



**Declaration of Conformity with the German Corporate Governance Code according 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 March 2018, they have complied with all recommendations of the »Government Commission on the German Corporate Governance Code« (GCGC) in the version of 7 February 2017, published in the official part of the Federal Gazette on 24 April 2017, 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 4.2.3 (2) sentence 8 (subsequent amendment of performance targets or comparison parameters) In April 2019, the Supervisory Board resolved to amend the service agreements of the members of the Executive Board with regard to the Long Term Incentive Bonus 1 in the form of phantom stock rights ("LTI (1)") and the Long Term Incentive Bonus 2, which stipulates that a cash payment is to be made to the members of the Executive Board ("LTI (2)") if certain targets expressed by financial ratios are met ("LTI (2)"), and subsequently concluded corresponding change agreements with the members of the Executive Board. The background to these measures is the takeover offer of ZEAL Network SE ("ZEAL") to the shareholders of Lotto24 AG. In the opinion of the Supervisory Board, the takeover offer by ZEAL and the intended cooperation between the two companies will result in the assessment bases applicable to the remuneration components LTI (1) and LTI (2) being affected in such a way that the incentive of the Executive Board members in the Company's interest is no longer guaranteed. As a result of the agreed amendments, the performance of the phantom stock rights pursuant to the LTI (1) and the key figures relevant for the LTI (2) will be adjusted for the effects of the takeover offer of ZEAL. These agreements are expected to lead to a one-off deviation from the recommendation in section 4.2.3 (2) sentence*

8 GCGC, whereby a subsequent amendment of performance targets or the comparison parameters for variable compensation components is to be excluded.


4. *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.*
5. *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 7 February 2017, published in the official part of the Federal Gazette on 24 April 2017, will continue to be met in future with the exception of the recommendations stated and justified above.

Hamburg, April 2019

For the Supervisory Board  
of Lotto24 AG

The Executive Board  
of Lotto24 AG



Prof. Berchtold



von Strombeck



von Zitzewitz