

CREATE A BETTER WORLD OF LOTTERY

INTERIM FINANCIAL REPORT
1 JANUARY – 30 JUNE 2015

ZEAL

ZEAL

Network SE ("ZEAL Network" or "the Company") and its consolidated companies ("ZEAL" or "the Group") specialise in the area of online lottery. ZEAL offers consumer-facing lottery-based games as well as Business-to-Business ("B2B") solutions, under several brands. Our vision is to create a better world of lottery. ZEAL Network was founded in Germany in 1999 and transferred its registration to London in February 2014. ZEAL operated until November 2014 under the name Tipp24 SE. Its shares are listed in the Prime Standard segment of the Frankfurt Stock Exchange and are included in the SDAX index.

-7.9%

Statutory total operating performance €65,542k

+209%

Statutory EBIT €18,520k

+794%

Earnings per share €1.52

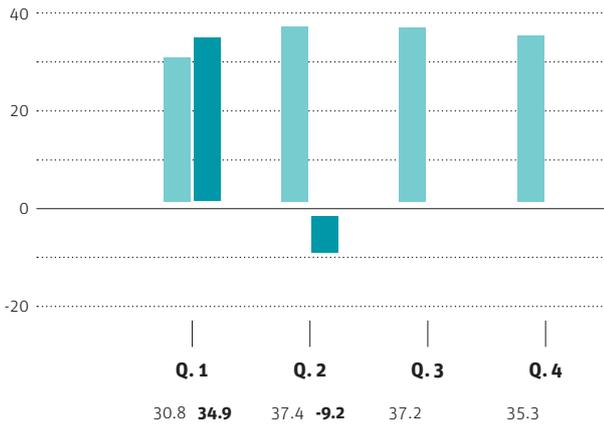
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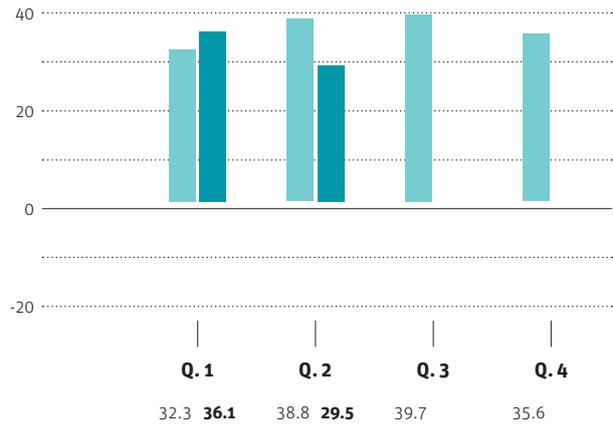
PERFORMANCE

2014 ■ 2015

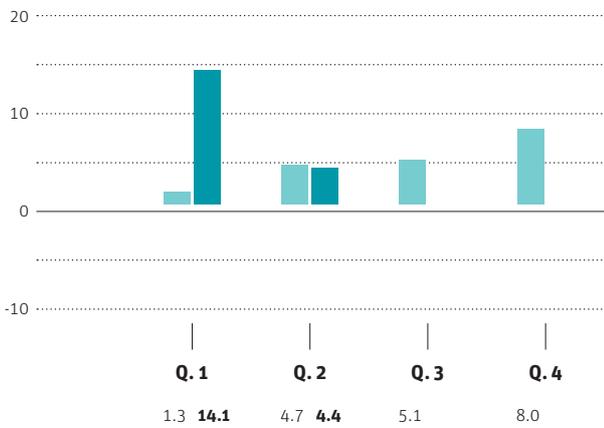
STATUTORY REVENUE¹ in € million



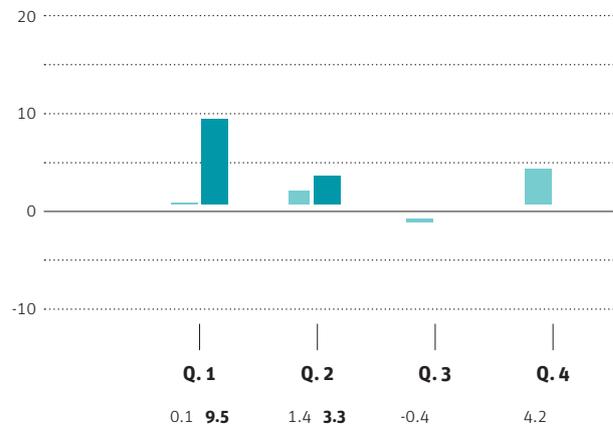
STATUTORY TOTAL OPERATING PERFORMANCE in € million



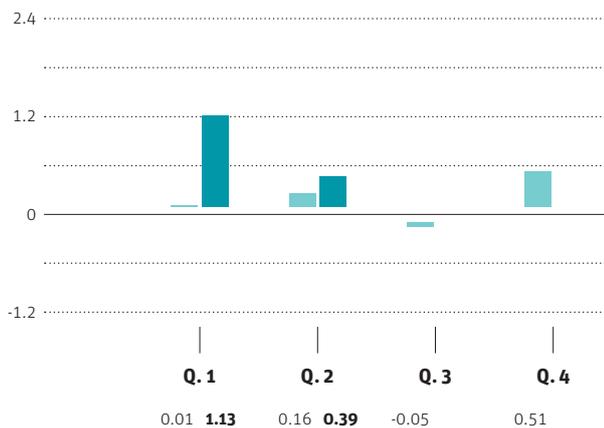
STATUTORY EBIT in € million



NET PROFIT² in € million



EARNINGS PER SHARE² in €



¹ Revenue in Q.2 2015 was negatively impacted by a high prize pay-out.

² From continuing operations

(Possible rounding differences due to presentation in €k)

EXECUTIVE REVIEW

DEAR SHAREHOLDERS

ZEAL is in a strong financial position with excellent prospects for the future. The new growth strategy is in place and the first initiatives are beginning to take effect. Strong growth in profit in the first half of 2015 underlines our solid performance.

STRONG EBIT GROWTH IN FIRST HALF OF 2015

As announced on 13 May 2015, we will use "total operating performance" instead of revenue for our results guidance to better reflect overall performance by taking into account the effects of the hedging mechanism.

For the first six months of 2015, we report total operating performance of €65,542k which was 7.9% down on the prior period. We generated statutory revenue of €25,698k – down 62.3% on the 2014 figure, the downside was primarily driven by a high prize pay-out of €47,879k in May 2015. Most of the negative impact on statutory revenue was offset by hedging income of €38,304k, hedging income is reported within other operating income. The net impact of the high prize pay-out was negative €9,575k. Despite this overall EBIT increased by 209.0% to €18,520k as a result of decreased other operating expenses in particular due to changes in UK gaming tax with the introduction of point of consumption tax and lower expense in the area of our hedging instruments.

Adjusted for statistical fluctuation differences from the expected level of pay-outs, consolidated statistical adjusted revenue in the first half-year 2015 decreased by 2.2% to €67,989k (2014: €69,518k), consolidated statistical adjusted EBIT grew 214.0% to €22,712k (2014: €7,234k) and statistical adjusted EBIT margin rose to 33.4% (2014: 10.4%).

SECOND INTERIM DIVIDEND PAYMENT 2015

In accordance with our revised dividend policy ZEAL will pay regular interim dividends which are expected to amount to a total of at least €2.80 per share in 2015. The second interim dividend of €0.70 per share was paid out on 30 June 2015. We intend to pay two more instalments of €0.70 per share interim dividend in 2015 and continue quarterly payments of at least that amount in 2016 and following years. ZEAL's dividend policy is subject to periodic review and possible amendments in the future depending on the earnings and financial position as well as other relevant factors.

SUCCESSFUL AGM

On 18 June 2015, we held our second Annual General Meeting in London. All of the management's proposed resolutions were accepted by a large majority of ZEAL's share capital represented.

NEW CHIEF TECHNOLOGY OFFICER

ZEAL Network SE has appointed Susan Standiford as new CTO and member of the Executive Board effective 18 May 2015. We are very pleased to welcome Mrs. Standiford, who has an impressive professional track record as CTO in the internet, gaming and media industries with a focus on building innovative products. Together we will accelerate our pursuit to create a better world of lottery.

DR. CORNEHL STEPS DOWN, DR. BECKER NEW CEO

After thirteen years on the Executive Board of the Company, four years of which as CEO and two years as sole director, Dr. Hans Cornehl is planning to take up new career challenges. The Supervisory Board has accepted his decision with regret and thanks Dr. Cornehl for his exceptionally successful work on the strategic realignment and further development of the Company. Dr. Helmut Becker, ZEAL's Chief Marketing Officer since June 2013, has been appointed to take over as CEO of ZEAL Network SE. Dr. Becker will take up his new post on 1 September 2015.

OUTLOOK: EXCELLENT PROSPECTS

We continue to see attractive growth opportunities in our target markets and have made positive progress towards our strategic goals. ZEAL remains well positioned to capitalise on opportunities arising from changes to regulatory conditions and relatively low internet penetration of the lottery industry. After a successful first half of 2015 with a strong increase in profit, we are well on our way to meeting our strategic objectives.

For 2015, we reiterate our previous guidance and expect statutory "total operating performance" in the range of €135 to 145 million and consolidated statutory EBIT between €35 and 45 million. The stated ranges also take into account statistical fluctuations in pay-outs for the lottery betting business (secondary lottery).

The Executive Board



Dr. Hans Cornehl
CEO



Dr. Helmut Becker
CMO



Jonas Mattsson
CFO



Susan Standiford
CTO

BUSINESS REVIEW

BUSINESS MODEL AND STRUCTURE

ZEAL has now adopted new segmental reporting, these new segments align directly with the Group's business unit structure and its two strategic imperatives. The Group is organised into two segments: Business-to-Consumer ("B2C") and Business-to-Business/Business-to-Government ("B2B"/"B2G"). We define the segments in more detail below:

B2C SEGMENT

B2C is the secondary lottery segment.

- It is independently organised and operated by MyLotto24 Limited ("MyLotto24") and its consolidated companies ("MyLotto24 sub group").
- MyLotto24 organises lottery betting business (secondary lotteries) based on various European lotteries, whereby it bears the bookmaking risk itself.
- The figures presented result from the activities of MyLotto24 and the MyLotto24 sub group.
- To aid understanding, B2C performance in the segmental disclosure is shown on the basis of expected pay-out ratio, i.e. thereby removing the impact of "statistical fluctuation differences".

B2B/B2G SEGMENT

B2B/B2G segment, which comprises

- The lottery brokerage business in Spain.
- The international services business for lottery operators including online operation of the lottery games of the Spanish lottery operator ONCE (a national organisation for blind and disabled people).
- The UK broker business that enables private business partners to host their own branded draw-based lotto products.
- An allocation of shared costs.

We have defined below what is included in our segmentation reporting under the "reconciliation to statutory accounts". In the final section of our segmental reporting we make the adjustments required to reconcile to our statutory accounts. The key elements are the inclusion of actual pay-outs (statistical fluctuation differences) and inter-company recharges.

Comparatives for the prior period under the new segments are not available. However to aid understanding and provide comparatives in accordance with the requirements of IFRS 8, in the near-term we will continue to provide reporting under the old segments. The old segments are defined below.

"ABROAD" SEGMENT

The "Abroad" segment comprises the activities of MyLotto24 and the MyLotto24 sub group. MyLotto24 organises lottery betting business (secondary lotteries) based on various European lotteries, whereby it bears the bookmaking risk itself. MyLotto24 sells its products through its own website as well as through various national and international sales partners.

"GERMANY" SEGMENT

The "Germany" segment comprises

- The lottery brokerage business in Spain.
- The international services business for lottery operators including online operation of the lottery games of the Spanish lottery operator ONCE (a national organisation for blind and disabled people).
- The UK broker business that enables private business partners to host their own branded draw-based lotto products.
- The business of marketing the German class lotteries NKL and SKL in Germany.
- Our investments in associates and joint ventures.

ADAPTING THE FORMER BUSINESS MODEL IN GERMANY

Following the implementation of the second stage of the German State Treaty on Games of Chance (GlüStV 2008), which completely prohibited the brokering of state-run lotteries via the Internet as of 1 January 2009, ZEAL Network discontinued its lottery brokerage activities in Germany. We continue to fight in the courts for the resumption of business in Germany. On 1 January 2009, ZEAL Network transferred assets no longer required in Germany to the MyLotto24 sub group. This included both the online brokerage of state-run German lottery products, and the subsidiaries in Spain. In addition, ZEAL Network transferred the majority voting rights in the form of preference shares excluding their main economic rights in 2009 in both MyLotto24 and its subsidiary Tipp24 Services Limited to a Swiss foundation set up by ZEAL Network. The transferred shares have a guaranteed limited right to dividends of up to a total of £30k p.a. The MyLotto24 sub group is consolidated in the ZEAL Network Group financial statements because the relevant criteria under IFRS 10 are met, as set out on page 62 of the Annual Report 2014.

LEGAL TRENDS AND MATTERS

Our main legal trends and factors are described in our 2014 Annual Report. No significant additional legal trends and factors arose for the Group in the first six months of 2015.

STATISTICAL FLUCTUATION

STATISTICAL FLUCTUATION DIFFERENCES

In the lotteries on whose results ZEAL relies, there are fixed underlying pay-out ratios (ratio of pay-outs to stakes) for ongoing lottery draws. For our main products this is approximately 50%. The expected pay-out ratio for secondary lotteries is the same as for the primary lotteries.

There may be deviations from this expected pay-out ratio during the actual draws. The difference between the actual pay-out and the expected prize pay-out is referred to as "statistical fluctuation differences" in this report.

In order to aid comprehension of the financial statements and earnings position, we disclose the effect of deviations between the expected and actual pay-out ratio by presenting statistical adjusted revenue and EBIT, calculated as they would have been had pay-outs been at the expected ratio levels. From 1 January 2015, we have adjusted the calculation to reflect the changes in product mix, given certain products have pay-out ratios varying from 50%. This change more accurately reflects the long-term pay-out expectations for the Group's products.

LARGE JACKPOT PAY-OUTS

When comparing figures with those of the previous year, the following large jackpot pay-outs should be taken into consideration: MyLotto24 recorded one large jackpot pay-out of €47.9 million in the first six months of 2015 compared to one large jackpot pay-out in the first six months of 2014 of €6.7 million. Total pay-outs for secondary lotteries in the first six months of 2015 were €42,291k above the expected pay-out value (in the first six months of 2014, the comparable figure was €1,325k above the expected pay-out value) with an impact on statutory revenue of the same amount. This reduced statutory EBIT by an amount of €4,192k (in the first six months of 2014 statutory EBIT was reduced by €1,241k).

Revenue

	01/01-30/06/2015	01/01-30/06/2014
in €k		
Actual	25,698	68,193
Expected ¹	67,989	69,518
Deviations²	-42,291	-1,325

EBIT

	01/01-30/06/2015	01/01-30/06/2014
in €k		
Actual	18,520	5,993
Expected ¹	22,712	7,234
Deviations²	-4,192	-1,241

¹ Actuals corrected for statistical fluctuation differences

² Statistical fluctuation differences

FINANCIAL REVIEW

The following table details the interim consolidated statements of the operations of ZEAL for the six months ended 30 June:

	01/01-30/06/2015	01/01-30/06/2014	Change %
in €k			
Revenue	25,698	68,193	-62.3
Other operating income	39,844	2,961	1,245.6
Total operating performance	65,542	71,154	-7.9
Personnel expenses	-13,057	-9,051	44.3
Exchange rate differences	1,304	613	112.7
Other operating expenses	-31,711	-52,791	-39.9
Marketing expenses	-4,244	-6,263	-32.2
Direct costs of operations	-15,470	-28,176	-45.1
Other costs of operations	-11,996	-18,352	-34.6
EBITDA	22,079	9,925	122.5
Amortisation and depreciation	-3,559	-3,932	-9.5
EBIT	18,520	5,993	209.0
Financial result	-1,437	-1,764	-18.5
Earnings before taxes	17,083	4,229	303.9
Income taxes	-4,372	-2,769	57.9
Profit from continuing operations	12,711	1,460	770.6
Profit after tax from discontinued operations	-	69	-100.0
Profit for the period	12,711	1,529	731.3

REVENUE

In the first six months of 2015, total operating performance was €65,542k, down 7.9% on the comparative period, due to the net impact of the high prize pay-out. Statutory revenue of €25,698k (2014: €68,193k) was adversely impacted by a high prize pay-out in May 2015 of €47,879k, whilst other operating income benefited from hedging income of €38,304k.

NEW SEGMENTATION

Adjusting for both statistical fluctuation differences and reconciling items totaling €-40,780k, the B2C segment accounted statistical adjusted revenue for €63,523k, the B2B/B2G segment for €2,955k.

OLD SEGMENTATION FOR COMPARISON

Before taking into account consolidation eliminations of €-443k, the "Abroad" segment accounted statutory revenue for €23,245k (2014: €65,538k) and the "Germany" segment for €2,897k (2014: €2,658k).

In the first six months of 2015, consolidated revenue was negatively affected by a high prize pay-out of €47,879k. The prize pay-out was largely covered by hedging instruments. Although consolidated statutory revenue was negatively affected by the full amount of the prize pay-out, the payment receivable through hedging was accounted for as "other operating income" (see table above) and increased the statutory "total operating performance" accordingly by €38,304k.

Adjusted for statistical fluctuation differences, consolidated statistical adjusted revenue decreased in the first half-year of 2015 by 2.2% to €67,989k (2014: €69,518k).

EBIT

The high prize pay-out in the first half-year 2015 was hedged, however the tax associated with wins in excess of €2,500 for games of chance in Spain resulted in EBIT being impacted negatively by €9,575k. At the same time other operating expenses decreased significantly (see below). As a result, consolidated statutory EBIT in the first six months of 2015 amounted to €18,520k – more than three times statutory EBIT of the same period of 2014 (€5,993k).

The statutory EBIT margin increased by 63.3 percentage points, from 8.8% to 72.1%.

After adjusting for statistical fluctuation differences from the expected level of pay-outs, statistical adjusted EBIT amounted to €22,712k (2014: €7,234k) and the statistical adjusted EBIT margin to 33.4% (2014: 10.4%).

NEW SEGMENTATION

The B2C segment posted a statistical adjusted EBIT result of €26,926k, while the B2B/B2G segment achieved statistical adjusted EBIT of €-4,063k (before taking into account reconciling items of €-4,342k).

OLD SEGMENTATION FOR COMPARISON

The "Germany" segment posted a statutory EBIT result of €-8,779k (2014: €-8,262k) before consolidation eliminations, while the "Abroad" segment achieved statutory EBIT of €27,647k (2014: €14,886k).

EXPENSES

In the first six months of 2015, personnel expenses were 44.3% up at €13,057k (2014: €9,051k). The year-on-year increase in personnel expenses resulted mainly from a cost shift, which has moved from other operating expenses following the acquisition of a third party technical service provider (€2,488k) and additional bonus expense (€958k).

Compared to the previous year, other operating expenses decreased in the first six months of 2015 from €52,791k to €31,711k. The most significant factors were:

- €9,247k decrease in gaming duty due to HM Treasury amending gaming taxation, which was amended to a place-of-consumption basis in December 2014.
- €2,488k decrease due to the cost shift to personnel expenses noted above.
- €3,569k decrease in hedging transactions by MyLotto24.

FINANCIAL RESULT

The share of the losses of the associate and joint venture (Geonomics Global Games Limited and Geo24 UK Limited) contributed in the first six months of 2015 €-1,774k (2014: €-1,883k) to the financial result. The majority of the start-up costs in these companies related to personnel related costs and marketing spend.

TAX

At 25.6%, the consolidated tax rate in the first six months was much lower than in the previous year (65.5%) due to the better result in the B2C segment. As the two segments are treated as different tax units, losses of the B2B/B2G segment cannot be offset against earnings of the B2C segment. Fluctuations in the mix of losses and earnings between these segments year on year therefore have a direct result on the Group's consolidated tax rate and contribute to fluctuations in the rates realised each year.

EARNINGS PER SHARE (EPS)

The EPS from continuing operations in the first six months of 2015 increased compared to the previous year from €0.17 to €1.52.

DIVIDEND

The second payment of the interim dividends, amounting to €0.70 per share, was made on 30 June 2015.

Dividend period for 2015

	Q. 2 2015	Q. 1 2015
in €		
Dividend per registered share	0.70	0.70
Payment date	30 June 2015	31 March 2015

CASH FLOW AND CAPITAL MANAGEMENT

In the first six months of 2015, investing activities resulted in cash outflows of €242k (2014: cash outflows of €2,775k).

LIQUIDITY ANALYSIS

	30/06/2015	30/06/2014
in €k		
Key cash flow positions		
Cash from operating activities	15,504	13,704
Cash used in investing activities	-242	-2,775
thereof investments in intangible assets	-209	-694
thereof investments in property, plant and equipment	-33	-1,156
acquisition of businesses	-	-925
Cash used in/from financing activities	-11,739	-62,888
Changes in cash and pledged cash and short-term deposits	3,523	-51,958
Cash and pledged cash and short-term deposits at the beginning of the period	108,140	156,129
Cash and pledged cash and short-term deposits at the end of the period	111,663	104,170

At €15,504k, cash from operating activities in the first six months of 2015 was €1,800k above the comparable 2014 figure of €13,704k. This was mainly due to higher earnings before tax.

Due to the second payment of a regular interim dividend in June 2015 and the one-off special interim dividend in 2014, cash used in financing activities amounted to €11,739k (2014: €62,888k).

As of 30 June 2015, ZEAL had cash and pledged cash and short-term deposits of €111,663k (2014: €104,170k). This includes funds that ensure that MyLotto24 is sufficiently financed to effect payments of potential relevant jackpot winnings.

FORECAST

As announced on 13 May 2015, we will use "total operating performance" instead of revenue for our results guidance to better reflect overall performance by taking into account the effects of the hedging mechanism.

After the first half-year of 2015 ZEAL Network reiterates the published forecast, statutory "total operating performance" for 2015, in the range of €135 to 145 million and consolidated statutory EBIT of between €35 and 45 million.

The stated ranges for total operating performance and earnings also take into account statistical fluctuation differences in payouts for the secondary lottery business.

OTHER INFORMATION

Information about our risk management approach and our business risks and opportunities are detailed in our 2014 Annual Report on pages 17 to 21. Compared with the risks and opportunities presented there, no significant additional opportunities and risks arose for ZEAL in the first six months of 2015.

GOING CONCERN

The Directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that ZEAL has adequate resources to continue for the foreseeable future. The Group holds €93.5 million in cash at the period end (31 December 2014: €92.6 million). The Group expects to deliver revenue and profit growth in the period ahead. For these reasons, the Directors have adopted the going concern basis in preparing the financial statements.

DIRECTORS OF THE COMPANY

The directors who held office during the period were:

- Dr. Hans Cornehl
- Dr. Helmut Becker
- Jonas Mattsson
- Susan Standiford

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, as well as a fair review of information on material transactions with related parties and changes since the last Annual Report together with a description of the principle risks and uncertainties associated with the expected development of the Group for the remaining months of the business year.

12 August 2015

Dr. Hans Cornehl	Jonas Mattsson
CEO	CFO

INTERIM CONSOLIDATED INCOME STATEMENT FOR THE SIX AND THREE MONTHS ENDED 30 JUNE

		Q. 1-2 2015	Q. 1-2 2014	Q. 2 2015	Q. 2 2014
in €k	Notes				
Revenue	1	25,698	68,193	-9,204	37,383
Other operating income	2	39,844	2,961	38,683	1,438
Total operating performance		65,542	71,154	29,479	38,821
Personnel expenses	3	-13,057	-9,051	-6,665	-5,446
Amortisation/depreciation on intangible assets and property, plant and equipment		-3,559	-3,932	-1,774	-2,256
Exchange rate differences		1,304	613	474	457
Other operating expenses	4	-31,711	-52,791	-17,090	-26,836
Marketing expenses		-4,244	-6,263	-2,488	-2,850
Direct costs of operations		-15,470	-28,176	-8,383	-14,870
Other costs of operations		-11,996	-18,352	-6,219	-9,116
Result from operating activities (EBIT)		18,520	5,993	4,424	4,740
Income from financial activities		427	302	396	-12
Financing costs		-90	-183	-28	-90
Share of result from associated companies		-630	-764	-298	-501
Share of result from joint ventures		-1,144	-1,119	-521	-631
Financial result		-1,437	-1,764	-451	-1,233
Result from ordinary activities		17,083	4,229	3,973	3,507
Income taxes	6	-4,372	-2,769	-720	-2,182
Profit from continuing operations		12,711	1,460	3,252	1,325
Profit after tax from discontinued operations		-	69	-	96
Consolidated net profit¹		12,711	1,529	3,252	1,420
Earnings per share (basic and diluted, in €/share)		1.52	0.18	0.39	0.18
Earnings per share from continuing operations (basic and diluted, in €/share)		1.52	0.17	0.39	0.16

¹The consolidated net profit is attributable to the owners of ZEAL Network SE, London, UK.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX AND THREE MONTHS ENDED 30 JUNE

	Q. 1-2 2015	Q. 1-2 2014	Q. 2 2015	Q. 2 2014
in €k				
Net profit for the period	12,711	1,529	3,252	1,420
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Profit/loss on available-for-sale financial assets (AFS)	143	-499	-19	99
Income tax effect	-	110	-	-25
Other comprehensive income, net of tax	143	-389	-19	74
Total comprehensive income for the period, net of tax	12,854	1,140	3,233	1,494

INTERIM CONSOLIDATED BALANCE SHEET AS AT

		30/06/2015	31/12/2014
ASSETS in €k	Notes		
Current assets			
Cash and pledged cash	10	93,505	92,585
Short-term financial assets	10	18,158	15,555
Trade and other receivables	10	558	1,810
Income tax receivables		1,324	710
Other current assets and prepaid expenses	10	49,109	10,637
Total current assets		162,654	121,297
Non-current assets			
Intangible assets		4,830	7,614
Other equipment, furniture & fixtures and leased assets		2,474	2,942
Financial assets	10	1,506	-
Shares in associated companies	8	14,336	14,965
Shares in joint ventures	9	6,322	7,428
Other assets and prepaid expenses		157	20
Deferred tax assets		1,107	1,140
Total non-current assets		30,732	34,109
ASSETS		193,386	155,406

		30/06/2015	31/12/2014
EQUITY & LIABILITIES in €k	Notes		
Current liabilities			
Trade payables	10	5,894	7,505
Other liabilities	10	55,293	21,406
Financial liabilities	10	114	109
Deferred income		3,620	2,895
Income tax liabilities		5,697	4,862
Short-term liabilities		3,718	694
Total current liabilities		74,336	37,471
Long-term liabilities		757	682
Total non-current liabilities		757	682
Equity			
Subscribed capital		8,385	8,385
Capital reserves		21,578	21,578
Other reserves		-536	-606
Retained earnings	7	88,866	87,896
Total equity		118,293	117,253
EQUITY & LIABILITIES		193,386	155,406

INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE

	Q. 1-2 2015	Q. 1-2 2014 restated
in €k		
Profit from continuing operations before tax	17,083	4,229
Profit from discontinued operations after tax	-	69
Result before tax	17,083	4,298
Adjustments for		
Amortisation/depreciation on non-current assets	3,559	3,932
Result from disposal of non-current assets	19	-235
Revenue from financial activities	-427	-302
Expense from financial activities	90	183
Share of result of associated companies	630	764
Share of result of joint ventures	1,144	1,119
Other non-cash changes	542	754
Changes in		
Trade and other receivables	-38,253	5,047
Financial assets	-1,506	4,511
Non-current other assets or prepaid expenses	-137	-19
Trade payables	-1,611	-4,678
Other liabilities	36,220	2,086
Short-term provisions	771	959
Deferred income	725	-585
Interest received	427	132
Interest paid	-90	-183
Taxes paid	-3,683	-4,079
Cash flow from operating activities	15,504	13,704

	Q. 1-2 2015	Q. 1-2 2014 restated
in €k		
Payments for investments in intangibles assets	-209	-694
Payments for investments in property, plant and equipment	-33	-1,156
Acquisition of businesses	-	-925
Cash flow used in investing activities	-242	-2,775
Dividends paid	-11,739	-62,888
Cash flow used in financing activities	-11,739	-62,888
Changes in cash and pledged cash and short-term deposits	3,523	-51,959
Cash and pledged cash and short-term deposits at the beginning of the period	108,140	156,129
Cash and pledged cash and short-term deposits at the end of the period	111,663	104,170
Composition of cash at the end of the period		
Cash and pledged cash	93,505	88,218
Short-term deposits	18,158	15,952
	111,663	104,170

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2014, FOR THE YEAR ENDED 31 DECEMBER 2014
AND FOR THE SIX MONTHS ENDED 30 JUNE 2015**

	Subscribed capital	Capital reserves	Other reserves	Retained earnings	Total equity
in €k					
As at 1 January 2014	8,385	22,741	-209	144,639	175,556
Dividend	-	-	-	-62,888	-62,888
Other results	-	-	-210	60	-150
Net profit 2014	-	-	-	1,529	1,529
Total net profit 2014	-	-	-210	1,590	1,379
As at 30 June 2014	8,385	22,741	-419	83,341	114,048
As at 1 July 2014	8,385	22,741	-419	83,341	114,048
Other reserves movements	0	-1,163	-	946	-217
Other results	-	-	-187	-178	-365
Net profit 2014	-	-	-	3,788	3,788
Total net profit 2014	-	-	-187	3,610	3,423
As at 31 December 2014	8,385	21,578	-606	87,896	117,252
As at 1 January 2015	8,385	21,578	-606	87,896	117,252
Dividend	-	-	-	-11,739	-11,739
Other results	-	-	70	-	70
Net profit 2015	-	-	-	12,711	12,711
Total net profit 2015	-	-	70	12,711	12,781
As at 30 June 2015	8,385	21,578	-536	88,866	118,293

SEGMENT REPORTING

ZEAL has adopted new segmental reporting which aligns directly with its strategy.

Segment definitions are provided on page 5.

Business unit segment reporting Q. 2 2015	B2C ¹	B2B/B2G	Business unit total	Reconcili- ation to statutory accounts	- thereof statistical fluctuation differences	- thereof other	Statutory
in €k							
Revenue	33,873	1,445	35,317	-44,521	-45,080	559	-9,204
Other operating income	453	20	474	38,209	38,273	-64	38,683
Total operating performance	34,326	1,465	35,791	-6,312	-6,807	495	29,479
EBITDA	15,393	-2,004	13,389	-7,191	-6,807	-384	6,197
Depreciation/amortisation	-1,530	-203	-1,733	-41	-	-41	-1,774
EBIT	13,863	-2,207	11,656	-7,232	-6,807	-425	4,424
Financial result	-	-	-819	368	-	368	-451
EBT	-	-	10,837	-6,864	-6,807	-57	3,973
Income tax	-	-	-	-720	-	-720	-720
Net profit/loss	-	-	10,837	-7,584	-6,807	-777	3,252

¹ B2C performance in the segmental disclosure is shown on the basis of expected pay-out ratio, thereby removing the impact of "statistical fluctuation differences".

Business unit segment reporting Q. 1-2 2015	B2C ¹	B2B/B2G	Business unit total	Reconcili- ation to statutory accounts	- thereof statistical fluctuation differences	- thereof other	Statutory
in €k							
Revenue	63,523	2,955	66,478	-40,780	42,291	1,511	25,698
Other operating income	1,534	110	1,644	38,200	38,099	101	39,844
Total operating performance	65,057	3,065	68,122	-2,580	-4,192	1,612	65,542
EBITDA	30,110	-3,787	26,323	-4,243	-4,192	-51	22,080
Depreciation/amortisation	-3,184	-276	-3,460	-99	-	-99	-3,559
EBIT	26,926	-4,063	22,863	-4,342	-4,192	-150	18,521
Financial result	-	-	-1,774	337	-	337	-1,437
EBT	-	-	21,089	-4,005	-4,192	187	17,084
Income tax	-	-	-	-4,372	-	-4,372	-4,372
Net profit/loss	-	-	21,089	-8,377	-4,192	-4,185	12,712

¹ B2C performance in the segmental disclosure is shown on the basis of expected pay-out ratio, thereby removing the impact of "statistical fluctuation differences".

When comparing figures with those of the previous year, the following large jackpot pay-outs should be taken into consideration: MyLotto24 recorded one large jackpot pay-out of €47.9 million in the first six months of 2015 compared to one large jackpot pay-out in the first six months of 2014 of €6.7 million.

Comparatives for the prior period under the new segments are not available. However to aid understanding and provide comparatives in accordance with the requirements of IFRS 8, in the near-term we will continue to provide reporting under the old segments.

Segment reporting	"Germany"		"Abroad"		Consolidation		Consolidated	
	01/04-30/06		01/04-30/06		01/04-30/06		01/04-30/06	
Q. 2 2015	2015	2014 restated	2015	2014 restated	2015	2014 restated	2015	2014 restated
in €k								
Revenue	1,387	1,210	-10,293	36,175	-297	-2	-9,204	37,383
Depreciation/amortisation	139	-30	1,704	-1,432	-69	-794	1,774	-2,256
EBIT	-10,289	-4,864	10,159	10,046	-348	-441	4,424	4,740
Financial result	105,914	-1,265	-322	49	-12,630	765	-451	-1,233
Income tax	14	94	-1,916	-2,318	1,182	131	-720	-2,182
Profit from continuing operations	3,708	-6,035	7,921	7,777	-11,767	-315	3,252	1,325
Assets	116,664	66,847	144,661	123,085	-88,542	-59,121	172,797	130,811
Debts	118,169	69,973	156,803	134,137	-88,515	-59,068	186,456	145,043

Segment reporting	"Germany"		"Abroad"		Consolidation		Consolidated	
	01/01-30/06		01/01-30/06		01/01-30/06		01/01-30/06	
Q. 1-2 2015	2015	2014 restated	2015	2014 restated	2015	2014 restated	2015	2014 restated
in €k								
Revenue	2,897	2,658	23,245	65,538	-443	-4	25,698	68,193
Depreciation/amortisation	139	-74	3,420	-2,667	-	-1,191	3,559	-3,932
EBIT	-8,779	-8,262	27,647	14,886	-347	-631	18,520	5,993
Financial result	102,524	77,842	-332	412	-103,630	-80,000	-1,437	-1,764
Income tax	14	107	-5,568	-3,009	1,182	132	-4,372	-2,769
Profit from continuing operations	93,731	69,687	21,747	12,289	-102,767	-80,516	12,711	1,460
Assets	116,664	66,847	144,661	123,085	-88,542	-59,121	172,797	130,811
Debts	118,169	69,973	156,803	134,137	-88,515	-59,068	186,456	145,043

Segment assets do not include deferred taxes, income tax receivables or short-term financial assets. Segment liabilities do not include deferred taxes, tax liabilities or interest-bearing liabilities.

SELECTED EXPLANATORY NOTES

GENERAL

The interim condensed consolidated financial statements for ZEAL and its subsidiaries (collectively, the Group) for the six months ended 30 June 2015 were authorised for issue in accordance with a resolution of the directors on 12 August 2015.

ZEAL Network SE (the Company) was incorporated and domiciled in London, UK, its shares are publicly traded (registered in England and Wales No. SE000078).

As of 10 February 2014, the registered shares of ZEAL Network SE are traded on the regulated market (Prime Standard) of the Frankfurt Stock Exchange in the form of so-called Clearstream Interests (CI) under the ISIN GB00BHD66J44/WKN TPP024.

The interim condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with IAS 34 "Interim Financial Reporting". Accordingly, these interim condensed consolidated financial statements do not include all of the information and disclosures required by IFRS for complete financial statements for year-end-reporting purposes.

The interim condensed consolidated financial statements include all adjustments of a normal and recurring nature considered necessary for a fair presentation of results for interim periods. Results of the period ended 30 June 2015, are not necessarily indicative of future results.

The reporting period is 1 January to 30 June 2015.

The same accounting policies and calculation methods were used for these interim condensed consolidated financial statements as for the consolidated financial statements as at 31 December 2014.

In the period ended 30 June 2014 cash flow statement, cash and cash equivalents was presented without short term financial assets of €15,952k which do meet the cash equivalents definition. In the current period the cash flow statement as at 30 June 2014 has therefore been restated to include these in cash and cash equivalents which reduced the cash flow from investing activities from €55,775k to €-2,775k and increased the cash and cash equivalents from €91,320k to €104,170k.

In the period under review, on 15 January 2015, ZEAL Network SE purchased from Smartgames Technologies Limited 25% of the shares in Tipp24 Investment 1 Limited and 25% of the shares in Tipp24 Investment 2 Limited. ZEAL Network SE now owns 100% of Tipp24 Investment 1 Limited and Tipp24 Investment 2 Limited.

ZEAL Network SE has appointed Susan Standiford as new CTO and member of the Executive Board effective 18 May 2015.

After thirteen years on the Executive Board of the Company, four years of which as the CEO and two years as sole director, Dr. Hans Cornehl will leave the Company on 1 September 2015.

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those adopted in the preparation of the annual financial statement for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

The nature and the impact of each new standard or amendment are described below:

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

Annual Improvements 2011–2013 Cycle

These improvements are effective from 1 July 2014 and the Group applied these amendments for the first time in the Q1 interim condensed consolidated financial statements. They include:

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3.
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

ZEAL is not a joint arrangement, and thus this amendment is not relevant for the Group.

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The Group does not apply the portfolio exception in IFRS 13.

IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment does not impact the accounting policy of the Group.

1 REVENUE

Compared with the first six months of 2014, revenue for the six months ended 30 June 2015 dropped by €42,495k to €25,698k because of a high prize pay-out of €47,879k. MyLotto24 recorded one large jackpot pay-out of €47,879k in the first six months of 2015.

2 OTHER OPERATING INCOME

The increase in other operating income resulted mainly from one large jackpot which was covered by a hedging instrument.

3 PERSONNEL EXPENSES

In the first six months of 2015, personnel expenses were 44.3% up at €13,057k (2014: €9,051k). The year-on-year increase in personnel expenses resulted mainly from a cost which has moved from other operating expenses following the acquisition of a third party technical service provider (€2,488k) and additional bonus expense (€958k).

4 OTHER OPERATING EXPENSES

The decrease in other operating expenses resulted mainly from decreased marketing and direct costs of operations (year-on-year decrease of €14,725k) and other costs of operations (year-on-year decrease of €6,356k).

5 TAXES

In the course of a tax inspection, there is currently a dispute with the relevant tax authority regarding the validity of tax assessments for various items in the inspection period (fiscal years 2005 to 2007 inclusive).

Although we have grounds to believe that all the items queried by the tax authority were correctly assessed in accordance with the relevant regulations, the possibility cannot be excluded that the relevant authority may come to a different conclusion and successfully uphold this view in any respective legal proceedings.

As a result, there is a total tax risk of up to €3.2 million, which might have a correspondingly negative effect on the earnings, financial position and net assets of ZEAL.

6 INCOME TAX

The tax calculation of the Group is based on a tax ratio with suitably reflects the tax expense.

	Q. 1-2 2015	Q. 1-2 2014
in €k		
Current income tax expense	4,346	3,271
Current deferred tax expense/income	25	-502
Total income tax	4,372	2,769

7 DIVIDENDS PAID

In accordance with our revised dividend policy ZEAL will pay regular interim dividends which are expected to amount to a total of at least €2.80 per share in 2015. The second interim dividend of €0.70 per share was paid out on 30 June 2015. We intend to pay two more instalments of €0.70 per share interim dividend in 2015 and continue quarterly payments of at least that amount in 2016 and following years. ZEAL's dividend policy is subject to periodic review and possible amendments in the future depending on the earnings and financial position as well as other relevant factors.

8 INVESTMENT IN AN ASSOCIATE

The Group holds a stake of 25.7% in Geonomics Global Games Limited, London, UK. Geonomics has its own licence to operate and market GeoLotto – a lotto game based on a virtual map. In addition to this B2C model in the UK, Geonomics plans to sell the end-user product as a B2G solution to state lottery companies and gaming companies.

	30/06/2015	31/12/2014
in €k		
Summary of the assets and liabilities of the associated company		
Current assets including cash and cash equivalents of €1,179k (2014: €2,980k)	2,229	3,561
Non-current assets ¹	54,292	55,349
Current liabilities	-744	-680
Non-current liabilities	-	-
Net assets	55,777	58,230
25.7% share of the net assets	14,335	14,965
Group's carrying amount of the investment	14,335	14,965

¹ Non-current assets includes goodwill arising on the Group's investment in Geonomics Global Games.

	Q. 1-2 2015	Q. 1-2 2014
in €k		
Summary of profit or loss of the associated company		
Revenue	1,122	549
Loss from continuing operations, after depreciation and amortisation of €403k (2014: €1,683k), finance income of €46k (2014: €49k), finance expense of nil (2014: €1k) and income tax of nil (2014: €395k)	-1,714	-840
Total comprehensive income	-1,714	-840

Geonomics Global Games Limited is accounted for in the consolidated financial statements using the equity method.

The fiscal year of Geonomics Global Games Limited ends on 31 December.

9 INTEREST IN JOINT VENTURES

On 1 October 2013, Tipp24 Investment 2 Limited acquired 50% of the shares in Geo24 UK Limited in London, UK. Geo24 UK Limited operates GeoLotto, a lotto game based on a virtual map.

Geo24 UK Limited is accounted for in the consolidated financial statements using the equity method. The fiscal year of Geo24 UK Limited ends on 31 December.

	30/06/2015	31/12/2014
in €k		
Summary of the assets and liabilities of the joint venture company		
Current assets including cash and cash equivalents of €2,769k (2014: €3,710k)	1,870	3,802
Non-current assets ¹	11,359	11,838
Current liabilities	-585	-783
Non-current liabilities	-	-
Net assets	12,644	14,856
50% share of the net assets	6,322	7,428
Group's carrying amount of the investment	6,322	7,428

¹ Non-current assets includes goodwill arising on the Group's investment in Geo24 Limited.

	Q. 1-2 2015	Q. 1-2 2014
in €k		
Summary of profit or loss of the joint venture company		
Revenue	-1,328	55
Loss from continuing operations, after depreciation of €270k (2014: €493k), finance income of €3k (2014: €17k), finance expense of nil (2014: nil) and income tax of nil (2014: nil)	-2,288	-1,246
Total comprehensive income	-2,288	-1,246

10 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The financial instruments included in the following balance sheet item can be allocated to the following categories as at 30 June 2015 and 31 December 2014:

Financial instruments as at 30 June 2015	Amortised cost	Fair value recognised in equity	Non-financial assets/ liabilities	Total	Book value 30/06/2015	Fair value 30/06/2015
in €k						
Assets						
Cash and pledged cash						
Receivables	93,494	-	-	93,494	-	-
Non-financial assets	-	-	10	11	93,505	93,505
Short-term financial assets						
Available-for-sale financial assets	-	8,041	-	8,041	-	-
Held-to-maturity financial assets	8,617	-	-	8,617	16,658	16,658
Trade receivables						
Receivables	525	-	-	525	525	525
Other assets						
Receivables	43,510	-	5,327	48,837	-	-
Loans	-	-	-	-	48,837	48,837
Long-term other assets						
Receivables	-	-	157	157	157	157
Loans	1,506	-	-	1,506	1,506	1,506
Total assets					161,188	161,188
- of which loans and receivables	-	-	-	-	144,530	144,530
- of which available-for-sale financial assets	-	-	-	-	8,041	8,041
Held-to-maturity financial assets, short-term	-	-	-	-	8,617	8,617
Held-to-maturity financial assets, long-term	-	-	-	-	-	-
Liabilities						
Trade payables	5,894	-	-	5,894	5,894	5,894
Other liabilities	53,503	-	1,790	55,293	-	-
Financial liabilities	114	-	-	114	55,407	55,407
Total liabilities					61,301	61,301
- of which liabilities	-	-	-	-	61,301	61,301

Financial instruments as at 31 December 2014	Amortised cost	Fair value recognised in equity	Non-financial assets/ liabilities	Total	Book value 31/12/2014	Fair value 31/12/2014
in €k						
Assets						
Cash and pledged cash						
Receivables	92,575	-	-	92,575	-	-
Non-financial assets	-	-	9	9	92,584	92,584
Short-term financial assets						
Available-for-sale financial assets	-	9,258	-	9,258	-	-
Held-to-maturity financial assets	6,297	-	-	6,297	15,555	15,555
Trade receivables						
Receivables	583	-	-	583	583	583
Other assets						
Receivables	5,079	-	5,559	10,638	-	-
Loans	-	-	-	-	10,638	10,638
Long-term other assets						
Receivables	-	-	20	20	20	20
Total assets					119,380	119,380
- of which loans and receivables	-	-	-	-	103,825	103,825
- of which available-for-sale financial assets	-	-	-	-	9,258	9,258
Held-to-maturity financial assets, short-term	-	-	-	-	6,297	6,297
Held-to-maturity financial assets, long-term	-	-	-	-	-	-
Liabilities						
Trade payables	7,505	-	-	7,505	7,505	7,505
Other liabilities	17,048	-	2,029	19,077	-	-
Financial liabilities	109	-	-	109	19,186	19,186
Total liabilities					26,691	26,691
- of which liabilities	-	-	-	-	26,691	26,691

For all financial instruments carrying amount approximates the fair value.

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the six-month period ended 30 June 2015.

FAIR VALUE HIERARCHY

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

VALUATION METHODS AND ASSUMPTIONS

The fair value of the financial assets and liabilities is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale.

Financial assets are classified into the following specified categories:

a) Financial assets "at fair value through profit or loss"

Financial assets are classified as "at fair value through profit or loss" when the financial asset is either held for trading or it is designated as "at fair value through profit or loss".

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term, or
- On Initial recognition it is part of a portfolio of identified financial instruments that ZEAL manages together and has a recent actual pattern of short-term profit-taking, or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as "at fair value through profit or loss" upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis, or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39 "Financial Instruments: Recognition and Measurement" permits the entire combined contract (asset or liability) to be designated as "at fair value through profit or loss".

Financial assets "at fair value through profit or loss" are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item in the consolidated income statement.

b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as

- a) Loans and receivables, or
- b) Held-to-maturity financial instruments, or
- c) Financial assets at fair value through profit or loss.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive income and credited in the "available-for-sale" reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the "available-for-sale" reserve to the statement of profit or loss in finance costs. Interest earned whilst holding available-for-sale financial assets is reported as interest income using the effective interest rate method.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

For a financial asset reclassified from the "available-for-sale" category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash, and others) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

11 OBJECTIVES AND METHODS OF CAPITAL MANAGEMENT

The Group operates a decentralised capital management system. All key decisions concerning the financial structure of the B2B/B2G segment are taken by the Executive Board of ZEAL Network. MyLotto24 is responsible for capital management of the B2C segment, with the exception of Tipp24 Services Limited which undertakes its own capital management. Capital structure decisions in the joint venture and associated company are currently taken by the senior management of the joint venture and associated company. The principles and objectives of financial management, as well as the risks which ZEAL is exposed to, are presented in the Risk Report in the 2014 Annual Report.

12 INTEREST RATE RISK

The Group invests the majority of its funds in a combination of fixed term deposits. For these funds, which are mainly held in liquid or short-term investments, there is a general risk from changing interest rates. A sensitivity analysis was conducted for the portfolio of cash and short-term financial assets held on 30 June 2015 with a simulated interest rate increase of 50 base points. Assuming no changes are made to the portfolio in response to the interest rate increase, there would be a rise in interest income of €357k (in a simplified calculation). Given the duration that these investments have been held, there would be an expected increase of interest income of €10k. The overall effect, therefore, would be an increase in interest income of €367k.

13 CURRENCY RISK

The Group is exposed to a currency risk as a result of GBP exchange rates arising from payments received and made in foreign currency which differ from the Group's functional currency and are not always offset by payments in the same currency of the same amount and with the same maturities. Moreover, some of the Group's financial assets are denominated in GBP and thus exposed to a currency risk.

In order to determine the currency risk, a fluctuation of the Euro to Great British Pound exchange rate of 10% was assumed as of 30 June 2015. On the basis of this assumption, a revaluation of the Great British Pound against the Euro of 10% to 0.64672 GBP/EUR would result in an effect of €-1,487k on earnings. A devaluation of the Great British Pound against the Euro of 10% to 0.78253 GBP/EUR would result in an effect of €1,636k on earnings.

14 SUBSEQUENT EVENTS

After thirteen years on the Executive Board of the Company, four years of which as the CEO and two years as sole director, Dr. Hans Cornehl will leave the Company as of 1 September 2015. Dr. Helmut Becker, ZEAL's Chief Marketing Officer since June 2013, has been appointed new CEO of ZEAL Network SE effective 1 September 2015.

On 29 July 2015 ZEAL offered a bridge loan facility of up to £2.6 million to Geonomics Global Games Limited to finance further development of its GeoLotto products.

15 RELATED PARTIES

The members of ZEAL Network SE's Executive Board and Supervisory Board are regarded as related parties in accordance with IAS 24, Oliver Jaster is a member of the Supervisory Board. The operating business of Schumann e.K. (a company fully consolidated in the Group's financial statements) was outsourced to Günther Direct Service GmbH. In return the company received compensation of €56k in the period under review. Günther Direct Services GmbH is a company of the Günther Group which is indirectly controlled by Oliver Jaster.

Jens Schumann is a member of the Supervisory Board of ZEAL Network SE and at the same time sole partner of Schumann e.K. This structure has existed in comparable form since 2002 and was chosen because class lotteries only issue sales licences at present to natural persons or companies in which neither the liability of the company nor its direct and indirect partners is limited. A cooperation agreement is in place between ZEAL Network SE and Schumann e.K., which governs the processing of game participation of class lottery customers by Schumann e.K. Under the terms of the agreement, Schumann e.K. must pay all commissions and other brokerage fees collected in this context to ZEAL Network SE. ZEAL Network SE provides Schumann e.K. with services in the field of accounting, bookkeeping, marketing and technical services and bears the costs incurred by Schumann e.K. in running its operations. As Jens Schumann operates Schumann e.K. in the interest of ZEAL Network SE, ZEAL Network SE has undertaken to indemnify them in the event of any personal claims by third arising from or in connection with the operation of Schumann e.K. Indemnification is limited to the extent that fulfilment of this indemnification may not cause ZEAL Network SE to become insolvent or over-indebted. In his capacity as shareholder of Schumann e.K., Mr. Schumann did not receive any remuneration during the period under review.

There were no other significant transactions with related parties in the period under review which required reporting.

FINANCIAL CALENDAR

13 November 2015 Publication of Q3 Report

30 March 2016 Publication of Annual Report 2015

Published by

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Impacct Communication GmbH

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