

Dear Shareholders,

For the first time, bet-at-home.com AG (hereinafter also referred to as the “company”) decided to report to the shareholders on the company’s corporate governance in the year 2014. Corporate governance refers to the set of mechanisms by which companies are managed and supervised.

The company is a company limited by shares under the laws of Germany. The company’s shares are traded in Entry Standard on the Frankfurt Stock Exchange. Entry Standard is a segment of the open market with additional transparency requirements above and beyond the requirements of the open market. The company’s shares in the open market can also be traded on other stock exchanges in Germany.

a) Declaration of conformity and Corporate Governance Code

Pursuant to Section 161 of the German Companies Act [AktG], the Management Board and Supervisory Board make a yearly statement to the effect that the recommendations of the “government commission of the German Corporate Governance Code”, which are published by the Federal Ministry of Justice in the official section of the Federal Gazette, have been and will be complied with or which recommendations have not or will not be implemented and why not (so-called “comply or explain” principle). This is known as the “**declaration of conformity**”. A company is listed within the meaning of Section 3(2) AktG if its shares are admitted to a market regulated and overseen by officially recognised authorities, which regularly takes place and which is directly or indirectly available to the public. Even though its shares are listed in the open market, bet-at-home.com AG is not a listed company within the meaning of Section 161 AktG, as listing on the unofficial market does not require admission within the meaning of Section 3(2) AktG. However, the German Corporate Governance Code (hereinafter referred to as the “**Code**”) states in its preamble that while the Code is primarily directed to listed companies, non-publicly traded companies are also recommended to observe the Code.

The company decided back in the 2014 financial year, not least because of its increased perception in the capital market, to act on the recommendations of the Code, i.e. to explain in a voluntary, annual declaration of conformity which recommendations of the Code have been and will be complied with or which recommendations have not or will not be implemented and why not.

b) Corporate Governance Report/voluntary corporate governance statement

Due to the fundamental commitment to the recommendations of the Code, the Management Board and Supervisory Board prepare an annual report on corporate governance within the company (hereinafter referred to as “**Corporate Governance Report**”) in accordance with Section 3.10 of the Code.

The Code provides for the following content of the Corporate Governance Report:

- according to Section 5.4.1 of the Code, the objectives of the Supervisory Board regarding its composition (diversity) and the status of their implementation,
- according to Section 6.2 of the Code, disclosure of the entire holdings of all members of the Management Board and Supervisory Board in shares in the company and
- according to Section 7.1.3 of the Code, information on share option programmes and similar share-based incentive systems within the company unless this information is already provided in the financial statements, consolidated financial statements or compensation report.

The Management Board and Supervisory Board are to publish the Corporate Governance Report along with the “corporate governance statement”. The corporate governance statement is laid down in Section 289a of the German Commercial Code [HGB]. Accordingly, listed companies limited by shares have to include a corporate governance statement in their management report. The corporate governance statement can also be made available to the public on the company’s website.

The corporate governance statement is to include (i) the declaration of conformity, (ii) relevant information on corporate governance practices, and (iii) a description of the working procedure of the Management Board and Supervisory Board as well as the composition and working procedure of their committees. Listed companies must also (iv) perform the determination in accordance with Sections 76 (4) and 111 (5) AktG, disclose if the targets set for the reporting period have been met and provide reasons if this has not been the case. As the company is not a listed company limited by shares in a legal sense (see above), it is not required to issue a corporate governance statement. Nevertheless, the company has decided to voluntarily include the information required by Section 289a of the German Commercial Code in the Corporate Governance Report by way of a corporate governance statement in accordance with the previous paragraphs (i) to (iii). Disclosures on the previous paragraph (iv) are included in the Corporate Governance Report if this appears to be useful.

c) Voluntary compensation report

Section 4.2.5 of the Code assumes that the principles of the compensation system for members of the Management Board are presented in a compensation report as part of the management report. Section 289(2), No. 5, of the German Commercial Code states that the principles of the compensation system must be presented in the management report if the company is a listed company limited by shares. A similar provision for the group management report is contained in Section 315(2) of the German Commercial Code. As the company is not listed, there is no statutory basis to prepare a compensation report as part of the management report or group management report.

The company has decided, however, to include a voluntary compensation report in the Corporate Governance Report (hereinafter referred to as the “compensation report”). This also includes disclosure of the information required by the Code in relation to the Supervisory Board, unless the declaration of conformity states otherwise).

I. Voluntary declaration of conformity in accordance with Section 161 AktG

On 10 March 2016, the Management Board and Supervisory Board issued the following voluntary declaration of conformity:

Voluntary declaration of conformity of the Management Board and Supervisory Board of bet-at-home.com AG with the German Corporate Governance Code in accordance with Section 161 AktG

Pursuant to Section 161 of the German Companies Act [AktG], the Management Board and Supervisory Board of listed companies are required to make a yearly statement to the effect that the recommendations of the “government commission of the German Corporate Governance Code” (“Code”), which are published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette, have been and will be complied with or which recommendations have not or will not be implemented and why not. Shareholders must be given permanent access to the declaration in accordance with Section 161 AktG, the so-called declaration of conformity.

The Management Board and Supervisory Board of bet-at-home.com AG herewith voluntarily declare, i.e. without any obligation within the meaning of Section 161 AktG, that bet-at-home.com AG has been implementing the recommendations of the German Corporate Governance Code in the version dated 24 June 2014 until the date of the issuance of this Declaration of Conformity with the exceptions disclosed in March 2015.

Furthermore, the Management Board and Supervisory Board of bet-at-home.com AG voluntarily declare, i.e. without any obligation within the meaning of Section 161 AktG, that bet-at-home.com AG will implement the recommendations of the German Corporate Governance Code in the version dated 5 May 2015 with the following exceptions (the sections below are those of the Code in the version dated 5 May 2015):

Deductible for the D&O policy for the Supervisory Board (Section 3.8)

The company has a D&O policy without any deductible for the members of the Supervisory Board. In the view of the company, such a deductible is not necessary to ensure the motivation and sense of responsibility of the members of the Supervisory Board. A deductible could even run counter to the company’s efforts to obtain people of excellence from within Germany and abroad for its Supervisory Board. The Supervisory Board was also expressly excluded (Section 116 AktG) from the new statutory measures on the deductible for members of the Supervisory Board in the Act on the Appropriateness of Management Board Compensation [VorstAG] (§ 116 AktG).

The Management Board must have a chairman (Section 4.2.1)

No chairman of the Management Board has been appointed. The Management Board and Supervisory Board are of the opinion that the two members of the Management Board

have worked together efficiently and like good colleagues hitherto. No need has therefore been seen to appoint a chairman thus far, especially since the Management Board presently consists of two people, for which the appointment of a chairman is not mandatory for organisational reasons either.

Disclosure of Management Board compensation (Section 4.2.5)

Although not required by law to do so, the company includes a voluntary compensation report in its Corporate Governance Report.

The emoluments received by each member of the Management Board are not shown separately. The reason is that, as the Management Board consists of only two people, this would be of no additional informational value.

Committees (Article 5.3)

Under the Articles of Association, the company's Supervisory Board consists of three members. Given this size, it would appear neither necessary nor expedient to set up committees, as the imaginable tasks of committees could be performed just as effectively and competently by the entire Supervisory Board.

Composition of the Supervisory Board (Section 5.4.1)

The Supervisory Board must set specific objectives for its composition. In accordance with the Code in the version of 5 May 2015, these objectives will now also include a regulated limit for the time spent serving by each member on the Supervisory Board. However, the determination of a regulated limit for the time spent serving by each member on the Supervisory Board appears to be not useful from today's perspective. A time limit specifying the maximum time spent by each member serving on the Supervisory Board cannot be properly determined in abstract terms. The Supervisory Board is of the opinion that it would make more sense to assess in each individual case if the time already spent by each member serving on the Supervisory Board could prevent the member from performing their future duties in a factual, proper and unbiased manner.

Components and disclosure of Supervisory Board compensation (Section 5.4.6)

Compensation of the members of the Supervisory Board includes the position of chairman but not that of deputy chairman. Nor does there appear to be a need to differentiate between a deputy chairman and ordinary member, as the participation of all members is required for resolutions in the Supervisory Board of three people, so that cases where the chairman is represented by the deputy rarely occur in practice.

II. Disclosures required by Section 289a (2) Nos. 2 to 4 of the German Commercial Code

The company is a company limited by shares under the laws of Germany. It is therefore governed in particular by German company law and capital market regulations as well as the provisions of the Articles of Association and the rules of procedure for the Management Board and Supervisory Board.

A two-tier management and supervision structure arises from the Management Board and Supervisory Board. Both executive bodies are committed to the interests of the shareholders and the good of the company. The AGM is the company's third executive body. It serves the decision-making process of the shareholders.

1. Management Board

The Management Board represents the company to the outside world. It conducts its business in accordance with the law, the Articles of Association and the rules of procedure for the Management Board and ensures suitable risk management. The Management Board develops the company's strategy, coordinates it with the Supervisory Board and ensures its implementation. The Management Board has the task of creating long-term value on its own responsibility. Under the principle of collective responsibility, the members of the Management Board share the responsibility for the entire management.

The Supervisory Board has issued rules of procedure for the Management Board. Under the rules of procedure for the Management Board, actions and business by the Management Board of fundamental importance require the approval of the Supervisory Board.

The Management Board makes regular, timely and comprehensive reports to the Supervisory Board about all material aspects of the business development, significant transactions and the current earnings situation including the risk situation and risk management. Deviations in the business development from plans and targets are explained to and discussed with the Supervisory Board. Furthermore, the Management Board regularly reports on compliance, i.e. the actions taken to comply with laws and company regulations, which fall under the Management Board's responsibility.

2. Supervisory Board

The Supervisory Board advises the Management Board in the management of the company. It supervises its activities. The Supervisory Board appoints and dismisses the members of the Management Board, determines the compensation system for the members of the Management Board and agrees their respective compensation.

The Supervisory Board is involved in all decisions of fundamental importance to the company. The Supervisory Board can make certain transactions contingent on its approval. The main tasks of the Supervisory Board also include making nominations for election to the Supervisory Board

and for the appointment of the auditor. In this respect, the Management Board has no right of nomination.

The principles of cooperation in the Supervisory Board are laid down in the Supervisory Board's rules of procedure.

3. Annual General Meeting

The shareholders safeguard their rights at the AGM. There they exercise their voting rights. The AGM is held annually within the first eight months of a financial year. The agenda for the AGM, including the reports and documents required for the AGM, is also posted on the company's website. To facilitate them in personally safeguarding their rights, the company places a proxy at the instruction of the shareholders. In calling the AGM, i.e. in notices to the shareholders, an explanation is given of how to submit proxy voting instructions prior to the AGM.

The AGM passes resolutions on granting discharge to the Management Board and Supervisory Board. It decides on the appropriation of the retained earnings and on the election of the auditor. The AGM is also responsible for decisions on corporate actions and approval of inter-company agreements and alterations to the Articles of Association.

4. Disclosures on corporate governance practices

At the core of the management culture of the company and its subsidiaries are values enshrined in laws or company regulations and instructions. Of particular importance in this respect are concepts which further the interests in making a profit. By the same token, serious and comprehensive customer protection, in particular protection for youth and prevention, are of vital importance.

This is the basis of the common understanding between the management and staff to combine lasting growth with financial success and, at the same time, to take effective measures to prevent the negative impact of the services provided.

To achieve this objective, all staff must be aware of these demands and be willing and able to take responsibility for them. Taking one's own responsibility and initiative presumes an understanding of the company's strategy. Which is why the management regularly informs the staff about the company's objectives, current business development, market and its competition. Efficient management and cooperation therefore hinge on clearly defined company structures, areas of responsibility and workflows. In conjunction with defined yet ever improving processes, this structure makes it possible to align management activities to the company's objectives and to check on a regular basis whether those objectives have been achieved.

Particular importance is attached in this respect to the motivation and appreciation of the company's staff since high commitment, productivity and efficiency can only be achieved in a positively experienced work environment where people closely identify with the company and its objectives.

It is for this reason that the company promotes a balance between the expected high-quality and concentrated work performed in a dynamic market, on the one hand, and the needs and requirements of private life, on the other (work-life balance).

5. Compliance

The Management Board is responsible for compliance with the law and company regulations and works towards that throughout the group company. In conducting its business, the bet-at-home AG Group must orient itself towards legal systems in different countries. This is especially true because of the different legislative conditions for betting and gambling, which are anchored in the free movement of goods and services enshrined in European law.

There where state licensing is possible in a European legal framework, our aim is to obtain licences and fulfil the respective requirements for the long term. In addition, we pay – mark you, also in countries seeking to maintain state betting and gambling monopolies and which restrict private providers – all applicable levies and taxes on betting and gambling.

We expect our staff to conduct themselves ethically and in accordance with the law in their daily business. For precisely as a provider of betting and gambling, maximum integrity is indispensable in our highly regulated markets in order to justify the trust instilled in us by the authorities and, above all, by our customers.

In training sessions conducted with the assistance of the respective compliance officers, our staff are familiarised with the relevant codes of conduct as well as the laws and regulations.

6. Accounting

The consolidated financial statements of bet-at-home.com AG are prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), by taking account of the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The group management report and company financial statements are prepared in accordance with the provisions of the German Commercial Code.

Financial reports and half-year reports are published within the statutory deadlines and in accordance with the regulations for the Entry Standard segment of the Frankfurt Stock Exchange.

7. Transparency

Our shareholders are informed, in particular, in the annual report and by the publication of important information as well as current press releases on significant events within the company and the group.

Important information is therefore published in accordance with the rules for the Entry Standard of the Frankfurt Stock Exchange. However, they differ from the provisions of the Securities Trading Act (Wertpapierhandelsgesetzes; WpHG) with regard to publishing insider information (particularly ad-hoc reports in accordance with Section 15 WpHG).

In order to achieve even greater transparency, the Management Board has decided to already observe, to the extent possible, and anchor within the company during the course of 2015, the regulations of WpHG on the publication of insider information, insider lists and trading by managers for their own account. This will also take place in the light of the fact that, by virtue of the market abuse regulation (REGULATION (EU) No 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 April 2014), the company will fall within the scope of the related provisions as from 3 July 2016.

8. Equal participation of men and women

It should be noted in this respect that in accordance with Section 76 (4) AktG, the management boards of companies that are listed or subject to co-determination must specify the target percentages of women on both executive levels below the management board. However, bet-at-home.com AG is unable to determine such targets as the company does not have any employees and/or executive levels below the management board.

In accordance with Section 111 (5) AktG, the supervisory boards of companies that are listed or subject to co-determination must specify the target percentages of women on the supervisory and management boards. When determining the targets for its composition, the Supervisory Board specified that one third of the Supervisory Board should be women. This target has been reached at present. The Management Board is currently comprised of two men. As none of the management board contracts are expiring in the near future and there are no plans to add further members to the Management Board, the company is currently not endeavouring to increase the percentage of women on the Management Board.

III. Diversity in the Supervisory Board

1. Objectives in the composition of the Supervisory Board

The company's Supervisory Board consists of three members elected by the shareholders. According to Section 5.4.1 of the Code, the Supervisory Board must be composed in such a way that its members as a group possess the knowledge, ability and expert experience required to perform their tasks in a proper manner. Given the company's specific situation, the Supervisory Board must set specific objectives for its composition which take into account the international activities of the company, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of Section 5.4.2 of the Code, an age limit for members of the Supervisory Board and diversity. These specific objectives must, in particular, provide for an appropriate degree of female representation.

According to Section 5.4.2 of the Code, the Supervisory Board must include what it considers an adequate number of independent members. Within the meaning of this recommendation, a Supervisory Board member is particularly not considered independent if he or she has personal or business relations with the company, its executive bodies, a controlling shareholder or an enterprise associated with the latter which may cause a substantial and not merely temporary conflict of interests. The Supervisory Board may have no more than two former members of the Management Board among its members. Supervisory Board members must not hold directorships or provide advisory services to the company's major competitors.

The Supervisory Board is in agreement with the content of the Code, whereby besides its balanced professional qualification, the Supervisory Board will also have an appropriate degree of internationality and female representation at all times (diversity).

The composition of the Supervisory Board must therefore take account of the fact that bet-at-home.com AG is an innovative and international company and that it relies on modern means of communication over the internet for the provision of its services.

Yet diversity does not mean that a person is nominated as a candidate for the Supervisory Board solely because he or she possesses a certain personal quality; hence, no mandatory quota requirements are imposed.

For companies within the meaning of Section 264d of the German Commercial Code, at least one independent member of the Supervisory Board must, in accordance with Section 100(5) AktG, have expertise in accounting or auditing. Although the company is not a company within the meaning of Section 264d HGB, the Supervisory Board is of the opinion that expertise in the fields of accounting and auditing is required as a diversity criterion.

On 12 March 2015, the Supervisory Board set the following objectives regarding its composition:

- To take into account the international activity of the company and its subsidiaries
- To take into account professional/technical expertise and industry knowledge, especially in relation to online betting and gambling
- Expertise in accounting or auditing
- At least one independent member within the meaning of the current recommendations of the Code
- Prevention of conflicts of interest
- Availability and commitment
- Maximum of three supervisory board positions in non-group companies
- To take into account the age limits defined in the rules of procedure of the Supervisory Board
- A one-third ratio of women

2. Status of implementation of these objectives in the view of the Supervisory Board

All relevant professional competences are represented in the Supervisory Board at present. This holds particularly true for the industry-related requirements as well as in respect of accounting and auditing. Comprehensive experience in the international business community is also present, just as are members from different countries.

Members at present:

- **Mr. Martin Arendts, M.B.L-HSG, lawyer, chairman of the Supervisory Board, is the founder and owner of law firm ARENDTS ANWÄLTE.** Specialised in investment law as well as gambling and betting law, he has a high level of expertise in not only issues of company law, capital market law and corporate governance but also in the main legal issues for bet-at-home.com Group in relation to gambling and betting. Mr. Arendts also has expertise in accounting and auditing due to his professional activities.
- **Mrs. Isabelle Andres** is CEO of Betclik Everest Group S.A.S., Paris, France. Mrs. Andres is a former member of the management board of Betclik Everest Group S.A.S. As the parent company of bet-at-home.com AG, Betclik Everest Group S.A.S. pools various gambling and betting activities. Mrs. Andres therefore has excellent, relevant market expertise and accounting knowledge.
- **Mr. Jean-Laurent Nabet** was the head of M&A at Vivendi Universal before working as an investment banker for Deutsche Bank in Paris. As the CEO of Betclik Everest Group S.A.S. and investment manager (Head of Investment) for LOV Group Invest S.A.S., Paris, France, Mr. Nabet has excellent, relevant market expertise and knowledge of the entertainment industry as well as investment and internet business.

All members of the Supervisory Board have sufficient time to perform their tasks. None of the members of the Supervisory Board has exceeded the limit of supervisory board positions held outside the group.

Independence within the Supervisory Board has been preserved. In the estimation of the Management Board and Supervisory Board, the members of the Supervisory Board have no personal or business relations with the company, its executive bodies, a controlling shareholder or an enterprise associated with the latter which could cause a substantial and not merely temporary conflict of interests. Mrs. Andres and Mr. Nabet do occupy positions at Betclik Everest Group S.A.S., which holds the majority of the shares in the company. Yet in the estimation of the Management Board and Supervisory Board, this has not created a substantial and not merely temporary conflict of interests. For there are no ongoing operational relations between Betclik Everest Group S.A.S. and the company. If and when any particular business relations arise, any existing conflicts of interest will be addressed through tried and tested procedures, e.g. abstention from voting. In addition, the relations between Betclik Everest Group S.A.S. and the company are governed by the reporting and auditing duties set out in Sections 312 et sqq. AktG. These audits, especially by the external auditor, have shown that appropriate compensation has been received so far for these business relations.

No former members of the Management Board belong to the Supervisory Board. Nor do the incumbent members of the Supervisory Board hold board positions at or provide advisory services to the company's major competitors.

The Supervisory Board will also take the objectives defined for its composition into account to the greatest extent possible in its search for suitable candidates for any premature vacancies on the board and in its nominations for routine elections.

IV. Shareholdings of the Management Board and Supervisory Board

At 31/12/2015, members of the Management Board and Supervisory Board directly or indirectly held the following shares:

1. Management Board

Franz Ömer 3.75% of the share capital.

2. Supervisory Board

Members of the Supervisory Board do not hold any shares in the company.

V. Disclosures on share option programmes and similar share-based incentive systems

There are no share option programmes or similar share-based incentive systems at this time.

VI. Compensation report

1. Management Board

a) Compensation structure

The structure and amount of the emoluments of the Management Board are determined by the Supervisory Board. The company has refrained from setting up a separate HR committee as its Supervisory Board consists of three members and there is thus no need for such a committee.

The appropriateness of the compensation defined for the Management Board is regularly tested. This is based on the scope of tasks and responsibilities of the individual members of the Management Board and on other factors such as the size of the company, its net assets, financial position and results of operations as well as its development potential and prospects for the future.

Compensation for members of the Management Board consists of the following components, part of which is granted by bet-at-home.com AG and part by a subsidiary:

- Non-performance-based components
- Annual bonuses
- Performance-based components with long-term incentives or based on multi-year assessment
- Certain fringe benefits

The granting and the amount of the individual components of compensation, in particular bonuses and other performance-based components, to the respective members of the Management Board are commensurate with the functions and tasks which they perform.

(i) Non-performance-based components

A fixed monthly salary is paid as a non-performance-based component.

(ii) Annual bonuses

The performance relationship of the annual bonuses is based on the key financial ratios taken from the consolidated financial statements. The gross betting and gaming income as well as an earnings component are also taken into account. Given these parameters, the objective is to achieve the performance targets. The income and earnings targets are connected in such a way that both parameters must reach a minimum target to lead together to entitlement to a bonus.

(iii) Performance-based components with long-term incentives or based on multi-year assessment

Instead of annual bonuses becoming payable in full after one financial year, part of the bonus is paid out if the performance targets set at the beginning of the first year are met in the following year as well.

(iv) Bonus and cap calculation basis

Variable compensation is computed using a base amount and an achievement corridor of from 70% to 150%. The amount is therefore capped at 150%. Subsequent changes to the performance targets are excluded.

(v) Fringe benefits

In the 2015 financial year, the company furthermore assumed the costs of an accident insurance policy concluded for the benefit of the members of the Management Board (for EUR 1,000 each) and the costs of the contributions due under the Austrian Act on Benefits for Employees and Self-Employed Persons [BMSVG] in the amount of 1.53% of gross compensation. No other fringe benefits, particularly company cars, were granted.

b) *Benefits and allocations granted in 2015*

Please refer to the disclosures in the notes to the consolidated financial statements.

2. Supervisory board

As resolved by the AGM on 12 May 2014, each member of the Supervisory Board receives, beginning from 1 January 2014, fixed remuneration of EUR 10,000 for each full financial year, which is payable one month after the end of the financial year.

The Chairman of the Supervisory Board receives fixed remuneration of EUR 20,000. In addition, reimbursement is given for the necessary out-of-pocket expenses and VAT.

The details of this compensation can be found in the notes to the consolidated financial statements.