



CORPORATE GOVERNANCE DECLARATION IN ACCORDANCE WITH SECTION 289A HGB

Declaration of Conformity

In accordance with Section 161 AktG, the Supervisory Board and Executive Board have issued a Declaration of Conformity with the German Corporate Governance Code and made it permanently available to shareholders on the preceding pages of this Annual Report as well as via the Company's website (www.lotto24-ag.de).

Information on corporate governance practices

As a German stock corporation, Lotto24 AG is subject to German corporate law and has a two-tier management system which currently consists of an Executive Board with two members and a Supervisory Board with three members. The Executive Board is responsible for the Company's management. The Supervisory Board appoints, monitors and advises the Executive Board. The two bodies work closely together: the Executive Board informs the Supervisory Board regularly, comprehensively and in due time about all issues relevant to strategy, planning, business development, risk position, risk management and compliance. The Supervisory Board is immediately informed about Lotto24's strategic alignment and on-going development, as well as any deviations in the course of business from the defined plans and targets.

Petra von Strombeck (CEO) and Magnus von Zitzewitz (member of the Executive Board) lead the Company in accordance with the provisions of German Stock Corporation Law, the Company's Articles of Association, the Executive Board's Rules of Procedure and the stipulations of the respective service agreements with the aim of achieving a sustainable added value. Ms von Strombeck is responsible for Corporate Strategy and Development, Marketing, Sales, the B2C (Business-to-Customer) and ASP (Application Service Provider) business fields, Investor Relations, Human Resources and Organisation as well as IT Strategy, Systems, Processes and IT Operation. Mr von Zitzewitz is responsible for the divisions Legal Affairs and Regulation, Finance, Accounts, Taxes, Controlling, Compliance, Risk Management and Communication.

The Supervisory Board of Lotto24 AG consists of three members who are all elected by the Annual General Meeting. The Chairman and Deputy Chairman are elected from among the members of the Supervisory Board. The Supervisory Board was appointed in the course of the Company's change in legal form to that of a public limited company in 2012 for the period ending on the expiry of the Annual General Meeting that resolves on the discharge of responsibility for the fourth fiscal year from the beginning of the period of office. In case of a tie in voting, the Chairman of the Supervisory Board has the casting vote in the case of renewed voting on the same matter. The Supervisory Board advises and monitors the Executive Board in its management of business in accordance with the provisions of German Stock Corporation Law, the Company's Articles of Association and its own Rules of Procedure. It appoints the members of the Executive Board and the Rules of Procedure of the Executive Board include provisions regarding the necessary approval of the Supervisory Board for significant business transactions. Since the Company's change in legal form to that of a public limited company («Aktiengesellschaft» – AG), the Supervisory Board has consisted of the members Prof. Willi Berchtold (Chairman), Jens Schumann (Deputy Chairman) and Thorsten Hehl. The Supervisory Board meets at least twice in each calendar half-year. The Supervisory Board approves the annual financial statements.

In addition to the Executive Board and Supervisory Board, the Annual General Meeting acts as the third executive body. The Company's shareholders exercise their rights at the Annual General Meeting and are involved in fundamental decisions concerning Lotto24 AG. The Executive Board, Supervisory Board and Annual General Meeting are jointly committed to acting in the best interests of shareholders and to the benefit of the Company. Lotto24 AG's Annual General Meeting is held within the first eight months of the fiscal year. In accordance with the Articles, the Annual General Meeting is presided over by the Chairman of the Supervisory Board. The Annual General Meeting resolves on all matters that are reserved for it by law (including the election of Supervisory Board members, amendments to the Articles, the appropriation of net profit and capital measures). Our aim is to make it easy for our shareholders to participate in the Annual General Meeting: we publish all necessary documents on the Internet in advance and nominate a proxy for shareholders who is obliged to follow their voting instructions.

Transparency

Lotto24 AG attaches great importance to providing information uniformly, comprehensively and promptly. The business situation and results of Lotto24 AG are disclosed via regular reporting in the form of our annual report, half-yearly financial report and quarterly reports (in future: quarterly announcements). We also provide full and swift information by means of press releases and ad-hoc announcements on specific events in accordance with statutory regulations. All publications, press releases and announcements are available on our website (www.lotto24-ag.de) in the Investor Relations section. Moreover, we are also available for personal discussions at analyst, investor and telephone conferences as well as international roadshows. Lotto24 AG has drawn up the mandatory list of insiders and informed the persons concerned about the statutory duties and penalties.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft was elected as auditor for the annual financial statements for the first time in 2012. As of fiscal year 2012, the auditor partner in charge of the audit has been Mr Carl-Heinz Klimmer.

Setting of targets for the share of women on the Supervisory Board and Executive Board, as well as in senior management positions

The German »Law on Equal Participation of Men and Women in Private-Sector and Public-Sector Management Positions« came into effect on 1 May 2015. It requires the Supervisory Board and Executive Board of Lotto24 AG to set targets for the share of women on the Supervisory Board and Executive Board, as well as in senior management positions.

In September 2015, the Supervisory Board set the target for the share of women on the Supervisory Board at the level reached at the time of adoption, i.e. 0%. In the case of the Executive Board, the Supervisory Board set a target for the share of women at 30%. The Supervisory Board set the deadline for reaching these targets as 30 June 2017.

In September 2015, the Executive Board also set the targets for the share of women on the first and second levels below the Executive Board at the level reached at the time of adoption, i.e. 20% and 30% respectively. The Executive Board set the deadline for reaching both these targets as 30 June 2017.