DISCLOSURES ON COMPANY MANAGEMENT AND COPORATE GOVERNANCE

Declaration of conformity with the German Corporate Governance Codex acc. to Section 161 of the German Stock Corporation Act (AktG)

I. The Executive Board and Supervisory Board of Lotto24 AG declare that since submitting their last declaration pursuant to Section 161 AktG in February 2016, the recommendations of the »Government Commission on the German Corporate Governance Code« in the version of 5 May 2015, published in the official part of the Federal Gazette on 12 June 2015, were all met with the following exceptions:

1. *Section 3.8 (D&O insurance deductible)* The D&O insurance taken out for the Supervisory Board of Lotto24 AG does not include a deductible. The Executive Board and Supervisory Board take the view that a D&O insurance deductible does not constitute an adequate means of achieving the Code's objectives. As a rule, deductibles of this kind are insured by the executive bodies themselves, so that the actual purpose of the deductible is nullified and therefore ultimately all that matters is the level of compensation paid to the members of executive bodies.
2. *Section 4.2.2 (2) Sentence 3 (vertical compensation comparison)* The Supervisory Board fulfils its duty to consider the appropriateness of compensation for members of the Executive Board. It also takes into account the Company's internal compensation structure. However, the Supervisory Board believes determining specific peer groups and considering development over time does not enhance the quality of their decisions and as such the Supervisory Board refrains from implementing these formal recommendations.
3. *Section 5.2 (2), 5.3.1, 5.3.2, 5.3.3, 5.4.6 Sentence 3 (Chairing committees, forming committees, setting up an audit committee and a nomination committee, as well as their composition, consideration of membership in committees when setting remuneration)* In view of the fact that the Supervisory Board of Lotto24 AG consists of just three persons, in accordance with the Company's articles, the Supervisory Board has not formed any committees, and in particular no audit committee or nomination committee.
4. *Section 5.4.1 (2) and (3) (Specification, consideration and publication of objectives for the composition of the Supervisory Board)* With regard to its own composition and that of the Executive Board, the Supervisory Board supports such aspects as internationality, female representation and independence. In view of the fact that the Supervisory Board of Lotto24 AG consists of only three members, and in view of the particular challenges facing the Supervisory Board in the current regulatory environment of Lotto24 AG, however, the Supervisory Board has refrained from formally stating objectives for its composition, beyond the mandatory requirements under stock corporation law, for the time being so as not to restrict its selection criteria with specific targets and quotas.

II. Furthermore, the Executive Board and Supervisory Board of Lotto24 AG declare that the recommendations of the »Government Commission on the German Corporate Governance Code« in the version of 5 May 2015, published in the official part of the Federal Gazette on 12 June 2015, will continue to be met in future with the exception of the recommendations stated and justified above.

Hamburg, March 2017

For the Supervisory Board of Lotto24 AG

Prof. Berchtold

The Executive Board of Lotto24 AG

von Strombeck

von Zitzewitz

Hannemann