and horse betting.

The Interim Consolidated Financial Statements at September 30, 2015 of mybet Holding SE are in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as adopted by the EU, as well as with the requirements of commercial law pursuant to Section 315a (1) of German Commercial Code. In agreement with IAS 34 "Interim Financial Reporting", a reduced reporting scope is chosen for the representation of these Consolidated Financial Statements. No separate Consolidated Financial Statements or separate group management report in accordance with the requirements of German Commercial Code are prepared.

Unless indicated otherwise in these Notes, the same recognition and measurement principles as for the Consolidated Financial Statements for the 2014 financial year are applied for the nine-month report. For further details, we accordingly refer to the Consolidated Financial Statements at December 31, 2014. In the opinion of the Management Board, the Interim Consolidated Financial Statements reflect all the customary, routinely performed adjustments that are necessary in order to present the net worth, financial performance and financial position of the group appropriately.

The Consolidated Interim Financial Statements and Group Interim Management Report for mybet Holding SE have not been audited or subjected to review by an independent auditor.

2 CONSOLIDATION

The Interim Consolidated Financial Statements include six domestic (previous year: six) and 15 foreign companies (previous year: 16) in which mybet Holding SE directly or indirectly holds a majority of voting rights.

■ DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

In September 2015 the management committed to a plan to sell C4U-Malta Ltd. The decision regarding its sale was taken in the context of the strategic decision to focus further on sports betting as the core business activity of the mybet Group.

In preparing the disposal plan and embarking on the project of selling it, all assets and liabilities that are to be transferred are treated as a disposal group within the meaning of IFRS 5. Until its transfer the business of C4U-Malta Ltd. continues to contribute to the consolidated earnings in the other operating segment. After consolidation of all internal assets and liabilities, it is accordingly reported on the Consolidated Balance Sheet under the item "Assets classified as held for sale" or "Liabilities directly in connection with assets held for sale".

There were no impairment losses in connection with the first-time classification of the discontinued operations as held for sale.

Assets and liabilities of the discontinued operations

The discontinued operations were reported at carrying amount at September 30, 2015 and comprise the following assets and liabilities.

€'000

Intangible assets	1,160
Property, plant and equipment	71
Other assets	3,501
Assets classified as held for sale	4,732
Accrued expenses	-37
Trade accounts payable and other liabilities	-1,623
Liabilities directly in connection with assets held for sale	-1,660

At September 30 there were in addition receivables from affiliated companies of EUR 52 thousand and liabilities to affiliated companies of EUR 1,522 thousand that are not reported under the assets held for sale or the liabilities directly in connection with these.

3 PRINCIPLES OF RECOGNITION AND MEASUREMENT

Unless indicated separately, the principles of recognition and measurement correspond to the principles already indicated for the Consolidated Financial Statements at December 31, 2014.

4 NOTES TO THE CONSOLIDATED INCOME STATEMENT

▪ 4.1 REVENUE

Revenue includes the hold from sports and horse betting organised, gambling fees from casino games, commissions from the arranging of horse betting, service proceeds as well as other proceeds.

REVENUE	9M 2015	9M 2014	CHANGE IN %
	€'000	€'000	%
Hold	33,720	32,471	3.8%
Gambling Fees	15,831	16,029	-1.2%
Service proceeds	1,375	844	62.9%
Commissions	1,175	1,821	-35.5%
Other	871	1,126	-22.6%
Total	52,971	52,291	1.3%

Overall, there was a slight rise in revenue year on year. The capital restrictions in Greece were a drawback - our customers there were only able to pay betting stakes from existing credit balances. As a result, Greece's contribution fell sharply. Without this effect revenue would have surpassed the prior-year level. The company has now been able to implement new deposit options that will enable our Greek customers to take part in games once more from the subsequent quarter.

With the margin remaining almost constant at 23.4 percent (previous year: 23.7 percent) and despite the absence of a major sporting event, the hold for Sports Betting amounting to EUR 28,053 is likewise on a par with the previous year. Growth outside Greece more than compensated for the effect of the capital restriction. The improved stability of the platform also proved beneficial, especially for offline business.

The hold from horse betting rose by 38.0 percent compared with the prior-year quarter. The optimisation of marketing measures continues to have a big impact here.

The gambling fees from casino games were unable to maintain the very strong performance of the first half due to the restrictions on capital movements in Greece and showed a decrease in the third quarter of the period under review. Excluding this effect, gambling fees were just up on the prior-year level.

The service proceeds consist mainly of the payment services performed by C4U-Malta Ltd. for third-party customers. This item also reflects the B2B business with sports betting providers; in these partnerships, mybet provides the technical infrastructure and betting odds. Both areas contracted in the period under review due to the ending of partnerships.

Commissions occur in connection with the arranging of horse betting, and showed a strong, consistent increase. The other revenue consists mainly of proceeds from the sale of shop fittings and from customer shares of payment costs.

■ **4.2 PRODUCTION FOR OWN ASSETS CAPITALISED**

Production for own assets capitalised of EUR 1,343 thousand (previous year: EUR 981 thousand) relates to internally produced intangible assets. The intangible assets in question are exclusively internally produced software.

The main basis for the development of new products and new software modules is the mybet platform; it continues to undergo improvement by ANYBET GmbH until a new technology partner is brought in, to keep pace with competitor developments.

The significant projects in the period under review included the further development of the software for betting terminals, improved betting slip submission, the multi-outcome bet and the optimisation of the registration process. The figure also includes EUR 175 thousand in own development services arising in connection with the integration of the venture partner Amelco.

■ **4.3 OTHER OPERATING INCOME**

The other operating income comprises income that is not allocable to current revenue. This includes income not relating to the accounting period, income that does not recur regularly or income that does not stem from the core business but is nevertheless from operating activities and is not allocable to the financial result or to taxes.

It covers a large number of items that are each of lesser importance for the Consolidated Financial Statements. Types of income include income from the reversal of accruals, from the disposal of assets, from statute-barred liabilities, from receivables realised but already written off and from the derecognition of gaming winnings from unpaid bets. The comparative period was considerably influenced by the sale of the Spanish companies and by the deconsolidation effect for mybet Italia.

■ 4.4 COST OF PURCHASED MATERIALS

The cost of purchased materials comprises expenditure for commissions, licence expenditure, bonus expenditure, payment transaction costs in connection with customer transactions and the other cost of purchased materials.

Expenditure for commissions

The slight rise in expenditure for commissions stems mainly from the increased hold, which serves as the basis for revenue-share payments.

Licence expenditure/gaming tax

The moderate rise in licence expenditure in the Casino area is attributable to the higher casino hold; this serves as the basis for calculating the licence expenditure.

Gaming tax is paid on the basis of country-specific regulations and is passed on wholly or partly to customers or venture partners.

Bonus expenditure

The rise in bonus expenditure is mainly attributable to the increased acquisition of new customers and especially to a variety of customer reactivation measures. In addition, the bonus expenditure for new customers in the reference period was lower than in the reporting period, especially at the start of the first quarter. On the other hand a good number of new customers were acquired in the reporting period, and existing customers were successfully reactivated.

Other cost of purchased materials

This item is substantially defined by the expenditure for the purchasing of betting odds. The increase was driven mainly by strong growth for pferdewetten.de AG. In the Sports Betting area the odds are evaluated and adjusted by a team of specialists. This approach enables mybet to offer its customers individualised betting odds.

This item also includes the expenditure for a service provider of the sports channels that mybet enables customers to view in the sports betting shops, for live broadcasts of sporting events.

In addition expenditure for the purchase of betting shop equipment components is reported here; this equipment is then billed to the franchisees in the course of opening and renovating shops.

Payment transaction costs

Payment transaction costs include expenditure arising in connection with the processing of customer transactions. The fall in this item is mainly attributable to the decrease in payment streams from Greece following the restrictions on capital movements there.

■ 4.5 PERSONNEL EXPENSES

Personnel expenses developed as follows in the period under review:

PERSONNEL EXPENSES	9M 2015	9M 2014	CHANGES IN %
	€ '000	€ '000	%
Salaries	7,060	6,611	6.8%
Social benefits	926	883	4.8%
Equity based payments	39	36	6.6%
Ancillary wage costs	34	29	17.6%
Indemnity payments	17	21	-20.3%
Other social security contributions	12	105	-88.6%
Total	8,088	7,686	5.2%

■ 4.6 DEPRECIATION AND AMORTISATION

This item includes the ongoing depreciation and amortisation of intangible assets, property, plant and equipment and investment property.

A non-recurring effect in the amount of EUR 3,367 thousand was moreover realised in the third quarter of the period under review following the shortening of the term of software components that will no longer be used as a result of the appointment of a new technology partner.

■ 4.7 OTHER OPERATING EXPENSES

OTHER OPERATING EXPENSES	9M 2015	9M 2014	CHANGES IN %
	T€	T€	%
Marketing, sales, Investor Relations	3,399	3,540	-4.0%
Service and maintenance, hosting software and technical services	2,118	2,302	-6.9%
Costs of premises	685	635	7.9%
Travel and entertainment costs	404	323	25.1%
Non-deductible input tax	341	277	23.0%
Costs of annual accounts and audits	263	281	-6.3%
Miscellaneous operating expenses and pooled items	3,388	3,261	10.3%
Total	10,598	10,618	-2.9%

Marketing, sales, Investor Relations

This item substantially contains expenses for online marketing, consultancy on advertising strategy, advertisement costs for print media, expenses for promotional materials and sponsorship activities, and expenses in connection with the stock exchange listing.

Investment spending on marketing among existing and new customers was brought forward in the first six months of the current reporting period in order to reflect the revenue effect of the higher number of active customers in the current financial year.

Service and maintenance, hosting, software and technical services

The expenditure for maintenance work, hosting as well as software and technical services is shown under this item. This item is slightly down on the previous year.

Other consultancy costs

Consultancy costs arise in essence for marketing projects, ISO certification, accessing new markets and sundry projects.

Costs of premises

The costs of premises include the rents for office space, energy and maintenance costs as well as the cleaning costs.

Travel and entertainment costs

Travel and entertainment costs are incurred mainly in connection with cross-location projects.

Non-deductible input tax

Within the mybet Group certain operating units are not entitled to deduct input tax because they do not generate any revenue on which input tax is chargeable. The input tax is reported as an expense at those subsidiaries.

Costs of annual accounts and audit

The costs of annual accounts and audit are substantially made up of expenses for audits and reviews of the annual accounts for the holding company and subsidiaries.

Legal consultancy and legal costs

Legal consultancy expenditure is necessitated mainly by litigation as a result of the regulatory environment.

Miscellaneous operating expenses and pooled items

This item in essence comprises consultancy costs, legal consultancy costs, expenses unrelated to the accounting period, membership and other fees as well as insurance, Supervisory Board remuneration, bad debt costs, telephone costs, bookkeeping costs, office supplies, postage and shipping costs as well as other typical expenses.

■ 4.8 INTEREST RESULT AND OTHER FINANCIAL RESULT

The other interest and similar income results from bank credit balances; the interest expense are in respect of amounts due to banks.

■ 4.9 INCOME TAX

Income tax includes corporate taxes such as corporation and trade tax, or similar taxes of domestic and foreign companies.

In addition to the current tax expense for individual subsidiaries, this item includes the deferred tax expense or income from the origination and reversal of temporary differences and of tax loss carry-forwards.

Deferred tax assets are netted against deferred tax liabilities if they relate to income taxes collected by the same tax office and if an entitlement exists to net a current tax refund claim against a current tax liability.

The soundness of the deferred tax assets on loss carry-forwards is based on corporate plans in conjunction with the past development of the individual group companies

5 NOTES TO THE CASH FLOW STATEMENT

▪ **5.1 CASH FLOW FROM OPERATING ACTIVITIES**

The cash flow from operating activities is made up largely of earnings before interest, taxes, depreciation and amortisation (EBITDA), adjusted for non-cash expenses and income.

A major feature of the comparative period was the payment of the purchase price from the disposal of the JAXX Group, while both receivables and liabilities built up in the period under review, leading to a slightly negative cash flow from operating activities.

▪ **5.2 CASH FLOW FROM INVESTING ACTIVITIES**

Investing activities primarily comprised cash outflows for the acquisition of intangible assets and property, plant and equipment.

▪ **5.3 CASH FLOW FROM FINANCING ACTIVITIES**

There were cash outflows for the redemption of loans in the reference period.

6 CONSOLIDATED BALANCE SHEET

▪ **6.1 NON-CURRENT ASSETS**

Intangible assets

The intangible assets include goodwill and other intangible assets from the various corporate acquisitions. An amount totalling EUR 1,343 thousand was in addition capitalised for internally produced software in the period under review (previous year: EUR 981 thousand).

The other intangible assets furthermore include EUR 1,138 thousand for the brands and EUR 603 thousand for the domains acquired in connection with the takeover of pferdewetten.de AG. These assets have an indefinite useful life and are not depreciated. An impairment test carried out in the previous annual financial statements revealed no need for write-downs.

Property, plant and equipment

Property, plant and equipment comprises hardware, office equipment and furnishings, and other fixtures and fittings. Hardware is depreciated by the straight-line method over a period of three to four years, and office equipment and furnishings and other fixtures and fittings are depreciated by the straight-line method over a useful life of between three and ten years.

Financial assets

Financial assets report the investments of pferdewetten.de AG in cash and cash equivalents.

Deferred taxes

For disclosures concerning deferred taxes, please refer to Note 4.9.

■ 6.2 CURRENT ASSETS

The current assets include inventories, trade accounts receivable, other assets and cash and cash equivalents.

Inventories

Inventories include infrastructure components for betting shops (betting tills, scanners, printers) that are sold to the shops' franchisees. Inventories totalling EUR 72 thousand (previous year EUR 330 thousand) were recognised as an expense in the financial year.

Receivables and other financial assets

RECEIVABLES AND OTHER FINANCIAL ASSETS	30.09.2015	CURRENT UPTO 1 YEAR	NON-CURRENT 1-5 YEARS	NON-CURRENT >5 YEARS
	€'000	€'000	€'000	€'000
Trade accounts receivable/other receivables	2,284	2,284	0	0
Of which				
Trade accounts receivable	2,273	2,273	0	0
Other receivables	11	11	0	0
Other financial assets	4,622	4,622	0	0
Total	6,906	6,906	0	0

RECEIVABLES AND OTHER FINANCIAL ASSETS	31.12.2014	CURRENT UP TO 1 YEAR	NON-CURRENT 1-5 YEARS	NON-CURRENT >5 YEARS
	€'000	€'000	€'000	€'000
Trade accounts receivable/other receivables	2,235	2,235	0	0
of which				
Trade accounts receivable	2,235	2,235	0	0
Other receivables	0	0	0	0
Other financial assets	7,317	7,317	0	0
Gesamt	9,551	9,551	0	0

The trade accounts receivable mainly comprise receivables from over-the-counter betting operations. The main items reported under other financial assets are receivables from payment service providers (EUR 615 thousand), from guarantees (EUR 1,872 thousand), and from prepaid expenses (EUR 802 thousand).

The other receivables result from pferdewetten.de AG and constitute receivables in respect of customers arising from chargebacks.

The other financial assets and the other receivables generally have a maturity of between 30 and 90 days. There are in essence no overdue items here.

With regard to the receivables and other assets that were neither impaired nor overdue, there is no evidence at the reporting date that the debtors will not meet their payment commitments. As in the previous year, the maximum default risk amounts to the level of the receivables and other assets reported.

Cash and cash equivalents

At September 30, 2015 cash and cash equivalents amounted to EUR 4,682 thousand. In the previous year EUR 8,676 thousand included EUR 1,742 attributable to C4U.

6.3 SHAREHOLDERS' EQUITY

Share capital

The share capital of mybet Holding SE amounts to EUR 25,584,924.00 (previous year: EUR 24,257,373.00) and is divided into the same number of no par value shares.

Additional paid-in capital

The company has additional paid-in capital in the amount of EUR 12,209 thousand (previous year: EUR 12,175 thousand). It mainly comprises additional payments from capital increases and the equity capital portion of the convertible bonds issued. The change results from the changes in value of the stock options.

Group equity generated

This item is comprised as follows:

GROUP EQUITY GENERATED	30.09.2015	31.12.2014
	€ '000	€ '000
Position at 31.12.2014 / 31.12.2013	-21,549	-21,127
MYBET ITALIA S.R.L.: other netting	0	-104
Equity transactions with shareholders: other netting	0	-2
Overall result	-5,556	-317
Position at 30.09.2015 / 31.12.2014	-27,105	-21,549

Non-controlling interests

Non-controlling interests in the share capital and the additional paid-in capital are reported here. Interests in the result for the period relate to the other shareholders of QED Ventures Ltd., Malta, and of pferdewetten.de AG. There was no netting of other interests in earnings, as the other minority shareholders do not participate in the respective earnings.

■ 6.4 LIABILITIES

As well as the financial liabilities, other liabilities are classified by maturity as follows:

LIABILITIES	30.09.2015	CURRENT UP TO 1 YEAR	NON-CURRENT 1-5 YEARS	NON-CURRENT >5 YEARS
	€'000	€'000	€'000	€'000
Trade accounts payable/ Other liabilities	8,939	8,939	0	0
Other financial liabilities	5,796	5,646	150	0
Total	14,635	14,485	150	0

LIABILITIES	31.12.2014	CURRENT UP TO 1 YEAR	NON-CURRENT 1-5 YEARS	NON-CURRENT >5 YEARS
	€'000	€'000	€'000	€'000
Trade accounts payable/ Other liabilities	9,256	9,256	0	0
Other financial liabilities	6,637	6,637	0	0
Total	15,894	15,894	0	0

The other financial liabilities contain derivative liabilities from bets outstanding amounting to EUR 182 thousand; these are due in less than one year.

Trade accounts payable/other liabilities

The trade accounts payable have a term of up to one year. They are secured to the customary extent by retention of title. The previous year included EUR 1,133 thousand attributable to C4U.

Other financial liabilities

This item largely consists of liabilities for gaming operations. The previous year included EUR 344 thousand attributable to C4U.

7 SEGMENT REPORTING

9M 2015	SPORTS BETTING	CASINO & POKER	HORSE BETTING	OTHER OPERATING SEGMENT	TOTAL MISCELLANEOUS OPERATING SEGMENTS		TOTAL CONSOLIDATED SEGMENTS	TRANSFERS	TOTAL
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Revenue	29,485	15,934	7,041	509	52,968	2	52,971	0	52,971
Other operating income	593	123	215	45	976	154	1,129	1,433	2,562
Expense (EBITDA costs)	-31,588	-14,186	-5,238	-452	-51,464	-3,568	-55,031	15	-55,016
EBITDA	-1,510	1,871	2,018	101	2,481	-3,412	-931	1,448	517
Depreciation and amortisation	-206	-39	-316	-222	-783	-165	-948	-4,281	-5,228
EBIT	-1,715	1,832	1,702	-121	1,698	-3,577	-1,879	-2,833	-4,711
Interest income						-3	-3		-3
Interest expense						1	1		1
Earnings before tax									-4,714
Taxes			593			-297	296		296
Net profit/loss for the period (IFRS)									-4,417

9M 2015	SPORTS BETTING	CASINO & POKER	HORSE BETTING	OTHER OPERATING SEGMENT	TOTAL OPERATING SEGMENTS	MISCELLANEOUS	TOTAL CONSOLIDATED SEGMENTS	TRANSFERS	TOTAL
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Revenue	30,141	16,363	5,014	769	52,287	5	52,292	0	52,291
Other operating income	306	107	296	371	1,081	866	1,947	985	2,932
Expense (EBITDA costs)	-31,278	-14,905	-4,016	-667	-50,867	-2,545	-53,412	-46	-53,458
EBITDA	-831	1,565	1,294	473	2,501	-1,674	827	939	1,765
Depreciation and amortisation	-257	-105	-236	-97	-695	-186	-881	-670	-1,552
EBIT	-1,088	1,460	1,059	376	1,806	-1,860	-55	268	214
Interest income						45	45		45
Interest expense						-29	-29		-29
Earnings before tax									230
Taxes						-323	-323		-323
Net profit/loss for the period (IFRS)									-94

To reflect its organisation, the group is structured into legal entities that serve as the basis for preparing the financial statements and for formal external reporting as well as according to product areas. These product areas represent the cost units and therefore the segments, and serve as the basis on which the management reaches controlling decisions. The uniform cost unit and cost centre approach across all group subsidiaries provides a general overview of the products' performance. The management bases its decisions primarily on the revenue performance of these product areas and on the costs directly associated with them.

This structure is a crucial part of the management's decision-making process and accordingly constitutes the basis for segment reporting pursuant to IFRS 8. EBIT and EBITDA are reported internally by way of results for the segments.

The segments comprise the three product areas Sports Betting, Casino & Poker and Horse Betting. The other operating segment mainly comprises the activities of the subsidiary C4U-Malta Ltd., which as an independent financial institution is in a position to offer its payment transaction services to other companies. The holding activities that have not been apportioned to individual operating segments are the main items reported under the Miscellaneous segment. It reflects the actual costs of the holding operations as well as key operating areas (accounts, controlling, legal, human resources) which are handled by the holding company for organisational reasons.

The basis for internal cost allocation was reviewed further, with the result that differentiated contribution accounting is now practised. Since 2012 these costs have been differentiated as direct and indirect costs (prime costs) and as apportioned overheads. The overheads include costs that cannot be apportioned either directly or indirectly and are therefore apportioned to the segments using an allocation formula. In its segment-specific decisions the management does not take account of either interest income and expense or assets and liabilities per segment, as those items are of no relevance for controlling decisions because financing of the group with borrowed capital is not currently relevant and asset utilisation is very low.

Nor are taxes taken into consideration in the decision-making process at segment level. Regional revenue patterns are not used for steering purposes on the one hand because the platform products are structured internationally (.com) and not by country or region, and on the other hand are each operated centrally by a national company that does not normally correspond to the customer's country of domicile. There is correspondingly no geographical segmentation by country/region.

In view of the structure chosen, revenue between the segments does not occur because the cost units and cost centres are grouped together into segments on a cross-company basis.

8.1 EARNINGS PER SHARE

EARNINGS PER SHARE	9M 2015	9M 2014
	€'000	€'000
Profit for period attributable to the shareholders of mybet Holding SE (€'000)	-5,556	-622
Weighted average number of ordinary shares outstanding during the period under review (units)	25,584,924	24,257,373
Basic earnings per share (€)	-0.22	-0.03
Dilutive shares from options and bonds (units)	0	0
Dilution of result from Pferdewetten.de AG (€'000)	-51	-24
Consolidated earnings (€'000) + opposite dilutive effect (€'000)	-5,607	-646
Number of dilutive shares (units)	25,584,924	24,257,373
Diluted earnings per share (€)	-0.22	-0.03

Earnings per share are diluted slightly by the diluted result for Pferdewetten.de AG.

8.2 HEDGING POLICY AND DERIVATIVE FINANCIAL INSTRUMENTS

The company has concluded insurance policies to cover various operating risks. The scope of insurance has not changed since the 2014 Consolidated Financial Statements and is presented in the 2014 Annual Report.

8.3 OTHER FINANCIAL OBLIGATIONS

The company must spend EUR 2,642 thousand (previous year: EUR 2,236 thousand) in the future for rent, leases, contracts for services and similar obligations.

8.4 CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS/CONTINGENT ASSETS

Contingent liabilities are potential obligations towards third parties or actual obligations where an outflow of resources is not improbable. They are not recognised on the balance sheet, but explained in the Notes. Companies of the mybet Group are the defendants in various proceedings in connection with the State Treaty on gaming, the outcome of which is uncertain. Based on the legal assessment of the company's legal consultants and on rulings already delivered, the company considers it improbable that it will have to meet any claims as a result. There are no risks from pending proceedings not recognised on the balance sheet. By way of supplementary information, we refer to the remarks on estimates under Note 8.9.

Contingent assets are potential claims from third parties or actual claims where an inflow of resources is not improbable. They are not recognised on the balance sheet, but explained separately.

In response to an appeal by Westdeutsche Lotterie GmbH & Co. OHG, Münster, against the non-admission of an appeal the Cartel Panel of the Federal Supreme Court granted a right of appeal against the ruling of the 1st Cartel Panel of the Higher Regional Court of Düsseldorf on March 3, 2015. In 2008 SWS Service GmbH (formerly FLUXX GmbH), a fully owned subsidiary of mybet Holding SE, had filed for compensation for the illegal boycott of its business by the German Lottery and Pools Organisation, in breach of competition law. In April 2014 the Higher Regional Court of Düsseldorf had then ordered Westdeutsche Lotterie GmbH & Co. OHG to pay damages of EUR 11.5 million plus interest. The Higher Regional Court did not grant a right of appeal. The appeal subsequently lodged by Westdeutsche Lotterie GmbH & Co. OHG against the non-admission of an appeal was upheld by the Federal Supreme Court decision. A possible compensatory payment plus interest in favour of SWS Service GmbH is therefore subject to a renewed verdict (also Note 8.8).

■ 8.5 LEASES

The lease agreements concluded by the company consist of operating lease agreements.

Vehicles, office machinery and telecommunications systems are financed using operating leases. The agreements concluded have terms to maturity of between one and five years. The expense from these operating lease agreements and from tenancy agreements for furniture and fittings totalled EUR 147 thousand in the financial year (previous year: EUR 179 thousand), and the expense from tenancy agreements EUR 537 thousand (previous year: EUR 507 thousand). The expenses are reported in other operating expenses under vehicle costs, rental for fixtures and fittings and expenses for premises.

The following table shows the future minimum expenses that will be incurred from lease and tenancy agreements in view of the terms and notice periods of these agreements. These come under other financial obligations (see also Note 8.3).

TENANCY AND LEASE AGREEMENTS	30.9.2015	30.9.2014
	€ '000	€ '000
Tenancy agreements		
Maturity up to 1 year	554	560
Maturity 1 to 5 years	637	1,225
Lease agreements		
Maturity up to 1 year	124	73
Maturity 1 to 5 years	129	53

■ 8.6 RELATED PARTIES

The following table shows the amounts due to related persons and enterprises which diminished the result for the period under review. The amounts concerned are in respect of consultancy services.

RELATED PARTIES	9M 2015	9M 2014	CHANGES IN %
	€ '000	€ '000	%
Behördenengineering Jakopitsch, Clemens Jakopitsch (Member of the Supervisory Board)	0	12	-100 %
Franz Frhr. von Brackel Rechtsanwalt (Managing Director der SWS Service GmbH, Berlin, until 31.05.2014)	88	122	-27.9 %
Volker Rohde (CEO der C4U Malta, Ltd.)	89	110	-47.3 %
Total	177	244	-27.5 %

The prices are in line with arm's-length transactions. The consultancy services are invoiced on the basis of hours worked, at hourly rates that are in line with the market, or on the basis of the applicable fee scales, or on the basis of a carefully considered quotation.

There were no outstanding liabilities to related parties at the closing date.

▪ 8.7 STOCK OPTION PLANS

The salary expenses arising from the granting of option plans amounting to EUR 34 thousand (previous year: EUR 29 thousand) were included in personnel expenses. The expenses are in respect of options granted to the Management Board and employees of pferdewetten.de AG.

There were no changes compared with December 31, 2014 regarding the measurement of the phantom stocks of the Management Board members of mybet Holding SE.

▪ 8.8 EVENTS OCCURING AFTER THE BALANCE SHEET DATE

On October 2, 2015 mybet Holding SE and its subsidiaries reached agreement with a group of companies that is principally active in the financial services sector on the sale of the mybet group company C4U-Malta Ltd. The selling price is three million euros. The decision to sell it was taken in the context of the strategic decision to focus further on sports betting as mybet's core business activity. The sale will only take effect once various conditions precedent are met, which include in particular the approval of the Malta Financial Services Authority (MFSA) as the supervisory body responsible. Both parties to the contract expect the transaction to be completed in the fourth quarter of 2015.

On October 30, 2015 the Federal Supreme Court in Karlsruhe set the date for the hearing on the "Westdeutsche Lotterie GmbH & Co OHG versus SWS Service GmbH" case as Tuesday, March 8, 2016 before the Cartel Panel of the Federal Supreme Court in Karlsruhe.

▪ 8.9 DISCRETIONARY DECISIONS IN THE APPLICATION OF THE RECOGNITION AND MEASUREMENT PRINCIPLES

Bei der Anwendung von Bilanzierungs- und Bewertungsmethoden sind Ermessensentscheidungen zu treffen. Dies gilt insbesondere für folgenden Sachverhalt: Der Werthaltigkeitstest für Firmenwerte basiert auf zukunftsbezogenen Annahmen. Diese Annahmen wurden aufgrund der Einschätzungen der Verhältnisse am Bilanzstichtag getroffen. Zudem

wurde hinsichtlich der erwarteten künftigen Geschäftsentwicklung die zu diesem Zeitpunkt als realistisch unterstellte zukünftige Entwicklung des wirtschaftlichen Umfelds einbezogen. Durch von den Annahmen abweichende Entwicklungen der Rahmenbedingungen können sich die tatsächlichen Beträge von den Schätzwerten unterscheiden. In solchen Fällen werden die Annahmen und, falls erforderlich, die Buchwerte der betroffenen Vermögenswerte und Schulden angepasst. Im Weiteren sind bei der Aufstellung des Konzernabschlusses in gewissem Umfang Annahmen und Schätzungen erforderlich, die sich auf die Wertansätze der bilanzierten Vermögenswerte und Schulden sowie Erträge und Aufwendungen beziehen.

■ 8.10 CORPORATE BODIES

Members of the Management Board

- Sven Ivo Brinck, Economics Graduate (BA) (until July 31, 2015)
- Zeno Osskó (from August 1, 2015)
- Markus Peuler, Business Administration Graduate

Members of the Supervisory Board

- Chairman: Dr Volker Heeg, Hamburg, lawyer and tax consultant
- Deputy Chairman: Clemens Jakopitsch, Vienna, management consultant (from June 5, 2015)
- Deputy Chairman: Markus Geiß, Monza (Italy), managing director (until June 5, 2015)
- Konstantin Urban, Gräfelfing, managing director (until June 5, 2015)
- Markus Knoss, Frankfurt, banker and economist
- Patrick Möller, Hamburg, IR manager
- Michael Otto, Hamburg, managing director (from June 5, 2015)
- Maurice Reimer, Berlin, managing director (from June 5, 2015)

■ 8.11 INDEPENDENT AUDITOR´S FEE

The amount of EUR 98 thousand was recognised as an expense for the auditing of the 2015 accounts (previous year: EUR 121 thousand). In addition a payment of EUR 5 thousand was due for other services (previous year: EUR 12 thousand).

Kiel, November 2015



Zeno Osskó



Markus Peuler

Management Board of mybet Holding SE

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