



**Quarterly statement**

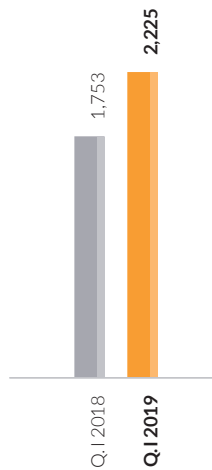
01.01.-31.03.2019



# Profitable growth

## REGISTERED CUSTOMERS

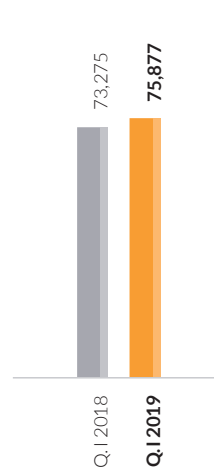
in thousand (accumulated)



+29%

## BILLINGS

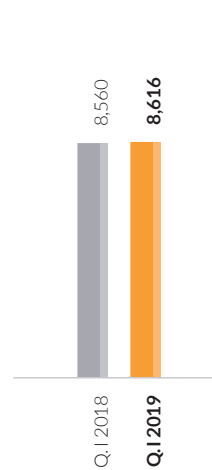
in EUR thousand



+4%

## REVENUES

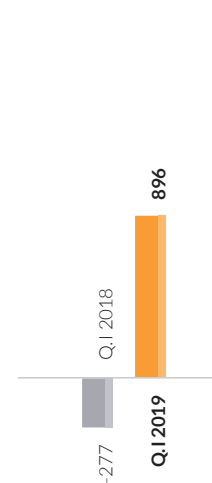
in EUR thousand



+1%

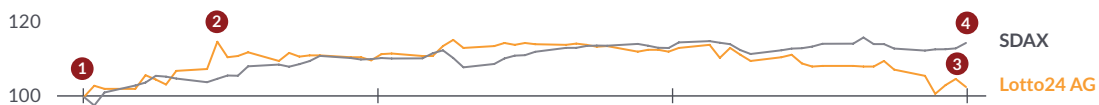
## EBIT

in EUR thousand



+423%

## PERFORMANCE OF THE LOTTO24 SHARE



02.01.2019 = 100

29.03.2019

opening price  
9,569.28 points (SDAX)  
EUR 12.22 (Lotto24 AG)

closing price  
10,932.26 points (SDAX)  
EUR 12.54 (Lotto24 AG)

- 1 02.01. Opening price and lowest price
- 2 07.02. Highest price
- 3 28.03. Publication of Annual Report 2018
- 4 29.03. Closing price

### KEY FIGURES OF LOTTO24 AG

in EUR thousand	Q.I 2019	Q.I 2018
Revenues	8,616	8,560
EBIT	896	-277
Net profit for the period	977	-1,329
Cash flow from operating activities	1,164	-989
Equity as of 31 March 2019 and 31 December 2018	33,303	32,326
Employees as of 31 March (FTE) <sup>1)</sup>	104	92

<sup>1)</sup> Full-time equivalents; without members of the Executive Board and student helpers.

Subscribed capital equals the Company's capital stock and is fully paid.

### BASIC DATA ON THE LOTTO24 SHARE

WKN	LTT024
ISIN <sup>1)</sup>	DE000LTT0243
Ticker symbol	LO24
Reuters code	LO24G.DE
Bloomberg code	LO24:GR
Stock exchange	Frankfurt
Market segment	Regulated Market, Prime Standard
Designated sponsor	ODDO SEYDLER BANK AG

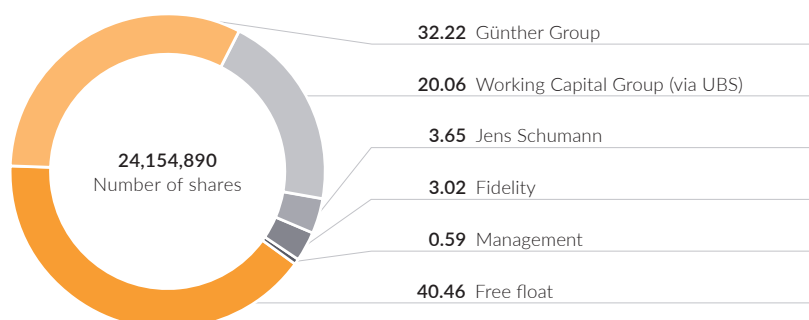
<sup>1)</sup> International Securities Identification Number

### KEY FIGURES FOR THE LOTTO24 SHARE

	Q.I 2019	Q.I 2018
Number of shares on reporting day	24,154,890	24,154,890
Highest price (in EUR)	14.06	12.20
Lowest price (in EUR)	12.22	9.66
Share price on reporting day (in EUR)	12.54	11.08
Market capitalisation on reporting day (in EUR million)	302.9	267.6
Average daily trading volume (Xetra)	7,232	9,988
Earnings per share (in EUR)	0.04	-0.06

### SHAREHOLDER STRUCTURE <sup>1)</sup>

in %



<sup>1)</sup> According to voting rights notifications and Directors' Dealings disclosures received up to 8 May 2019

According to an announcement by ZEAL Network SE on 3 May 2019, 93.04% of Lotto24 shareholders have accepted the voluntary public takeover offer.

# FOREWORD

Ladies and gentlemen,

Following an eventful fiscal year 2018 with exceptionally strong jackpots, we continued our growth in the first quarter of 2019 – despite a comparatively weak jackpot trend. Billings grew by 3.6% to EUR 75.9 million (prior year: EUR 73.3 million) while our revenues rose by 0.7% to EUR 8.6 million (prior year: EUR 8.6 million). Due to the jackpot-related lower share of lotto clubs, our gross margin of 11.4% fell just short of the prior-year figure (11.7%).

With 86 thousand new customers in the first three months of 2019 (prior year: 179.5 thousand), the total number of customers registered with Lotto24 grew by 28.7% to 2,255 thousand (prior year: 1,753 thousand). At the same time, due to the weak jackpot trend in the first quarter of 2019, marketing expenses halved to EUR 2.3 million (prior year: EUR 4.6 million). Marketing expenses per registered new customer (cost per lead, CPL) thus were EUR 27.10 (prior year: EUR 25.52).

Despite consulting costs of EUR 0.5 million in the first quarter of 2019, relating to the takeover, the positive revenue trend and reduced marketing expenses in particular helped lift EBIT to EUR 0.9 million (prior year: EUR -0.3 million). At EUR 1.0 million, net profit was also up on the previous year (EUR -1.3 million).

In connection with the takeover offer, ZEAL Network SE (»ZEAL«) announced on 11 April 2019 that all closing conditions pursuant to the offer document published on 31 January 2019 had been satisfied. On 3 May 2019, ZEAL also announced that 93.04% of you, dear shareholders, had accepted the voluntary public takeover offer. We would therefore like to take this opportunity to thank you for your trust – both over the past years and also in the future – and are pleased, that you will continue to accompany us, as part of the ZEAL Group, on our future path.

Hamburg, 8 May 2019



**Petra von Strombeck**  
Chief Executive Officer



**Magnus von Zitzewitz**  
Member of the Executive Board

# BUSINESS DEVELOPMENT AND SIGNIFICANT EVENTS IN THE REPORTING PERIOD

## BUSINESS AND ECONOMIC CONDITIONS

### Compelling business model

Lotto24 AG is Germany's leading online provider of state-licensed lotteries (Lotto24.de) and is attractively positioned in the value chain of the lottery business: we broker lottery products online and receive brokerage commissions from the lottery operators. We can therefore generate income without bearing the bookmaking risk ourselves.

We offer our customers the possibility to participate in such lottery products as »Lotto 6aus49«, »Spiel 77«, »Super 6«, »EuroJackpot«, »DuoLotto«, »GlücksSpirale«, »Keno«, »Plus 5«, lotto clubs and »Deutsche Fernsehlotterie«. On behalf of, and in the name of, our customers, we enter into gaming agreements with the respective lottery operator.

Following our foundation in 2010 and IPO in 2012 on the Frankfurt Stock Exchange (Prime Standard), we are now the market leader. As a fast-growing company with a strong service and customer orientation, we aim to provide our customers with the most convenient, secure and modern game experience possible – both online and mobile.

### Corporate management

Lotto24 AG is headed by Petra von Strombeck (CEO) and Magnus von Zitzewitz (Executive Board member). Petra von Strombeck is responsible for Corporate Strategy and Development, Marketing, Sales, the B2C (Business-to-Customer) and B2B (Business-to-Business) business fields, as well as Investor Relations, Human Resources and Organisation. Magnus von Zitzewitz heads the divisions Legal Affairs and Regulation, Finance, Accounting, Taxes, Controlling, Compliance, Risk Management and Communication.

In the course of the takeover offer of ZEAL, Dr. Felix Menden made use of his contractually agreed special termination right and did not assume his position as member of the Executive Board of Lotto24 AG. He had originally been scheduled to take office on 1 December 2018 and this was initially postponed to 1 May 2019 due to the takeover offer published by ZEAL on 19 November 2018. However, Dr. Menden will continue to be available to us as a consultant and will in particular accompany the future IT strategy, the implementation of the merger of the IT platforms, the restructuring of the IT organisation and other issues in connection with the IT systems.

For this reason, Petra von Strombeck remains responsible for IT Strategy, IT Systems, IT Processes and IT Operation, as well as Process and Innovation Management and the B2G (Business-to-Government) business field, on an interim basis.

## EMPLOYEES

	<b>31.03.2019</b>	31.03.2018
Marketing	42	34
IT	43	38
Corporate Services	19	19
<b>Total <sup>1)</sup></b>	<b>104</b>	<b>92</b>
Number of student helpers, mostly in the call centre	7	9

<sup>1)</sup> Full-time equivalents; without members of the Executive Board and student helpers.

## ECONOMIC REPORT

### Legal and political conditions

#### Advertising permit

On 27 February 2019, the German authority responsible for advertising standards, the District Government of Düsseldorf, prolonged our advertising permit for the third time in a row: it now applies until the German State Treaty on Games of Chance (»Glücksspielstaatsvertrag« – GlüStV) expires on 30 June 2021. The extension must always be requested and is not granted automatically. After receiving the extension, we continue to be authorised to advertise the online marketing of state lotteries throughout Germany via the Internet and TV, thus driving the further expansion of our customer base. The legal certainty provided by the renewal of the advertising permit forms the basis for the planned expansion of our business and Lotto24's market share.

#### Supplement to brokerage permit

On 8 February 2019, the Lower Saxony Ministry of the Interior granted us the supplement to our existing brokerage permit which we had applied for. Against the backdrop of the ZEAL takeover, the supplement enables us to also broker lotteries to the state lottery companies via the domains Tipp24.de and Tipp24.com in future. The supplement contains the same restrictions as already included in the permit and will also expire on 30 June 2021, the day on which the current German State Treaty on Games of Chance also expires.

#### Permit for instant lotteries in North Rhine-Westphalia

With a decision dated 28 March 2018, the Ministry of the Interior for Lower Saxony granted us our first permit for the online brokerage of state-operated instant lotteries (scratch cards). The permit initially applied solely to the federal states of Lower Saxony, Saxony and Hesse. Due to a further permit received on 18 March 2019, we are now also allowed to offer scratch cards in North Rhine-Westphalia.

In addition to the legal conditions already described in detail in the Annual Report 2018, there were no further new developments in the reporting period.

### Economic conditions

We reported extensively on the economic conditions, the development of the overall lottery market and its online segment in the Annual Report 2018. Moreover, as the German Association of State Lottery Companies (»Deutscher Lotto- und Totoblock, DLTB«) only provides information on market figures for the online segment once at the beginning of each fiscal year, we did not receive any new information on this matter during the reporting period.

### Good jackpot situation

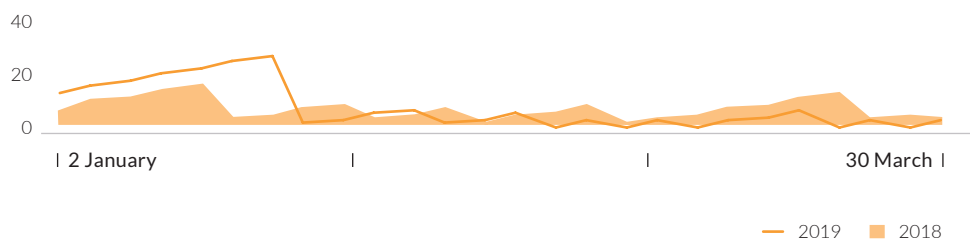
We expect particularly strong increases in the activity rate and number of registered customers when potential players have greater expectations of exceptional winnings, in other words whenever there are large jackpots. Such jackpots are comprised of stakes submitted by players who did not meet the conditions for winning prizes and which are then paid out to the winners on top of regular prizes in a subsequent draw. In the German »6aus49« lottery, this relates in particular to the combination of six correct numbers and the super number.

In the first quarter of 2019, the German lottery »6aus49« reported one jackpot of over EUR 20 million (prior year: none) which led directly to a guaranteed jackpot payout after the 13th draw (prior year: none). The European lottery »EuroJackpot« did not reach the EUR 90 million mark in any of its draws in the first quarter of 2019 and thus performed worse than in the prior-year period when the 90 million-euro mark was reached in two draws.

On the basis of statistical probability, we expect lower jackpots in 2019 than in 2018.

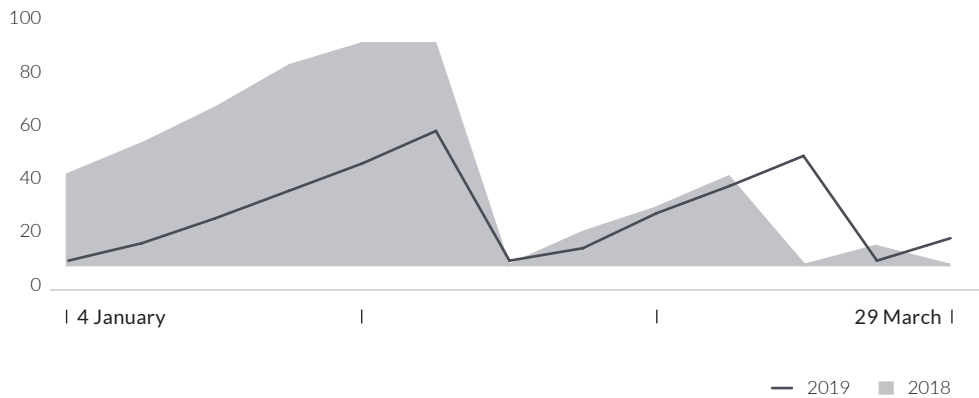
#### Lotto 6aus49

in EUR million



#### EuroJackpot

in EUR million



## Business development

### **Takeover offer of ZEAL Network SE**

In connection with the takeover offer announced on 19 November 2018, an extraordinary general meeting of ZEAL was held on 18 January 2019 which adopted in full all resolutions concerning the takeover offer for Lotto24 shareholders.

As a result, ZEAL published the statutory offer document on 31 January 2019.

On 8 February 2019, we received a supplement to our brokerage permit which allows us to also broker tickets to the state lottery companies via the domains Tipp24.de and Tipp24.com.

Finally, we issued our joint reasoned opinion of the Executive Board and Supervisory Board on 12 February 2019 and published it on our corporate website.

The transaction is expected to be closed on 14 May 2019.

As already described in the joint reasoned opinion, we are currently negotiating a road map with ZEAL regarding future cooperation within a de facto group of companies. This also includes the conclusion of a Cooperation & Brokerage Agreement (C&B Agreement) as quickly as possible. However, this requires the prior clarification of a large number of preliminary questions to determine the commercial cornerstones. In addition to tax and accounting issues, the technical integration of the IT platforms of both companies is particularly important. This analysis is complex and will take some time to be completed.

### **»Hamburg's Best Employers« accolade once again in 2019**

On 17 January 2019, we were once again among the winners of the »Hamburg's Best Employers« competition with a top score of five stars. We had already received this special accolade for our excellent HR work in the participating years 2015 and 2017. The event is held annually by Hamburg's Helmut Schmidt University, »Roos Consult GmbH & Co. KG«, »Rock Antenne« and local newspaper »Hamburger Abendblatt«.

### **German Financial Reporting Enforcement Panel (DPR) certifies error-free accounting for fiscal year 2017**

As part of the audit announced on 26 September 2018 pursuant to Section 342b (2) sentence 3 number 3 German GAAP (HGB) (spot check) of our annual financial statements and management report as of 31 December 2017, DPR informed us on 20 March 2019 that the relevant chamber of the Enforcement Panel had detected no errors in the accounts for fiscal year 2017. Among other things, the audit focused on the understanding of the business model and deferred tax assets on tax loss carryforwards.



## POSITION

Unless stated otherwise, all key performance indicators (KPIs) are disclosed in thousands of euros (EUR thousand), which may lead to rounding differences in certain cases.

### INCOME STATEMENT

in EUR thousand	Q. I 2019	Q. I 2018	Change %
Billings	75,877	73,275	3.6
Remitted stakes (less revenues)	-67,261	-64,715	3.9
<b>Revenues</b>	<b>8,616</b>	<b>8,560</b>	<b>0.7</b>
Personnel expenses	-2,163	-1,924	12.5
Impairment loss for financial assets	-180	-90	100.9
Other operating expenses	-5,008	-6,598	-24.1
less other operating income	26	77	-65.7
<b>Operating expenses</b>	<b>-7,324</b>	<b>-8,534</b>	<b>-14.2</b>
<b>EBITDA</b>	<b>1,292</b>	<b>26</b>	<b>4,877.6</b>
Amortisation and depreciation	-395	-303	30.5
<b>EBIT</b>	<b>896</b>	<b>-277</b>	<b>-423.7</b>
Financial result	-33	-29	13.4
<b>Net profit before taxes</b>	<b>863</b>	<b>-306</b>	<b>-382.1</b>
Income taxes	114	-1,023	-111.1
<b>Net profit</b>	<b>977</b>	<b>-1,329</b>	<b>-173.5</b>
<b>Breakdown of other operating expenses</b>			
Marketing expenses	-2,330	-4,582	-49.1
Direct operating expenses	-632	-703	-10.1
Indirect operating expenses	-2,045	-1,313	55.6
<b>Other operating expenses</b>	<b>-5,008</b>	<b>-6,598</b>	<b>-24.1</b>

## KEY FIGURES

	Q. I 2019	Q. I 2018
Billings (in EUR thousand)	75,877	73,275
Revenues (in EUR thousand)	8,616	8,560
Gross margin (%)	11.4	11.7
EBIT (in EUR thousand)	896	-277
Number of registered customers on 31 March (in thousand)	2,255	1,753
Number of registered new customers in first quarter (in thousand)	86	180
Cost per lead (CPL, in EUR)	27.10	25.52

### Further improvement in KPIs

Following an eventful fiscal year 2018 with exceptionally strong jackpots, we continued our growth in the first quarter of 2019 – despite a comparatively weak jackpot trend:

Billings grew by 3.6% to EUR 75,877 thousand (prior year: EUR 73,275 thousand) while our revenues rose by 0.7% to EUR 8,616 thousand (prior year: EUR 8,560 thousand).

Revenues resulted mainly from

- commissions received from the state lottery companies for the brokerage of lottery products,
- additional fees and ticket fees incurred in connection with the brokerage of stakes.

We offer IT and marketing services to major online portals for the operation of their own online lottery services (B2B and business services). In 2012, we already recruited two major partners as multipliers for these services with WEB.de and GMX.net. The billings from these cooperations and the corresponding revenues are included in our figures, but not disclosed separately for contractual reasons. Customers generated via these partners are also not included in the »Number of registered customers«.

Due to the jackpot-related lower share of lotto clubs, our gross margin of 11.4% fell just short of the prior-year figure (11.7%).

With 86 thousand new customers in the first three months of 2019 (prior year: 179.5 thousand), the total number of customers registered with Lotto24 grew by 28.7% to 2,255 thousand (prior year: 1,753 thousand). At the same time, due to the weak jackpot trend in the first quarter of 2019, marketing expenses halved to EUR 2,330 thousand (prior year: EUR 4,582 thousand). Marketing expenses per registered new customer (cost per lead, CPL) thus were EUR 27.10 (prior year: EUR 25.52).

### Key earnings figures

The positive revenue trend and reduced marketing expenses in particular helped lift EBIT to EUR 896 thousand (prior year: EUR -277 thousand) – despite consultancy fees of EUR 469 thousand incurred in the first quarter of 2019 in connection with the takeover. At EUR 977 thousand, net profit was also up on the previous year (EUR -1,329 thousand).

The financial result amounted to EUR -33 thousand (prior year: EUR -29 thousand). This figure mainly includes interest expenses for lease liabilities on rights of use.

Earnings per share reached EUR 0.04 (prior year: EUR -0.06).

### Development of key income statement items

As of 31 March 2019, Lotto24 AG employed 104 people (full-time equivalents, excluding the two Executive Board members and student helpers, prior year: 92). 40% (prior year: 37%) of our employees and 7 student helpers (prior year: 9) were employed in Marketing (including customer service), 41% (prior year: 41%) of staff were employed in the IT department.

Due mainly to the year-on-year increase in headcount, personnel expenses rose to EUR 2,163 thousand (prior year: EUR 1,924 thousand).

Other operating expenses fell to EUR 5,008 thousand in the first quarter of 2019 (prior year: EUR 6,598 thousand):

- In view of the comparatively weak jackpot situation, marketing expenses were halved to EUR 2,330 thousand (prior year: EUR 4,582 thousand).
- Due to reduced expenses for business services, direct costs of operations (mainly costs for billings-related payment transactions as well as B2B and business services) fell to EUR 632 thousand (prior year: EUR 703 thousand). We expect that the remaining direct costs will continue to increase in future, as they develop more or less in proportion with billings.
- Indirect operating expenses increased from EUR 1,313 thousand to EUR 2,045 thousand. As we strengthened our internal IT team with freelancers due to the lack of skilled staff, there was a particularly strong rise in the use of external IT management and consultancy services to EUR 664 thousand (prior year: 289 thousand). At the same time, there was an increase in costs for legal and other advice to EUR 643 thousand (prior year: EUR 95 thousand) – mainly due to consultancy fees of EUR 469 thousand in connection with the takeover (prior year: EUR 0 thousand).
- Due to the mandatory application of IFRS 16 »Leases« as of 1 January 2019, the overwhelming share of office space costs reported under indirect operating expenses until 31 December 2018 is now recognised as part of depreciation/amortisation as of 1 January 2019. This effect led to a reduction in costs for office space to EUR 62 thousand (prior year: EUR 211 thousand).

Scheduled depreciation/amortisation of tangible and intangible assets for investments in our IT infrastructure, our smartphone and tablet apps, our acquired office and communication technology, and rights of use rose to EUR 395 thousand (prior year: EUR 303 thousand).

## Financial position

### Financial analysis

Our financial situation is mainly shaped by equity and current liabilities. The proportion of non-current liabilities rose due to the mandatory application of IFRS 16 »Leases«.

As of 31 March 2019, equity of EUR 33,303 thousand comprised the following items:

<b>EQUITY</b>		
in EUR thousand	<b>31.03.2019</b>	31.12.2018
Subscribed capital	24,155	24,155
Statutory reserves	2,415	2,415
Retained earnings	6,733	5,756
<b>Total</b>	<b>33,303</b>	<b>32,326</b>

Subscribed capital equals the Company's share capital and is fully paid.

As of 31 March 2019, trade payables amounted to EUR 1,814 thousand (prior year: EUR 1,934 thousand) and mostly comprise open payment obligations as of the balance sheet date for marketing services already received, as well as for legal and technical consultancy. All trade payables have remaining terms of up to one year.

As of 31 March 2019, current financial liabilities comprised the following items:

<b>CURRENT FINANCIAL LIABILITIES</b>		
in EUR thousand	<b>31.03.2019</b>	31.12.2018
Liabilities from gaming operations	13,306	11,197
Interest-bearing loans	195	193
Other	373	45
<b>Total</b>	<b>13,875</b>	<b>11,435</b>

As of 31 March 2019, current financial liabilities increased to EUR 13,875 thousand (prior year: EUR 11,435 thousand). They mainly comprised liabilities from gaming operations of EUR 13,306 thousand (prior year: EUR 11,197 thousand). This item, which is expected to increase further as billings grow, comprises obligations from invoicing our customers and the state lottery companies. It also includes small winnings which customers leave on their gaming accounts and use later to pay for tickets.

Interest-bearing loans include current payments, due within one year, for the IT equipment at our new data centres (hire purchase agreements: EUR 195 thousand; prior year: EUR 193 thousand).

The remaining other liabilities reported as of the balance sheet date (EUR 373 thousand; prior year: EUR 45 thousand) mainly resulted from the mandatory application of IFRS 16 »Leases« and include the current payments, due within one year, from lease liabilities carried as of 1 January 2019 (EUR 359 thousand; prior year: EUR 0 thousand).

## Investment analysis

In the first quarter of 2019, we invested a total of EUR 136 thousand (prior year: EUR 226 thousand) – mainly in software and hardware needed for operations, as well as in our apps, our IT data centre, our workplace equipment and our business intelligence system.

## Liquidity analysis

### KEY CASH FLOW ITEMS

in EUR thousand	Q. I 2019	Q. I 2018
Cash flow from operating activities	1,164	-989
Cash flow from investing activities	-136	-226
thereof operative investments	-136	-226
Cash flow from financing activities	-135	-165
<b>Change in available funds</b>	<b>893</b>	<b>-1,380</b>
Available funds at the beginning of the period	8,072	8,271
<b>Available funds at the end of the period</b>	<b>8,965</b>	<b>6,891</b>
<b>Available funds</b>	<b>8,965</b>	<b>6,891</b>

Due to lower marketing expenses, cash flow from operating activities rose to EUR 1,164 thousand (prior year: EUR -989 thousand).

Cash flow from investing activities amounted to EUR -136 thousand (prior year: EUR -226 thousand) and mostly comprised investments in property, plant and equipment.

Cash flow from financing activities of EUR -135 thousand (prior year: EUR -165 thousand) includes net incoming and outgoing payments for hire purchase agreements and rights of use.

As of 31 March 2019, current financial assets comprised the following items:

### CURRENT FINANCIAL ASSETS

in EUR thousand	31.03.2019	31.12.2018
Receivables from gaming operations	8,328	6,714
Deposits	991	1,016
Other	13	242
<b>Total</b>	<b>9,332</b>	<b>7,970</b>

## Asset position

Compared to 31 December 2018, total assets increased by EUR 5,568 thousand to EUR 55,955 thousand as of 31 March 2019 – mainly due to the mandatory application of IFRS 16 »Leases«.

Current assets mostly comprised current financial assets (EUR 9,332 thousand; prior year: EUR 7,970 thousand), as well as cash and cash equivalents (EUR 8,965 thousand; prior year: EUR 8,072 thousand).

Non-current assets were dominated by our goodwill (EUR 18,850 thousand; prior year: EUR 18,850 thousand) and net deferred tax assets (EUR 12,634 thousand; prior year: EUR 12,464 thousand).

## Subsequent events

### **Takeover offer of ZEAL Network SE**

In connection with ZEAL's voluntary public takeover offer of 19 November 2018, it announced on 11 April 2019 that all closing conditions pursuant to the offer document published on 31 January 2019 had been satisfied.

On 3 May 2019, ZEAL also announced that 93.04% of our shareholders had accepted the voluntary public takeover offer.

The transaction is expected to be closed on 14 May 2019.

### **Chairman of the Supervisory Board of Lotto24 AG**

Prof. Willi Berchtold, Chairman of the Supervisory Board of Lotto24 AG, informed us in April 2019 that he will be available to Lotto24 as a member and Chairman of the Supervisory Board until after the voluntary takeover offer by ZEAL has been completed and the essential economic parameters of the future cooperation between Lotto24 and ZEAL have been negotiated. With regard to the composition of the Supervisory Board of Lotto24 AG, ZEAL had stated, among other things in the Offer Document, that an independent member of the Supervisory Board of ZEAL should join the Supervisory Board of Lotto24 AG as its chairman in future.

On 26 April 2019, we received a corresponding request for supplement from Othello Vier GmbH & Co. KG for the Annual General Meeting to be held on 4 June 2019. The object of the request is the addition to the agenda of an item regarding the dismissal of the Chairman of the Supervisory Board of Lotto24 AG, Prof. Willi Berchtold, with effect from the end of the Annual General Meeting, and the election of Peter Steiner, Chairman of the Supervisory Board of ZEAL, as a new member of the Supervisory Board. Following a detailed examination of the request, the Executive Board accepted the application to add the supplementary item to the agenda of the Annual General Meeting.

## REPORT ON EXPECTED DEVELOPMENTS AND ASSOCIATED MATERIAL OPPORTUNITIES AND RISKS

### Opportunities and risks

We reported in detail on expected developments and associated material opportunities and risks in the Annual Report 2018. There were no changes or new opportunities and risks during the reporting period.

### Forecast report

In 2019, we plan to extend our market leadership as an online provider of state-licensed lotteries. Subject to any guidance adjustments deemed necessary in the course of 2019 due to ZEAL's takeover offer, we expect stable (stand-alone) figures for billings, revenues and gross margin for Lotto24 AG in comparison to the previous year due to the exceptionally strong jackpot trend in 2018. We also anticipate a fall in the number of new customers and a rise in CPL. Depending on external conditions, especially the jackpot trend, and marketing investments to attract new customers, our EBIT will continue to be well above the break-even point – without consideration of any transaction costs incurred during the takeover.

	2019	2018
	Forecast	Actual
Billings	Stable at prior-year level	EUR 321.8 million
Revenues	Stable at prior-year level	EUR 38.3 million
Gross margin	Stable at prior-year level	11.90%
EBIT	Well above break-even	EUR 2.6 million
CPL	Higher than previous year	EUR 25.88
New customers	Falling number of new customers	596 thousand

### Overall statement on the expected development of Lotto24 AG

Lotto24 is well positioned to participate further in the growth of Germany's online lottery market: after already establishing ourselves as market leader in 2014, we have continued to grow steadily, passing the break-even point in 2017 and extending our leading position – thanks in part to an exceptionally strong jackpot trend in the fiscal year 2018. Despite a comparatively weak jackpot trend, we also continued our growth in the first quarter of 2019.

Hamburg, 8 May 2019

The Executive Board



**Petra von Strombeck**  
Chief Executive Officer



**Magnus von Zitzewitz**  
Member of the Executive Board

# KEY PERFORMANCE FIGURES

## INCOME STATEMENT

FROM 1 JANUARY TO 31 MARCH ACCORDING TO IFRS

in EUR thousand	Q. I 2019	Q. I 2018
Billings	75,877	73,275
Remitted stakes (less revenues)	-67,261	-64,715
<b>Revenues</b>	<b>8,616</b>	<b>8,560</b>
Other operating income	26	77
<b>Total performance</b>	<b>8,642</b>	<b>8,637</b>
Personnel expenses	-2,163	-1,924
Impairment loss for financial assets	-180	-90
Amortisation/depreciation on intangible assets and property, plant and equipment	-395	-303
Other operating expenses	-5,008	-6,598
<b>Result from operating activities (EBIT)</b>	<b>896</b>	<b>-277</b>
Revenues from financial activities	0	0
Expenses from financial activities	-33	-29
<b>Financial result</b>	<b>-33</b>	<b>-29</b>
<b>Net profit before taxes</b>	<b>863</b>	<b>-306</b>
Income taxes	114	-1,023
<b>Net profit (after taxes)</b>	<b>977</b>	<b>-1,329</b>
Earnings per share (undiluted and diluted, in EUR/share)	0.04	-0.06
Weighted average of ordinary shares outstanding (undiluted and diluted, in shares)	24,154,890	24,154,890

Net profit after taxes is attributable exclusively to the owners of Lotto24 AG, Hamburg.

## STATEMENT OF COMPREHENSIVE INCOME

FROM 1 JANUARY TO 31 MARCH ACCORDING TO IFRS

in EUR thousand	Q. I 2019	Q. I 2018
<b>Net profit for the period</b>	<b>977</b>	<b>-1,329</b>
Other comprehensive income to be reclassified to the income statement in subsequent periods	-	-
<b>Total comprehensive income after taxes</b>	<b>977</b>	<b>-1,329</b>

Total comprehensive income after taxes is attributable to the owners of Lotto24 AG, Hamburg.



## BALANCE SHEET

AS OF 31 MARCH ACCORDING TO IFRS

	31.03.2019	31.12.2018
<b>ASSETS</b> in EUR thousand		
<b>Current assets</b>		
Cash and cash equivalents	8,965	8,072
Current financial assets	9,332	7,970
Trade receivables	326	384
Other current assets	840	667
<b>Current assets, total</b>	<b>19,464</b>	<b>17,093</b>
<b>Non-current assets</b>		
Goodwill	18,850	18,850
Intangible assets	484	572
Property, plant and equipment	4,523	1,409
Deferred tax assets	12,634	12,464
<b>Non-current assets, total</b>	<b>36,491</b>	<b>33,294</b>
<b>ASSETS</b>	<b>55,955</b>	<b>50,388</b>
<b>EQUITY AND LIABILITIES</b> in EUR thousand		
<b>Current liabilities</b>		
Trade payables	1,814	1,934
Current financial liabilities	13,875	11,435
Other current liabilities	612	573
Short-term provisions	1,835	2,382
<b>Current liabilities, total</b>	<b>18,137</b>	<b>16,324</b>
<b>Non-current liabilities</b>		
Interest-bearing financial liabilities	3,024	148
Long-term provisions	1,491	1,505
Other non-current liabilities	-	85
<b>Non-current liabilities, total</b>	<b>4,515</b>	<b>1,738</b>
<b>Equity</b>		
Subscribed capital	24,155	24,155
Capital reserves	2,415	2,415
Retained earnings	6,733	5,756
<b>Equity, total</b>	<b>33,303</b>	<b>32,326</b>
<b>EQUITY AND LIABILITIES</b>	<b>55,955</b>	<b>50,388</b>

## CASH FLOW STATEMENT

FOR THE PERIOD 1 JANUARY TO 31 MARCH ACCORDING TO IFRS

	Q. I 2019	Q. I 2018
in EUR thousand		
<b>Net profit before tax</b>	<b>863</b>	<b>-306</b>
Adjustments for:		
Amortisation/depreciation on non-current assets	395	303
Financial income/financial expenditure	33	29
Other non-cash expenses/income	85	-
Profit from sale or disposal of non-current assets	2	-
Changes in:		
Trade receivables	58	-163
Current financial assets	-1,362	284
Other current assets	-173	-133
Trade payables	-120	106
Current financial liabilities	2,079	-834
Other current liabilities	-18	-282
Short-term provisions	-546	-144
Non-current other liabilities	-85	79
Long-term provisions	-13	81
Interest received	-	0
Interest paid	-33	-9
<b>Cash flow from operating activities</b>	<b>1,164</b>	<b>-989</b>
Investments in intangible assets	-1	-26
Investments in property, plant and equipment	-135	-199
<b>Cash flow from investing activities</b>	<b>-136</b>	<b>-226</b>
Payments received (+) from taking out financing loans	-	68
Disbursements (-) for redeeming financing loans	-48	-234
Disbursements for the repayment share of lease liabilities	-88	-
<b>Cash flow from financing activities</b>	<b>-135</b>	<b>-165</b>
Change in available funds	893	-1,380
Available funds at the beginning of the period	8,072	8,271
<b>Available funds at the end of the period</b>	<b>8,965</b>	<b>6,891</b>
<b>Composition of cash, cash equivalents and securities at the end of the period</b>	<b>8,965</b>	<b>6,891</b>
Cash	8,965	6,891

## STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH ACCORDING TO IFRS

	Subscribed capital	Capital reserves	Other reserves	Retained earnings	<b>Total equity</b>
in EUR thousand					
<b>As at 1 January 2018</b>	<b>24,155</b>	<b>2,415</b>	<b>0</b>	<b>-1,941</b>	<b>24,629</b>
Net profit	-	-	-	-1,329	-1,329
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-1,329	-1,329
<b>As at 31 March 2018</b>	<b>24,155</b>	<b>2,415</b>	<b>-</b>	<b>-3,270</b>	<b>23,300</b>
Net profit	-	-	-	9,026	9,026
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	9,026	9,026
<b>As at 31 December 2018</b>	<b>24,155</b>	<b>2,415</b>	<b>-</b>	<b>5,756</b>	<b>32,326</b>
<b>As at 1 January 2019</b>	<b>24,155</b>	<b>2,415</b>	<b>-</b>	<b>5,756</b>	<b>32,326</b>
Net profit	-	-	-	977	977
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	977	977
<b>As at 31 March 2019</b>	<b>24,155</b>	<b>2,415</b>	<b>-</b>	<b>6,733</b>	<b>33,303</b>

## KEY FIGURES

in EUR thousand	<b>Q. I 2019</b>	Q. IV 2018	Q. III 2018	Q. II 2018	Q. I 2018
Billings	75,877	85,937	74,726	87,894	73,275
Stakes to be remitted (less revenues)	-67,261	-75,752	-66,064	-77,013	-64,715
<b>Revenues</b>	<b>8,616</b>	<b>10,185</b>	<b>8,663</b>	<b>10,881</b>	<b>8,560</b>
Other operating income	26	21	65	82	77
<b>Total performance</b>	<b>8,642</b>	<b>10,206</b>	<b>8,728</b>	<b>10,963</b>	<b>8,637</b>
Personnel expenses	-2,163	-2,705	-2,190	-2,230	-1,924
Impairment loss for financial assets	-180	-164	-122	-223	-90
Amortisation/depreciation on intangible assets and property, plant and equipment	-395	-322	-287	-291	-303
Other operating expenses	-5,008	-6,532	-4,628	-7,279	-6,598
<b>Result from operating activities (EBIT)</b>	<b>896</b>	<b>483</b>	<b>1,502</b>	<b>940</b>	<b>-277</b>
Revenues from financial activities	0	-	-	-	0
Expenses from financial activities	-33	-13	-39	-37	-29
<b>Financial result</b>	<b>-33</b>	<b>-13</b>	<b>-39</b>	<b>-37</b>	<b>-29</b>
<b>Net profit before taxes</b>	<b>863</b>	<b>470</b>	<b>1,462</b>	<b>903</b>	<b>-306</b>
Income taxes	114	-601	4,064	2,727	-1,023
<b>Net profit</b>	<b>977</b>	<b>-130</b>	<b>5,526</b>	<b>3,630</b>	<b>-1,329</b>
<b>Breakdown of other operating expenses</b>					
Marketing expenses	-2,330	-3,455	-2,317	-5,069	-4,582
Direct operating expenses	-632	-756	-739	-817	-703
Indirect operating expenses	-2,045	-2,320	-1,572	-1,393	-1,314
<b>Other operating expenses</b>	<b>-5,008</b>	<b>-6,532</b>	<b>-4,628</b>	<b>-7,279</b>	<b>-6,598</b>

## FINANCIAL CALENDAR

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<b>4 June 2019</b>	Annual General Meeting
<b>14 August 2019</b>	Half-yearly financial report as of 30 June 2019
<b>13 November 2019</b>	Quarterly statement as of 30 September 2019

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