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If you have sold or transferred all of your Shares in ZEAL Network SE, please forward this document together with the accompanying Form of Proxy as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the Shares. If you have transferred only part of your holding of Shares you should retain this Circular and the accompanying Form of Proxy.

The Independent Directors, whose names appear on page 20 of this document, accept responsibility for all of the information contained in this Circular (including any expressions of opinion), other than the information relating to, and any expressions of opinion attributed to, the Günther Concert Party. The Günther Directors accept responsibility for the information contained in this Circular in relation to the Günther Concert Party and any expressions of opinion attributed to the Günther Directors. To the best of the knowledge and belief of the Independent Directors and the Günther Directors (as applicable), the information contained in this document (including any expressions of opinion) for which they respectively accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

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ZEAL Network SE

(registered in England and Wales with registered number SE000078)

Proposed offer to acquire shares in Lotto24 AG in exchange for shares in the Company and waiver of any resulting obligation on members of the Günther Concert Party to make a general offer for the Company's shares under Rule 9 of the Takeover Code

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Executive Board of ZEAL Network SE set out on pages 6 to 14 of this document which contains the Independent Directors' recommendation to Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting. Shareholders should, however, read the whole of this document and not rely only on the summarised information set out in the letter.

Lazard, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for ZEAL Network SE and no one else in connection with the proposals set out in this document. Lazard will not be responsible to anyone other than ZEAL Network SE for providing the protections afforded to clients of Lazard nor for providing advice in relation to any of the matters referred to or contemplated in this document. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with this document, any statement or report contained herein, the Offer, Rule 9 Waiver or otherwise.

The distribution of this document and/or the accompanying Form of Proxy in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions.

Notice of a General Meeting of the Company to be held at the Andaz London Liverpool Street, 40 Liverpool Street, London, EC2M 7QN, United Kingdom at 9:00 a.m. on 18 January 2019 is set out on pages 37 to 39 of this document.

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. To be valid, the Form of Proxy should be completed and returned, in accordance with the instructions printed on the Form of Proxy, as soon as possible and, in any event, so as to reach the Company's Registrars, Computershare Investor Services, by no later than 9:00 a.m. on 16 January 2019. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they choose to do so.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication and despatch of this Circular to Shareholders	21 December 2018
Latest time and date for receipt of Forms of Proxy	9:00 a.m. on 16 January 2019
General Meeting	9:00 a.m. on 18 January 2019
Result of the General Meeting to be announced	18 January 2019
Expected date for publication of the Offer Document	25 January 2019
Expected date for completion of the Offer and issue of the Consideration Shares to Lotto24 shareholders	9 May 2019

Notes:

References to times in this Circular are to London time. The above-mentioned dates for publication of the Offer Document and completion of the Offer are indicative only. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on a Regulatory Information Service.

DEFINITIONS

The following definitions apply throughout this Circular unless the context otherwise requires:

"Announcement"	the announcement by the Company on 19 November 2018 of its intention to make the Offer;
"BaFin"	the German Federal Financial Supervisory Authority;
"Circular"	this document;
"Company" or "ZEAL"	ZEAL Network SE;
"Clearstream Interests"	interests in Shares, as recorded in the register of such interests maintained by the Company, which are held and traded through the Cascade clearing and settlement system operated by Clearstream Banking AG;
"Combination"	the proposed combination of the business of ZEAL and Lotto24 following successful completion of the Offer;
"Combined Group"	the Existing Group as enlarged by the acquisition of control of Lotto24 pursuant to the Offer;
"Consideration Shares"	Shares issued pursuant to the Offer as consideration for the transfer of Lotto24 shares to the Company;
"Council Regulation"	Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company;
"Current Issued Share Capital"	the issued share capital of the Company as at the Latest Practicable Date, comprising 8,385,088 Shares, of which 43,910 Shares are held in treasury;
"Directors"	directors of the Company, being the members of the Executive Board and the members of the Supervisory Board;
"DLTB"	Deutscher Lotto- und Totoblock, the German Association of State Lottery Companies;
"Enlarged Issued Share Capital"	the issued share capital of the Company following the issue of the Consideration Shares;
"Executive Board"	the executive board of the Company, comprising, at the date of this Circular, Dr Helmut Becker (Chairman of the Executive Board) and Jonas Mattsson (Chief Financial Officer);
"Existing Group"	the Company, its subsidiaries and its subsidiary undertakings and associated undertakings whose results are fully consolidated into the Company's annual consolidated accounts, as at the date of this Circular;
"Ernst & Young"	Ernst & Young LLP;
"Form of Proxy"	the form of proxy accompanying this Circular for use by Shareholders in relation to the General Meeting;
"General Meeting"	the general meeting of the Company to be held at the Andaz London Liverpool Street, 40 Liverpool Street, London, EC2M 7QN, United Kingdom on 18 January 2019 at 9:00 a.m., notice of which is set out at the end of this Circular;
"Günther Concert Party"	the Günther Group and the persons acting or deemed to be acting in concert with it by the Panel, as set out in Part 2 of this Circular;
"Günther Group"	Günther SE and its subsidiaries (including Othello Vier and Othello Drei), together with Günther Vermögens KG;
"Günther Directors"	Oliver Jaster, the sole board member of Günther SE, and the Günther Managing Directors;

"Günther Managing Directors"	the managing directors of Gina SE, comprising, at the date of this Circular, Dr Ralf Guckert and Thorsten Hehl;
"Günther-related Directors"	Oliver Jaster and Thorsten Hehl, members of the Supervisory Board of the Company (Oliver Jaster is the controlling shareholder of Günther SE and board member of multiple companies in the Günther Group and Thorsten Hehl is managing director or member of supervisory boards of multiple companies in the Günther Group);
"Günther Vermögens KG"	Günther Vermögens und Beteiligungs GmbH & Co. KG;
"Independent Directors"	the Directors other than the Günther-related Directors and Jens Schumann (a member of the Supervisory Board who is also a shareholder in Lotto24);
"Independent Shareholders"	the Shareholders other than Othello Drei;
"Latest Practicable Date"	14 December 2018, being the latest practicable date prior to the despatch of this Circular to Shareholders;
"Lazard"	Lazard & Co, Limited, independent advisers to the Company;
"Lotto24"	Lotto24 AG;
"myLotto24"	MyLotto24 Limited, an associated undertaking of the Company whose results are fully consolidated into the Company's annual consolidated accounts and which carries on business in the UK as a bookmaker;
"Notice of General Meeting"	the notice set out at the end of this Circular which convenes the General Meeting;
"Offer"	the voluntary takeover offer pursuant to the German Securities Acquisition and Takeover Act (under the supervision of the BaFin) to be made by the Company to acquire all the issued shares of Lotto24;
"Offer Document"	the document to be published in accordance with German takeover law, setting out the terms of the Offer and including information regarding the Company;
"Othello Drei"	Othello Drei Beteiligungs GmbH & Co. KG, a Shareholder and a subsidiary of Günther SE;
"Othello Vier"	Othello Vier Beteiligungs GmbH & Co. KG, a subsidiary of Günther SE which holds shares in Lotto24 and which will acquire Shares pursuant to the Offer;
"Panel"	the Panel on Takeovers and Mergers;
"QFBS"	the quantified financial benefits statement published in the Announcement and set out in Part 7 of this Circular;
"Registrars"	the registrars of the Company, Computershare Deutschland GmbH & Co. KG;
"Relocation"	the possible relocation of the Company's registered office from England and Wales to Germany pursuant to the Council Regulation, or, if the relocation cannot be implemented pursuant to the Council Regulation, the taking of such other steps as the Company and Günther SE may agree so as to achieve effects which come as close as possible to the relocation of the Company's registered office to Germany pursuant to the Council Regulation;
"Resolutions"	the resolutions set out in the Notice of General Meeting;
"Rule 9"	Rule 9 of the Takeover Code;

"Rule 9 Waiver"	the waiver by the Panel of any obligation which would otherwise be imposed on members of the Günther Concert Party, under Rule 9 of the Takeover Code, to make a general offer to acquire all the Shares (other than those already held by members of the Günther Concert Party), as a result of the issue of Consideration Shares to members of the Günther Concert Party pursuant to the Offer;
"Shares"	ordinary shares of EUR 1 each in the capital of the Company or (where applicable) Clearstream Interests in Shares;
"Shareholders"	holders of Shares;
"Supervisory Board"	the supervisory board of the Company comprising, at the date of this Circular, Peter Steiner (Chairman of the Supervisory Board), Thorsten Hehl, Oliver Jaster, Leslie-Ann Reed (Vice Chairperson of the Supervisory Board), Bernd Schiphorst and Jens Schumann;
"Takeover Code" or "Code"	the City Code on Takeovers and Mergers;
"Tipp24"	Tipp24 Services Limited, an associated undertaking of the Company whose results are fully consolidated into the Company's annual consolidated accounts and which carries on business in the UK as a betting intermediary;
"Waiver Resolution"	resolution 2 set out in the Notice of General Meeting; and
"Working Capital Group"	Working Capital Partners, Ltd. and High Street Partners, Ltd., companies under common control which are shareholders in both the Company and Lotto24.

PART 1

LETTER FROM THE CHAIRMAN OF THE EXECUTIVE BOARD

ZEAL Network SE

(registered in England and Wales with number SE000078)

Registered Office:

5th Floor
One New Change
London
EC4M 9AF

21 December 2018

To: *The Shareholders of ZEAL Network SE*

Dear Shareholder

Proposed offer to acquire shares in Lotto24 AG in exchange for shares in the Company and waiver of any resulting obligation on members of the Günther Concert Party to make a general offer for the Company's shares under Rule 9 of the Takeover Code

Notice of General Meeting to be held at the Andaz London Liverpool Street, 40 Liverpool Street, London, EC2M 7QN, United Kingdom on 18 January 2019 at 9:00 a.m.

1. Introduction

- 1.1 On 19 November 2018, the Company announced its intention to make the Offer to acquire the entire issued share capital of Lotto24, an online broker of German state-licensed lotteries. The Offer is a voluntary takeover offer pursuant to the German Securities Acquisition and Takeover Act and is structured as a share-for-share exchange, with Lotto24's current shareholders being issued with one new share in the Company as consideration for each 1.604 Lotto24 shares that they transfer to the Company. Based on the market closing price of the Company's shares on the Frankfurt Stock Exchange on the Latest Practicable Date, the Offer values each Lotto24 share at EUR 12.41, and the entire issued share capital of Lotto24 at EUR 299,677,251. Subject to the level of acceptance of the Offer by Lotto24 shareholders, current ZEAL shareholders will own between 36% and 53%, and former Lotto24 shareholders will own between 47% and 64%, of the Company's Enlarged Issued Share Capital if the Offer is completed.
- 1.2 The Günther Concert Party, which includes the Günther Group and the persons acting or deemed to be acting in concert with it by the Panel, currently holds 10.22% of the issued share capital of the Company and 44.62% of the issued share capital of Lotto24.
- 1.3 As a prerequisite for the successful implementation of the Offer, two Resolutions need to be passed by Shareholders:
 - (a) to authorise the making of the Offer and to approve the acquisition of shares in Lotto24 pursuant to the Offer from the members of the Supervisory Board, or persons connected with them, who hold shares in Lotto24, and the issue of new shares in the Company pursuant to the Offer; and
 - (b) to approve the waiver of the obligation that would otherwise arise for the Günther Concert Party to make a general offer for the entire issued share capital of the Company as a result of the allotment of Consideration Shares to members of the Günther Concert Party.
- 1.4 I am writing to you to give you details of these proposals, to explain why the Independent Directors consider these proposals to be in the best interests of the Company and Shareholders as a whole, and to set out the Independent Directors' recommendation to you to vote in favour of the Resolutions.
- 1.5 A General Meeting has been convened to be held at the Andaz London Liverpool Street, 40 Liverpool Street, London, EC2M 7QN, United Kingdom on 18 January 2019 at 9:00 a.m. to consider and, if thought fit, pass the Resolutions. Notice of the General Meeting is set out at the end of this Circular. Further details of the action to be taken in relation to the General Meeting, and the recommendation

given by the Independent Directors as regards voting at the General Meeting, are set out below in this letter.

2. **Background to, and reasons for, the Offer**

2.1 Lotto24 carries on a lottery brokerage business in Germany while a substantial part of ZEAL's business focuses on a secondary lottery model in Germany, for which no local legal framework exists.

2.2 The Executive Board has recently reviewed the Company's long term strategic options. Against the background of a regulatory environment that has not liberalised in the way that the Company hoped at the time that Lotto24 was demerged from ZEAL, the Executive Board has decided to change the Company's business model to focus on locally-licensed operations, with the intention of reducing the Company's exposure to operational, tax and regulatory risk. The Executive Board believes that through a combination with Lotto24, an opportunity now exists for the Company to re-enter the German lottery brokerage market and to transition the customers of its independently managed UK associated companies, myLotto24 and Tipp24, to a locally-licensed brokerage model.

2.3 In the opinion of the Executive Board, the transformation of the MyLotto24 sub-group's lottery betting business into a licensed private online brokerage business will deliver significant benefits for ZEAL shareholders in the medium term, although the business model change will initially cause a significant reduction in net revenues. The benefits of the business model change include:

- (a) significant risk reduction from an operational, tax, and regulatory perspective; and
- (b) improved growth potential, in particular from access to additional marketing channels which are only available to locally licensed operators and lottery brokers.

2.4 In addition, the Executive Board believes that the combination with Lotto24 would increase the likelihood of a successful transformation while at the same time delivering cost synergies. In particular, the benefits of the Combination include:

- (a) expected cost synergies;
- (b) significant reduction of the implementation risk of the transformation; and
- (c) strong growth potential and attractive future cash flows of the Combined Group.

2.5 The Executive Board intends that the Combined Group should seek to build on Lotto24's existing position in the EUR 8.7 billion German lottery market. The combination of ZEAL's strong balance sheet, high-quality loyal customer base and technological capabilities with Lotto24's proven expertise in the German private broker market should, the Executive Board believes, place the Combined Group in a strong position to accelerate its growth in that market.

2.6 The Executive Board also intends that the Combined Group should continue to pursue its international growth ambitions, building on ZEAL's existing, diverse international portfolio (which already includes businesses in the UK, Ireland, Spain, Norway, and the Netherlands) and global development pipeline, with the aim of creating long-term growth and sustained shareholder and customer value.

2.7 For these reasons, the Executive Board believes that the opportunity to acquire the Lotto24 shares held by Othello Vier, Jens Schumann and Working Capital Group, and to acquire further shares in Lotto24 through the Offer, is an opportunity which the Company should take, and the Supervisory Board (excluding for this purpose the Günther-related Directors and Mr Schumann) has given its approval for the proposal.

3. **Information about the Günther Concert Party and the Waiver Resolution**

3.1 Oliver Jaster, a member of the Supervisory Board, is the controlling shareholder of Günther SE, the holding company of the Günther Group. The Günther Group currently holds 10.22% of the share capital of the Company (through its wholly owned subsidiary Othello Drei) and 41.62% of the share capital of Lotto24 (through its wholly owned subsidiary Othello Vier). The Günther Group is regarded by the Panel as acting in concert with the other members of the Günther Concert Party, including, because of his family relationship with Oliver Jaster, Walter Manfred Günther who owns just below 3% of the share capital of Lotto24.

3.2 Following the implementation of the Offer, the percentage interest in the Company of the holding of the Günther Concert Party will depend on the level of acceptances by the other Lotto24 shareholders. If the Offer is completed, members of the Günther Concert Party will hold between 30.99% and 47.61% of the Company's Enlarged Issued Share Capital. The Company is incorporated as a Societas Europea and has its registered office in the United Kingdom. The Takeover Panel has confirmed that

an offer for the Company would be subject to the shared jurisdiction rules that apply under the European Takeovers Directive. As part of the allocation of jurisdiction, Rule 9.1 of the Takeover Code applies to determine whether a mandatory offer for the Company would be required should a person and its concert parties acquire 30% or more of the voting rights of the Company. Accordingly, unless this mandatory offer requirement is waived, acceptance of the Offer by the Günther Concert Parties would give rise to an obligation on the Günther Concert Parties under Rule 9.1 of the Takeover Code to make a general offer to all Shareholders to acquire their Shares. Further details are set out in paragraph 9 below. The Panel has agreed to waive that obligation subject to the Waiver Resolution being approved by an independent vote, on a poll, at a meeting of the Company's Shareholders. Othello Drei, as a member of the Günther Concert Party, will not be entitled to vote on that resolution.

4. Further information about the Offer

4.1 Further information about the Offer can be found in the Announcement and in the documents available at www.zeal-offer.com. The undertakings given to the Company to accept the Offer are conditional upon the passing of the Resolutions at the General Meeting, and accordingly the Offer will be made after the conclusion of the General Meeting, subject to approval of the Offer Document by BaFin.

4.2 In connection with the Offer, the Executive Board has proposed to enter into a business combination agreement with Lotto24. The Executive Board intends the business combination agreement to address the common understanding of the Company and Lotto24, in particular regarding the strategy and structure of the combined company, the process of the Offer, the intended future composition of the boards of the Company and Lotto24 and the integration process. Once the business combination agreement has been executed, an announcement will be published via a Regulatory Information Service in accordance with Rule 30.1 of the Code and a copy of the executed agreement will be uploaded to www.zeal-offer.com.

4.3 Othello Vier, a subsidiary of Günther SE and a member of the Günther Concert Party, has (subject to certain conditions and withdrawal rights, including the passing of the Resolutions at the General Meeting) undertaken to accept the Offer in respect of its entire shareholding in Lotto24, constituting approximately 41.62% of Lotto24's issued share capital. Irrevocable undertakings to accept the Offer have also been given by Jens Schumann, a member of the Supervisory Board who holds approximately 3.65% of Lotto24's issued share capital, and Working Capital Group which holds approximately 19.71% of Lotto24's issued share capital. The acquisition of these shares in Lotto24 pursuant to the Offer will give the Company control of Lotto24.

4.4 Assuming that the Resolutions are passed without amendment at the General Meeting, the Company will make the Offer in accordance with the conditions to be set out in the Offer Document, including a minimum acceptance level of 50% plus one share of Lotto24. Further details of the Offer and its terms, including the acceptance period, will be contained in the Offer Document. ZEAL expects that the Offer Document will be published on the website www.zeal-offer.com in late January 2019. If shareholders in Lotto24, holding a sufficient number of shares to allow trading in Lotto24 shares to continue, elect not to accept the Offer, shares in Lotto24 will continue to be listed and traded on the Frankfurt Stock Exchange following completion of the Offer.

5. Quantified financial benefits expected to accrue if the Offer is successful

5.1 As stated in the Announcement, the Executive Board believes that the change to the Company's business model will deliver significant benefits to Shareholders in the medium term as a result of reduced operational, tax and regulatory risk as well as improved growth potential. As part of the business model change, ZEAL has taken the decision to discontinue certain products and to focus on less volatile brokerage income in the German market, resulting in net annual run-rate revenue dis-synergies of approximately EUR 107 million, which is expected to be compensated for over time through accelerated growth of the Combined Group. The Combination is also expected to deliver annual run-rate cost synergies of approximately EUR 57 million through greater platform efficiencies and significant reductions in other operational costs.

5.2 As stated in the Announcement, the total anticipated cost synergies of EUR 57 million per annum are equivalent to approximately 41 percent of the Combined Group's operating expenses (including personnel expenses) from continuing operations of EUR 138 million, calculated based on the consolidated audited accounts for each of ZEAL and Lotto24 for the financial year ended 31 December 2017. The Executive Board expects that the cost synergy realisation will take place progressively, with approximately 80 percent of the total cost synergies achieved by the end of year one, rising to 100 percent achieved by the end of year two.

- 5.3 Further details of the quantified financial benefits statement ("**QFBS**") set out in paragraph 5.1 above, together with the bases of the Executive Board's belief (including the principal assumptions and sources of information underlying the QFBS) were set out in the Announcement and are included in Part 7 of this Circular. Reports from Ernst & Young and Lazard on the QFBS were included in the Announcement and are set out in Parts B and C of Part 7 of this Circular.
- 5.4 The QFBS was originally made in the Announcement. The Executive Board confirms that no changes are required to the QFBS and that the QFBS remains valid. Ernst & Young and Lazard have confirmed that their reports on the QFBS remain valid.
- 5.5 The members of the Executive Board believe that the expected financial benefits referred to in paragraph 5.1 above will accrue as a direct result of the success of the Offer (assuming the Offer to be successful) and could not be achieved independently of the Offer.
- 5.6 Separately, the Company plans to achieve, and has already started to implement, recurring cost savings of approximately EUR 4 million per annum as a result of an internal cost saving initiative, which will be delivered by the end of 2018. Furthermore, the Executive Board believes that additional synergies in revenues and costs can be generated through the Combination. These additional cost savings and synergies have not been quantified and do not form part of the QFBS.

6. **Financial information**

- 6.1 Financial information on the Company (including revised guidance on the Company's financial performance for the current financial year) is set out in Part 3 of this Circular. This revised guidance constitutes a profit forecast for the purposes of the Code and, in accordance with the requirements of the Code, the revised guidance was reported on by Ernst & Young and Lazard. Copies of the reports from Ernst & Young and Lazard and the detailed assumptions underlying the revised profit guidance were included in the Announcement and are set out in Part 8 of this Circular.
- 6.2 Financial information on the Günther Group is set out in Part 4 of this Circular.

7. **Information on Lotto24**

- 7.1 Lotto24, with its corporate seat and headquarters in Hamburg, Germany, is an online broker of German state-licensed lotteries. It was founded by the Company in 2010 and spun off from ZEAL in 2012 in order to take advantage of the newly liberalised online gambling regime in Germany by restarting the German lottery brokerage business which the Company itself had carried on until 2008. Lotto24's shares have been listed in the Prime Standard Segment of the regulated market of the Frankfurt Stock Exchange since the spin-off, where the Company's Shares are also traded.
- 7.2 Lotto24's managing directors are Petra von Strombeck (CEO), who was formerly a member of the Company's Executive Board, and Magnus von Zitzewitz (CFO), who was formerly head of corporate and public affairs at the Company.
- 7.3 The annual accounts and interim financial reports of Lotto24 are available at www.lotto24-ag.de/websites/lotto24-ag/English/3100/financial-reports.html.

8. **Interests of the Directors in Lotto24**

- 8.1 Oliver Jaster, a member of the Supervisory Board, is the controlling shareholder of Günther SE. All of the shares in Günther SE are held by Oliver Jaster and his close relatives. All of the economic interest in Günther Vermögens KG is held by Oliver Jaster and his close relatives. Günther SE and Günther Vermögens KG together indirectly own 10,054,316 shares in Lotto24 (comprising 41.62% of Lotto24's issued share capital) through Othello Vier, a member of the Günther Group. Walter Manfred Günther (who is a close relative of Oliver Jaster and a shareholder in Günther SE) also owns a separate holding of 724,636 Lotto24 shares (comprising just under 3.00% of Lotto24's issued share capital).
- 8.2 Jens Schumann, another member of the Supervisory Board, holds 882,536 shares in Lotto24 (comprising 3.65% of Lotto24's issued share capital).
- 8.3 Under the Companies Act 2006, which applies to the Company because its registered office is in England and Wales, substantial property transactions (property for this purpose including shares) with directors, or persons connected with directors, require the approval of shareholders, and accordingly Resolution 1 to be proposed at the General Meeting seeks approval for the making of the Offer and the acquisition of shares in Lotto24 pursuant to the Offer from Othello Vier and Walter Manfred Günther (persons connected with Mr Jaster) and from Mr Schumann.

9. **Takeover Code**

- 9.1 As the Company is a Societas Europaea which has its registered office in the United Kingdom and securities admitted to trading on a regulated market in Germany (but not in the United Kingdom), certain provisions of the Takeover Code apply to the Company. These provisions include matters relating to company law, in particular the percentage of voting rights which confers control and any derogation from the obligation to launch an offer, as well as the conditions under which the board of the offeree company may undertake any action which might result in the frustration of an offer.
- 9.2 Under Rule 9.1 of the Takeover Code, when any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which, taken together with shares in which persons acting in concert with him are interested, carry 30% or more of the voting rights of a company, that person is normally obliged to make a general offer to the holders of any class of equity share capital of that company, whether voting or non-voting, and also to the holders of any other class of transferable securities carrying voting rights. The Panel has confirmed that it regards the members of the Günther Concert Party as acting in concert with each other in respect of the Company. Were such an obligation to arise in the case of the Company, the terms of the mandatory offer would be determined in accordance with the German Securities Acquisition and Takeover Act, and would include a requirement that the offer be unconditional (except as regards any required regulatory or merger clearance) and in cash.
- 9.3 Upon completion of the Offer, which Othello Vier has undertaken to accept pursuant to the mutual undertaking agreement referred to in paragraph 10 below, Othello Vier (a subsidiary of Günther SE and a member of the Günther Concert Party) will be issued with 6,268,277 new Shares. In addition, Walter Manfred Günther (one of the shareholders in Günther SE) holds directly 724,636 shares in Lotto24 (representing just under 3.00% of Lotto24's issued share capital) and will receive up to 451,768 new Shares if he accepts the Offer. If all shareholders in Lotto24 other than Walter Manfred Günther accept the Offer, the Consideration Shares issued to Othello Vier will represent 27.26% of the Enlarged Issued Share Capital of the Company following completion of the Offer. If no shareholders in Lotto24 accept the Offer, other than the members of the Günther Concert Party in addition to shareholders holding such number of Shares as is required for the minimum level of acceptance under the Offer to be achieved, but not exceeded (i.e. 12,077,446 shares in Lotto24), the Consideration Shares issued to Othello Vier will represent 39.39% of the Enlarged Issued Share Capital of the Company, and the Consideration Shares issued to Walter Manfred Günther will represent 2.84% of such share capital. Accordingly, on completion of the Offer, the members of the Günther Concert Party will between them hold between 7,125,611 and 7,577,379 Shares (depending on the extent to which Walter Manfred Günther accepts the Offer in respect of his shareholding in Lotto24), representing between 30.99% and 47.61% of the Company's Enlarged Issued Share Capital.
- 9.4 In addition, should the Offer be successful, the Company has undertaken to Othello Vier that the Company will not, during the period of three years following completion of the Offer, propose any shareholder resolution in respect of any issue of shares, except for the issue of shares on a pre-emptive basis, that would result in the Günther Group's enlarged shareholding in the Company falling below 33% or, should Günther Group's shareholding upon completion of the Offer be lower than 33%, below that lower threshold.
- 9.5 The Panel has agreed, subject to Independent Shareholders' approval of the Waiver Resolution, to waive the requirement which would otherwise arise under Rule 9.1 of the Code as a result of acceptance of the Offer for the Günther Concert Party to make a general offer for the Shares not already owned by members of the Günther Concert Party.
- 9.6 The Company will seek the approval of Independent Shareholders for the Waiver Resolution at the General Meeting. The Waiver Resolution will be decided on a poll, and Othello Drei (as a member of the Günther Concert Party) will not be allowed to vote on that Resolution.

10. **Terms of irrevocable offer and undertaking between Othello Drei, Othello Vier and ZEAL**

- 10.1 Under a mutual undertaking agreement (a copy of which is available for inspection as set out in paragraph 9 of Part 6 of this Circular), Othello Drei, Othello Vier and ZEAL have agreed on a number of arrangements and commitments in relation to the conduct of the Offer and related matters, relating to the period up to and after the completion of the Offer.
- 10.2 The agreement includes a number of undertakings given by Othello Drei and Othello Vier, respectively, in particular:
- (a) the acceptance of the Offer by Othello Vier for all Lotto24 shares held by it;

- (b) undertakings by Othello Vier not to dispose of any interests in the Lotto24 shares held by it, not to accept any other offer for Lotto24 shares and not to make use of any statutory withdrawal rights in relation to the Offer;
- (c) undertakings not to acquire shares or financial instruments in Lotto24 for a period of 24 months after the time of completion of the Offer, unless Othello Drei and/or Othello Vier are required to make a mandatory offer for shares or financial instruments in Lotto24 by, or in order to comply with their obligations under, German takeover law;
- (d) undertakings by Othello Drei to support the resolution to grant the Directors the necessary authority to allot the Consideration Shares pursuant to the Offer and to co-operate with the Company to implement (but not vote on) the Waiver Resolution;
- (e) undertakings to support all measures required in order to implement the Relocation in the case of a successful Offer, in particular to vote in favour of a resolution to approve Relocation at the relevant general meeting of the Company;
- (f) undertakings, after a Relocation, to make a voluntary offer to all shareholders of the Company under applicable German takeover law if Othello Vier and/or a then affiliate of it acquire shares, options or other financial instruments in the Company during a period of five years from the settlement of the Offer other than as a consequence of the settlement of the Offer and if such acquisition results in the total number of shares in the Company held by, or attributed pursuant to the relevant provisions of German takeover law, to, Othello Vier and/or a then affiliate of it to exceed 45% of all shares then issued by the Company; and
- (g) undertakings as to the operation of the business of the Combined Group following completion of the Offer, including (for example) the composition of the management board and the supervisory board of Lotto24.

10.3 The agreement furthermore includes a number of undertakings given by the Company to Othello Vier which will come into effect following completion of the Offer, in particular:

- (a) undertakings as to the operation of the business of the Combined Group following completion of the Offer, including (for example) the composition of the management board and the supervisory board of Lotto24;
- (b) undertakings as to the provision of information for Günther's accounting purposes following completion of the Offer;
- (c) an undertaking by the Company not to acquire Lotto24 shares for higher than the offer price under the Offer, for a period of 24 months following completion of the Offer;
- (d) an undertaking by the Company not to propose any shareholder resolutions in respect of any issue of shares, except for the issue of shares on a pre-emptive basis, that would result in Günther's enlarged shareholding in the Company falling below 33% or, should Günther's shareholding upon completion of the Offer be lower than 33%, below that threshold, for a period of three years following completion of the Offer;
- (e) an undertaking by the Company not to accept any mandatory offer by Günther for the entire issued share capital of Lotto24, if at any point following the completion of the Offer Günther is obliged by German takeover law to make such an offer; and
- (f) an undertaking to convene a general meeting and propose a resolution on the Relocation to its shareholders within six months of completion of the Offer and, if the Relocation cannot be implemented by means of the transfer procedure set out in the Council Regulation, in particular as a consequence of a withdrawal of the United Kingdom from the European Union, to cooperate in good faith with Othello Drei and Othello Vier to achieve effects which come as close as possible to the transfer of the Company's registered office to Germany pursuant to the Council Regulation.

11. Intentions of the Günther Group

11.1 The Günther Directors see commercial rationale in accepting the Company's Offer for the Lotto24 shares that Günther SE holds, thereby consolidating its separate interests in the Company and in Lotto24 into a single interest in the Combined Group and realising the benefits of the Combination.

- 11.2 The Günther Directors intend that, following implementation of the Offer and the creation of the Combined Group:
- (a) Jonas Mattsson, a current member of the ZEAL Executive Board, will join the executive board of Lotto24, with the other members the executive board of Lotto24 continuing in their current respective positions;
 - (b) Petra von Strombeck and Magnus von Zitzewitz, the current members of the executive board of Lotto24, will also join the ZEAL Executive Board;
 - (c) the Company will seek representation on the supervisory board of Lotto24, with the intention that Dr Helmut Becker (a ZEAL Executive Board member) will become chairman of the supervisory board of Lotto24 and that the two other supervisory board positions are filled with a person nominated by Othello Vier and an independent member;
 - (d) there will be no immediate change to the membership of the ZEAL Supervisory Board;
 - (e) the German-language secondary lottery business currently operated on the tipp24.com website will be transformed to a brokerage business operating under German lottery brokerage licences within a period of 12 months;
 - (f) the German lottery brokerage business will grow within the German online lottery market;
 - (g) the Company's registered office and its headquarters will be relocated to Germany (see paragraph 12 below); and
 - (h) ZEAL will continue to maintain a London office (initially, the current London office occupied by MyLotto24), which will incorporate ZEAL's existing international business.
- 11.3 The Günther Directors also intend to support the ZEAL Executive Board's decision (as further described in the Announcement and Part 7 of this Circular) that, following implementation of the Offer and the creation of the Combined Group:
- (a) the measures intended to achieve organizational efficiency, which are outlined in the Announcement and in Part 7 of this Circular, will be implemented;
 - (b) subject to the completion of the necessary consultations, there will be an overall reduction of approximately 40% in the total number of employees employed by the Combined Group, affecting all operational departments as well as the central headquarter functions; and
 - (c) the appropriate locations for the Company's headquarters functions will be reviewed and reductions in operating expenses relating to the headquarters functions are expected to be achieved as part of the overall reduction in staff numbers referred to in (b) above.
- 11.4 Except as stated in this Circular, following the implementation of the Offer, the Günther Directors do not intend to seek any change in the general nature of the Company's business or to alter the management of the Company or any current research and development functions, the existing conditions of employment or contractual and statutory rights (including in relation to pensions) of the Company's employees, the balance of the skills and functions of the Company's management and employees, the terms on which the Company contributes to any pension scheme for the Company's employees (or any other details of any such scheme) or the deployment of the Company's fixed assets. Following completion of the Offer, the Günther Directors intend that the Company's Shares will continue to be traded on the Prime Standard Segment of the regulated market of the Frankfurt Stock Exchange.
12. **Potential Impact of the Offer: Possible Relocation and Loss of Code Protections for Shareholders**
- 12.1 In addition to (and partly as a consequence of) the changes referred to in the above paragraphs, the Executive Board believes that, if the Offer is completed, it will be in the best interests of the Company and the Shareholders as a whole to transfer the registered office of the Company to Germany. The Company and Günther SE have agreed in the mutual undertaking agreement referred to in paragraph 10 above that if transfer of the Company's registered office pursuant to the procedure set out in the Council Regulation is no longer available, the Company and Günther SE will cooperate in good faith to implement steps so as to achieve effects which come as close as possible to the relocation of the Company's registered office to Germany pursuant to the Council Regulation. The Relocation will be conditional on the approval of Shareholders and a circular giving details of the Relocation, and the reasons for the Executive Board's support for the Relocation, will be sent to Shareholders in due course, if the Offer is completed.

- 12.2 If the Relocation does occur, the Company would no longer have its registered office in England and Wales or any other part of the UK and, since its securities are not admitted to trading on a regulated market in the UK, would no longer be subject to the shared jurisdiction provisions of the Code, and Shareholders would lose the protections afforded by the Code (although in that event Shareholders would have the benefit of protections under the German Securities Acquisition and Takeover Act). In particular, if the Relocation were to occur, further purchases of Shares made by members of the Günther Group after the Relocation would not give rise to any obligation on the part of those purchasers to make a general offer to Shareholders to acquire their Shares. However, Shareholders should note the undertakings referred to in paragraph 10.2(f) above, pursuant to which Othello Drei and Othello Vier have undertaken to make a voluntary offer to all Shareholders under applicable German takeover law if, after a Relocation, Othello Vier and/or a then affiliate of it acquire shares, options or other financial instruments in the Company during a period of five years from the settlement of the Offer other than as a consequence of the settlement of the Offer and if such acquisition results in the total number of shares in the Company held by, or attributed pursuant to the relevant provisions of German takeover law, to, Othello Vier and/or a then affiliate of it exceeding 45% of all shares then issued by the Company. You should refer to Part 5 of this Circular for further details of the protections afforded to Shareholders by the Code, and the loss of those protections in the event of a Relocation or in the event of a "hard Brexit" occurring prior to a Relocation.
13. **General Meeting and Action to be taken**
- 13.1 You will find at the end of this Circular a Notice of General Meeting, to be held at the Andaz London Liverpool Street, 40 Liverpool Street, London, EC2M 7QN, United Kingdom on 18 January 2019 at 9:00 a.m.
- 13.2 The following is a brief summary of the Resolutions to be proposed at the General Meeting:
- (a) **Resolution 1** grants the Directors the necessary authority to allot the Consideration Shares to Lotto24 shareholders pursuant to the Offer, taking into account any additional shares Lotto24 may issue during the Offer period from its current authorised capital, and seeks the approval of Shareholders for the acquisition of shares in Lotto24 pursuant to the Offer from Jens Schumann and Oliver Jaster and their connected persons, notwithstanding their personal interests in the transaction.
- (b) **Resolution 2** seeks approval for the waiver of the obligation that would otherwise arise for the Günther Concert Party to make a general offer for the entire issued share capital of the Company as a result of the allotment of Consideration Shares to members of the Günther Concert Party (the "**Waiver Resolution**").
- 13.3 As required by the Panel, only Independent Shareholders will be entitled to vote on the Waiver Resolution at the General Meeting, and the result of that Resolution will be decided on a poll.
- 13.4 You will find enclosed with this Circular a Form of Proxy for use in relation to the General Meeting. Whether or not you intend to be present in person at the General Meeting, you are requested to complete and return the Form of Proxy to the Registrars, in accordance with the instructions on the Form of Proxy, as soon as possible but in any event so as to arrive by not later than 9:00 a.m. on 16 January 2019. Completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person should you so wish.
14. **Recommendation**
- 14.1 The Independent Directors, who have been so advised by the Company's independent financial adviser, Lazard, consider the terms of the Offer, the issuance of Consideration Shares, the undertaking not to propose a share issue on a non-pre-emptive basis that would dilute the Günther Group's shareholding (described in paragraph 9.4 above) and the Rule 9 Waiver to be fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. This advice was provided by Lazard to the Independent Directors only and, in providing such advice, Lazard has taken into account the Independent Directors' commercial assessment of the Offer, the issuance of Consideration Shares, the undertaking referred to above and the Rule 9 Waiver.
- 14.2 Accordingly, the Independent Directors unanimously recommend that Shareholders vote in favour of the Resolutions at the General Meeting, as the Independent Directors and Jens Schumann intend to do in respect of their entire personal holdings of 268,316 Shares, representing just below 3.2% of the Current Issued Share Capital of the Company. The Günther Directors have confirmed that Günther SE shall procure that Othello Drei shall vote in favour of Resolution 1 to be proposed at the General

Meeting. In accordance with the requirements of the Code, Othello Drei (as a member of the Günther Concert Party) will not be allowed to vote on Resolution 2, the Waiver Resolution.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'H. Becker', written in a cursive style.

Dr Helmut Becker

Chairman of the Executive Board

PART 2

THE GÜNTHER GROUP AND THE GÜNTHER CONCERT PARTY

1. General information on the Günther Group

The Günther Group is a long-term strategic and active investor in selected industries. Currently, the Günther Group operates in six business units: lotteries, languages, ventures, environmental technologies, industrial automation and real estate investments. The Günther Group includes:

1.1 Günther SE

Günther SE is the ultimate parent company of the Günther Group. Günther SE is an investment holding entity. Oliver Jaster is the controlling shareholder of Günther SE. The other shareholders in Günther SE are other members of the Jaster / Günther family (see below).

The sole member of the board of directors of Günther SE is Oliver Jaster.

The managing directors of Günther SE are Dr Ralf Guckert and Thorsten Hehl.

1.2 Günther Vermögens KG

Günther Vermögens KG is a limited partnership registered with company number HR A 9491 based in Bamberg, Germany. Günther Vermögens KG is an investment holding entity.

Günther Vermögens KG is owned by its Limited Partner ('Kommanditist'), Oliver Jaster. Currently, Julia Günther and Maximilian Günther hold sub-participations of 10% each in the limited partnership interest held by Oliver Jaster in Günther Vermögens KG; however, it is anticipated that these sub-participations may be transferred to Oliver Jaster prior to the date of the General Meeting (with the permission of the Panel). In addition, Günther SE holds a sub-participation of 1.51% in the limited partnership interest held by Oliver Jaster in Günther Vermögens KG.

Günther Vermögens KG is managed by its Managing Partner ('Komplementär'), Günther Consulting GmbH, whose directors are Yi Feng and Thorsten Hehl.

1.3 Günther Holding SE

Günther Holding SE is a subsidiary of Günther SE and an interim holding company within the Günther Group. Günther Holding SE is the direct parent company of Othello Drei and Othello Vier.

Günther SE owns directly and indirectly 85.3% of the voting rights and 87.2% of the economic interest in Günther Holding SE. Günther Vermögens KG directly owns 14.7% of the voting rights and 12.8% of the economic interest in Günther Holding SE.

1.4 Othello Drei

Othello Drei is a limited partnership registered with company number HR A 108918 based in Hamburg, Germany. Othello Drei is an investment holding entity and currently its sole investment is in Shares of the Company.

Othello Drei is owned by its Limited Partner ('Kommanditist'), Günther Holding SE.

Othello Drei is managed by its Managing Partner ('Komplementär'), Othello Drei Beteiligungs-Management GmbH, whose directors are Yi Feng and Thorsten Hehl.

1.5 Othello Vier

Othello Vier is a limited partnership registered with company number HR A 117761 based in Hamburg, Germany. Othello Vier is an investment holding entity and currently its sole investment is in shares of Lotto24.

Othello Vier is owned by its Limited Partner ('Kommanditist'), Günther Holding SE.

Othello Vier is managed by its Managing Partner ('Komplementär'), Günther Consulting GmbH, whose directors are Yi Feng and Thorsten Hehl.

2. Other members of the Günther Concert Party

2.1 The Günther Concert Party comprises the Günther Group and other persons acting or deemed to be acting in concert with it by the Panel. The members of the Günther Concert Party include, but are not limited to, the persons listed in this paragraph 2.

- 2.2 As at the Latest Practicable Date, the following persons have pre-existing interests in Günther SE that would create potential indirect interests of 5% or more in the Enlarged Issued Share Capital of the Company:
- (a) Oliver Jaster owns directly and indirectly 53.25% of the shares of Günther SE, the holding company of the Günther Group. Subject to the transfer of sub-participations referred to in paragraph 1.2 above taking place, Mr Jaster will be economically interested in 99.29% in Günther Vermögens KG, which holds all of the voting and economic rights in Günther Holding SE which are not held by Günther SE. Mr Jaster does not hold directly any shares in ZEAL or Lotto24. If the Offer proceeds, and subject to the transfer of sub-participations referred to in paragraph 1.2 above taking place, Mr Jaster will become indirectly interested in 17.97% to 26.48% of the Enlarged Issued Share Capital of the Company.
 - (b) Julia Günther owns 22.76% of the shares of Günther SE, the holding company of the Günther Group. Subject to the transfer of sub-participations referred to in paragraph 1.2 above taking place, Ms Günther will be economically interested in 0.34% in Günther Vermögens KG, which holds all of the voting and economic rights in Günther Holding SE which are not held by Günther SE. Ms Günther does not hold directly any shares in ZEAL, Lotto24 or any other company in the Günther Group. If the Offer proceeds, and subject to the transfer of sub-participations referred to in paragraph 1.2 above taking place, Ms Günther will become indirectly interested in 6.05% to 8.91% of the Enlarged Issued Share Capital of the Company.
 - (c) Maximilian Günther owns 22.76% of the shares of Günther SE, the holding company of the Günther Group. Subject to the transfer of sub-participations referred to in paragraph 1.2 above taking place, Mr Günther will be economically interested in 0.34% in Günther Vermögens KG, which holds all of the voting and economic rights in Günther Holding SE which are not held by Günther SE. Mr Günther does not hold any shares in ZEAL, Lotto24 or any other company in the Günther Group. If the Offer proceeds, and subject to the transfer of sub-participations referred to in paragraph 1.2 above taking place, Mr Günther will become indirectly interested in 6.05% to 8.91% of the Enlarged Issued Share Capital of the Company.
- 2.3 Walter Manfred Günther owns 1.22% of the shares of Günther SE, the holding company of the Günther Group. Mr Günther is economically interested in 0.02% in Günther Vermögens KG, which holds all of the voting and economic rights in Günther Holding SE which are not held by Günther SE. In addition, Mr Günther holds 724,636 shares in Lotto24, which amounts to just under 3% of the issued share capital of Lotto24. Mr Günther does not hold directly any shares in ZEAL or any other company in the Günther Group. If the Offer proceeds, and subject to Mr Günther accepting the Offer in respect of all of the Lotto24 shares that he owns, Mr Günther will become directly and indirectly interested in 2.25% to 3.32% of the Enlarged Issued Share Capital of the Company.
3. **Interests and dealings of the Günther Concert Party in the Company**
- 3.1 Othello Drei holds 857,334 Shares in the Company, comprising 10.28% of the voting rights of the Company.
- 3.2 Othello Vier does not currently hold any Shares in the Company. However, on completion of the Offer Othello Vier will be issued with 6,268,277 new Shares in the Company (see paragraph 9.3 of Part 1 of this Circular for further information).
- 3.3 Walter Manfred Günther does not currently hold any Shares in the Company. However, he holds 724,636 Lotto24 shares and will be entitled to accept the Offer in respect of those shares. If he accepts the Offer in full, he will be issued with 451,768 new Shares in the Company on completion of the Offer.
- 3.4 Except as stated in paragraphs 3.1, 3.2 and 3.3 above, as at the Latest Practicable Date.
- (a) no member of the Günther Concert Party has any interests in or rights to subscribe for, or has any short positions in relation to, any relevant securities in the Company, nor has any member of the Günther Concert Party dealt in any such securities during the period beginning 12 months preceding the date of this Circular; and
 - (b) no member of the Günther Concert Party has borrowed or lent any relevant securities in the Company.
- 3.5 For the purposes of this paragraph 3, the definitions at paragraph 4.1 of Part 6 of this Circular apply.

PART 3

FINANCIAL INFORMATION ON THE COMPANY

1. Incorporation of information by reference

- 1.1 The following documents are incorporated by reference into this Circular, so as to provide the information required pursuant to the Takeover Code:
- (a) the consolidated audited accounts for ZEAL for the financial year ended 31 December 2016;
 - (b) the consolidated audited accounts for ZEAL for the financial year ended 31 December 2017; and
 - (c) the interim financial report of ZEAL for the nine month period ended 30 September 2018.

These documents have been published, and are available, on the website www.zeal-offer.com.

- 1.2 Any Shareholder, person with information rights or other person to whom this Circular is sent may request a copy of each of the documents set out above in hard copy form. Hard copies will only be sent where valid requests are received from such persons. Requests for hard copies are to be submitted to the Company by calling +44 (20) 3739-7123 (calls to this number are charged at standard call rates). Lines are open 9.30 a.m. to 5.00 p.m. Requests can also be made by writing to ZEAL Network SE, Investor Relations, 5th floor, One New Change, London, EC4M 9AF, United Kingdom. All valid requests will be dealt with as soon as possible and hard copies mailed by no later than two business days following such request.
- 1.3 The documents incorporated by reference into this Circular have been incorporated in compliance with Rule 24.15 of the Takeover Code.

2. Profit forecast

- 2.1 The Announcement issued on 19 November 2018 contained the following updated profit guidance:
- "As previously announced today, the Executive Board has decided to adjust the upper end of the ZEAL Group EBIT forecast range for the financial year 2018. The Executive Board now anticipates EBIT in the range of EUR 33 million to EUR 38 million (previously EUR 33 million to EUR 43 million). The adjustment includes the impact of the transaction costs in connection with the announced intention of ZEAL to make a public takeover offer for Lotto24 AG as well as restructuring expenses in connection with an internal cost savings programme initiated today.

Except for the narrowing of the previously forecasted EBIT range, the Executive Board confirms its previously published guidance and expects the ZEAL Group to generate Total Operating Performance (TOP) of EUR 150 million to EUR 160 million in the financial year 2018."

- 2.2 In accordance with the requirements of the Code, the above guidance (which constitutes a profit forecast for the purposes of the Code) was reported on by Ernst & Young and Lazard. Copies of the reports from Ernst & Young and Lazard, and the detailed assumptions underlying the revised profit guidance, were included in the Announcement and are set out in Part 8 of this Circular.
- 2.3 The Executive Board has confirmed that the assumptions underlying the revised profit guidance have not changed, and that the revised profit guidance remains valid. Ernst & Young and Lazard also have confirmed that their reports on the revised profit guidance remain valid.

3. No significant changes

- 3.1 As stated in the interim financial report of ZEAL for the nine month period ended 30 September 2018, in October 2018, in the context of a legal dispute between the Spanish Gambling Commission (the "DGOJ") and Ventura 24 S.L.U. ("**Ventura 24**") (a subsidiary of the Company) regarding Ventura 24's right to operate a consumer-facing lottery brokerage business in Spain, the Spanish Supreme Court determined that Ventura 24 required a licence to operate this business. Such a licence has not been granted in the past and, in the opinion of the Executive Board, is unlikely to be granted in the future. As a result, the DGOJ has instructed Ventura 24 to cease operating this business and the business is now in the process of being closed. The Executive Board does not anticipate that closure of the business will have a material impact on the Existing Group's ongoing profitability.
- 3.2 Except as stated in this Circular, there has been no significant change in the financial or trading position of the Company since 30 September 2018, being the date to which the Company's most recent results announcement was prepared.

PART 4

FINANCIAL INFORMATION ON GÜNTHER GROUP

1. **Incorporation of information by reference**

- 1.1 The following documents are incorporated by reference into this Circular, so as to provide the information required pursuant to the Takeover Code:
- (a) the consolidated audited accounts for Günther SE for the financial year ended 31 December 2016; and
 - (b) the consolidated audited accounts for Günther SE for the financial year ended 31 December 2017,

each in the German language. These documents (as well as English translations provided for convenience only) have been published, and are available, on the website www.zeal-offer.com. Günther SE is not obliged to, and generally does not, publish its accounts or other financial information on its website, and the above documents are being published on the Company's website solely in relation to these proposals.

- 1.2 Any Shareholder, person with information rights or other person to whom this Circular is sent may request a copy of each of the documents set out above in hard copy form. Hard copies will only be sent where valid requests are received from such persons. Requests for hard copies are to be submitted to the Company by calling +44 (20) 3739-7123 (calls to this number are charged at standard call rates). Lines are open 9.30 a.m. to 5.00 p.m. Requests can also be made by writing to ZEAL Network SE, Investor Relations, 5th floor, One New Change, London, EC4M 9AF, United Kingdom. All valid requests will be dealt with as soon as possible and hard copies mailed by no later than two business days following such request.
- 1.3 The documents incorporated by reference into this Circular have been incorporated in compliance with Rule 24.15 of the Takeover Code.

2. **Current outlook**

3. The Günther Directors expect a stable outlook and revenue growth in its core business fields (excluding, for the avoidance of doubt, in respect of discontinued operations). The lotteries business unit is expected to especially benefit from a stable regulatory environment in its home markets based on locally licensed activities.

4. **Impact on the Günther Group of the implementation of the Offer**

The Günther Directors do not anticipate that acceptance of the Offer in respect of the Lotto24 shares that it holds through Othello Vier will have any immediate impact on the earnings, assets or liabilities of the Günther Group (other than the substitution of separate stakes in the Company and in Lotto24 for a consolidated stake in the Combined Group). However, the Günther Directors expect that, through its investments in the Combined Group, its earnings will be affected by the synergies and dis-synergies that result from the Combination over time.

PART 5

POTENTIAL LOSS OF PROTECTIONS AFFORDED BY THE CODE

The Company is incorporated as a Societas Europea and has its registered office in the United Kingdom. The Takeover Panel has confirmed that an offer for the Company would be subject to the shared jurisdiction rules that apply under the European Takeovers Directive. These rules do not apply to companies whose registered office is not in the United Kingdom, the Channel Islands or the Isle of Man and whose shares are not admitted to trading on a regulated market in the United Kingdom, and would therefore not apply to any offer made subsequent to the Relocation to the Company's shareholders to acquire their Shares.

The Company's shareholders should therefore note that, if a Relocation occurs, they will not receive the protections afforded by the shared jurisdiction rules of the Code in the event that there is a subsequent offer to acquire their Shares.

Brief details of the protections afforded by the Code in the case of shared jurisdiction companies are set out below.

The Code

The Code is issued and administered by the Panel. The Company is a company to which the shared jurisdiction rules in the Code apply and its Shareholders are accordingly entitled to the protections afforded by the Code so far as they relate to shared jurisdiction companies.

In the case of an offer for the shares of a shared jurisdiction company, the Code applies in respect of matters relating to the information to be provided to the employees of the Company, and matters relating to company law (in particular the percentage of voting rights which confers control and any derogation from the obligation to launch an offer, as well as the conditions under which the board of the offeree company may undertake any action which might result in the frustration of an offer).

Rule 9.1 of the Code sets out the circumstances in which an obligation to launch an offer is triggered, and the percentage of voting rights which confers control for this purpose (30%). Rule 9.1 also requires a mandatory offer to be made (unless a waiver of that obligation is granted) where a person who, together with persons acting in concert with him holds 30% or more (but less than 50%) of the voting rights of a company, acquires any further interests in shares of that company.

Giving up the protections afforded by the Code

In the event of a Relocation, the shared jurisdiction rules of the Code will cease to apply to the Company and Shareholders will lose the protections summarised above, including the additional protection afforded by Rule 9.1 in the case of further acquisitions of interests in Shares by a person who, together with persons acting in concert with him, holds 30% or more (but less than 50%) of the voting rights in the Company. However, Shareholders should note the limited application of the Code to the Company as described above and also the voluntary undertakings to be given by Othello Drei and Othello Vier as described in paragraph 10.2(f) of Part 1 of this Circular.

Possible impact of a "hard Brexit"

If the United Kingdom ceases, prior to a Relocation, to be a member of the European Union in circumstances where no transition period is agreed, the Company will cease to be subject to the shared jurisdiction rules in the Code and Shareholders will thereby lose the protections afforded by the Code. Shareholders should note that, in those circumstances, they would not (unless and until a Relocation occurs) have any of the protections afforded by the German Securities Acquisition and Takeover Act.

PART 6

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The Independent Directors, whose names appear on this page of this Circular, accept responsibility for all of the information contained in this Circular (including any expressions of opinion), other than the information relating to the Günther Concert Party and any expressions of opinion attributed to the Günther Directors (for which the Günther Directors accept responsibility under paragraph 1.2 below). To the best of the knowledge and belief of the Independent Directors, the information contained in this Circular for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Günther Directors accept responsibility for the information contained in this Circular in relation to the Günther Concert Party and any expressions of opinion attributed to the Günther Directors. To the best of the knowledge and belief of the members of the Günther Directors, the information contained in this Circular for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

- 2.1 The Company was incorporated as a private company (GmbH) in Germany, and subsequently re-registered as a public company (AG) and then as a Societas Europaea (SE). The registered office of the Company was transferred to England and Wales in 2014. The Company is registered in England and Wales with registered number SE000078. The registered office of the Company and the business address of all the Directors is ZEAL Network SE, 5th Floor, One New Change, London EC4M 9AF.
- 2.2 As at the date of this Circular, the Current Issued Share Capital is 8,385,088 Shares, carrying one vote each. The Company holds 43,910 Shares in treasury. Therefore the total number of voting rights in the Company as at the date of the document is 8,341,178.
- 2.3 The Company's business is that of a holding company, with investments in subsidiaries and associated companies involving in lottery betting, lottery partnerships and other lottery ventures.

3. Directors

The Directors of the Company are:

Executive Board

Dr Helmut Becker* (*Chairman of the Executive Board*)

Jonas Mattsson* (*Chief Financial Officer*)

Supervisory Board

Peter Steiner* (*Non-Executive Director and Chairman of the Supervisory Board*)

Leslie-Ann Reed* (*Non-Executive Director and Vice Chairperson of the Supervisory Board*)

Thorsten Hehl (*Non-Executive Director*)

Oliver Jaster (*Non-Executive Director*)

Bernd Schiphorst* (*Non-Executive Director*)

Jens Schumann (*Non-Executive Director*)

* denotes Independent Directors

4. Interests and Dealings of the Directors and other persons acting in concert with ZEAL

- 4.1 For the purposes of this paragraph 4 (and paragraph 3 of Part 2 of this Circular regarding dealings and interests of the Günther Concert Party):
- (a) **"acting in concert"** has the meaning attributed to it in the Takeover Code;
- (b) **"arrangement"** has the meaning attributed to it in Note 11 of the definition of "acting in concert" in the Takeover Code and includes any indemnity or option arrangements, and any

agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;

- (c) **"control"** means an interest, or interests, in shares carrying in aggregate 30% or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether such interest or interests gives de facto control;
- (d) **"dealing"** or **"dealt"** includes the following:
 - (i) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities;
 - (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
 - (iii) subscribing or agreeing to subscribe for relevant securities;
 - (iv) the exercise or conversion of any relevant securities carrying conversion or subscription rights;
 - (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
 - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
 - (vii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (e) **"derivative"** includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;
- (f) being **"interested"** in relevant securities where a person:
 - (i) owns relevant securities;
 - (ii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
 - (iii) by virtue of any agreement to purchase, option or derivative, has: (a) the right or option to acquire relevant securities or call for their delivery; or (b) is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - (iv) is party to any derivative whose value is determined by reference to its price and which results, or may result, in his having a long position in it;
- (g) **"relevant securities"** means the Shares in the Company (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof; and
- (h) **"short position"** means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

- 4.2 As at the Latest Practicable Date, the interests of the Directors (including their immediate families, related trusts and the interests of persons connected with them), all of which are beneficial, in the issued share capital of the Company, were as set out below:

Director	Number of Shares	Percentage of issued share capital	Percentage of voting rights
Dr Helmut Becker	8,316	0.10%	0.10%
Jonas Mattsson	5,000	0.06%	0.06%
Oliver Jaster	857,334	10.22%	10.28%
Jens Schumann	250,000	2.98%	3.00%
Peter Steiner	5,000	0.06%	0.06%

- 4.3 Except as disclosed in paragraph 4.2 above, as at the Latest Practicable Date, neither the Directors nor any person acting in concert with the Company had any interests in or rights to subscribe for, or had any short positions in relation to, any relevant securities, nor had the Company or any person acting in concert with the Company borrowed or lent any relevant securities.

- 4.4 As at the Latest Practicable Date:

- (a) except for the interests of Oliver Jaster and his family referred to in Part 2 of this Circular, neither the Company, nor any of the Directors (including any members of the Directors' respective immediate families or related trusts) or any other person acting in concert with the Company had any interests in or a right to subscribe for, or had any short position in relation to, any securities in any member of the Günther Concert Party; and
- (b) neither the Company, nor any person acting in concert with the Company, had borrowed or lent any securities in any member of the Günther Concert Party.

5. Market Quotations

The following table shows the market closing price for Shares as derived from the XETRA market of the Frankfurt Stock Exchange for share prices for (i) the first day in each of the six months immediately prior to the date of this Circular, and (ii) 14 December 2018 (the Latest Practicable Date):

Date	Price per Share EUR
Latest Practicable Date (14 December 2018)	19.90
3 December 2018	19.96
1 November 2018	22.95
1 October 2018	21.40
3 September 2018	21.60
1 August 2018	23.75
2 July 2018	27.10

6. Directors' Service Contracts

- 6.1 The members of the Executive Board (the "**Executive Directors**") have service contracts with the Company. These are on the following terms:

Executive Director	Current annual salary	Notice period	Date of service agreement	Remaining term
Dr Helmut Becker (Chairman of the Executive Board)	EUR 592,182.75	12 months	1 January 2016	12 month rolling contract
Jonas Mattsson (Chief Financial Officer)	EUR 402,573.42*	12 months	1 January 2016	12 month rolling contract

*Mr Mattsson's salary is payable partly in euros (EUR 207,618.15) and partly in £ sterling (£172,323.05). The euro amount shown is calculated applying an average exchange rate of 0.8839.

- 6.2 In addition to the annual salary specified in paragraph 6.1 above, the Executive Directors receive:
- (a) annual pension contributions of £10,000, or a cash equivalent;
 - (b) long-term incentive bonuses based on earnings per share and total shareholder return (capped at EUR 415,236.26 per annum in the case of Mr Mattsson and EUR 592,182.74 per annum in the case of Dr Becker, for 2018 and subsequent years);
 - (c) short-term incentive bonuses based on short-term financial and non-financial targets for each financial year (capped at EUR 415,236.26 per annum in the case of Mr Mattsson and EUR 592,182.74 per annum in the case of Dr Becker, for 2018 and subsequent years);
 - (d) transitional payment for Dr Becker only and only for the year 2018, based on short-term financial targets for the financial year (capped at EUR 314,284.71); and
 - (e) the right to participate in a share incentive plan, whereby share purchases with a value of up to 10% of the Executive Director's basic salary in any financial year will be matched by an increase of an equal amount in the Executive Director's basic salary.
- 6.3 Except as stated in paragraph 6.2 above, there are no commission or profit sharing arrangements in the Executive Directors' service contracts.
- 6.4 On termination of any Executive Director's service contract, the maximum amount payable by the Company is:
- (a) the basic salary of the Executive Director for the notice period;
 - (b) any annual bonus which:
 - (i) has accrued but remains unpaid at the date of termination; and/or
 - (ii) has accrued in the period from the start of the bonus year to the date of termination; and/or
 - (iii) would have accrued during the 12 month notice period; and
 - (c) a severance payment of two times the annual salary of the Executive Director (subject to entry into a settlement agreement in a form satisfactory to the Company).
- 6.5 Any payment set out in paragraph 6.4(a) above will be reduced by remuneration received by the Executive Director if he obtains alternative employment during the notice period, and all payments under paragraph 6.4 above may be ceased altogether if the Executive Director obtains alternative employment during the notice period and his remuneration from that employment is equal to or exceeds the payments set out in that paragraph.
- 6.6 All members of the Supervisory Board ("**Supervisory Directors**") are non-executive and do not have service contracts with the Company. Instead the Supervisory Directors are appointed by the members of the Company by ordinary resolution. The appointment of each Supervisory Director lasts until the close of the annual general meeting of the Company for the fourth year after the beginning of his/her term of office, excluding the year of appointment.
- 6.7 Save for the Chairman and the Vice Chairperson, each of the Supervisory Directors are entitled to receive a fixed annual remuneration of EUR 45,500 from the Company. The Chairman's fixed annual remuneration is EUR 136,500 and the Vice Chairperson's fixed annual remuneration is EUR 91,000. In addition, each of the Supervisory Directors receives additional annual remuneration of EUR 17,500 for their membership of one or more committees of the Supervisory Board; such additional remuneration is multiplied by 2 if a Supervisory Director takes the position of chairperson of a committee.
- 6.8 The Supervisory Directors' appointments can be terminated in accordance with the statutes of the Company and without compensation. There is no notice period specified in the statutes of the Company for the removal of Supervisory Directors. The statutes provide that the office of a Supervisory Director shall be terminated by, among other things: (i) notice of resignation or retirement; or (ii) unauthorised absences from board meetings for six consecutive months or more.
- 6.9 Each of the Directors is entitled to out-of-pocket expenses incurred in the proper performance of their duties.
- 6.10 There are no service contracts in force between the Company and any proposed director of the Company. No Director's contract has been entered into or amended in the last six months preceding the date of this Circular.

7. **Material Contracts**

7.1 The summaries of the Company's material contracts (not being a contract entered into in the ordinary course of business) entered into within a two-year period prior to the date of this Circular are as follows:

- (a) A mutual undertaking agreement between the Company, Othello Drei and Othello Vier was entered into on 19 November 2018. A summary of its key terms can be found at paragraphs 10.2 and 10.3 of Part 1 of this Circular.
- (b) An irrevocable undertaking between the Company and Jens Schumann was entered into on 19 November 2018. The agreement includes a number of undertakings given by Jens Schumann, in particular:
 - (i) the acceptance of the Offer for all Lotto24 shares held by him;
 - (ii) undertakings not to dispose of any interests in the Lotto24 shares held by him, not to accept any other offer for Lotto24 shares and not to make use of any statutory withdrawal rights in relation to the Offer;
 - (iii) undertakings not to acquire shares or financial instruments in Lotto24 until the time of completion of the Offer;
 - (iv) undertakings to support the Offer by abstaining from actions which could negatively affect the Offer;
 - (v) undertakings to support the resolutions to (i) approve the Offer, (ii) approve the acquisition of Shares in pursuance of the Offer from, or from persons connected with, Oliver Jaster and Jens Schumann, and (iii) to grant the Directors the necessary authority to allot the Consideration Shares pursuant to the Offer;
 - (vi) undertakings to approve the Waiver Resolution;
 - (vii) undertakings to approve, in the case of a successful Offer, a resolution to approve the Relocation at the relevant general meeting of the Offeror.
- (c) An irrevocable undertaking between the Company and Working Capital Group was entered into on 19 November 2018. The agreement includes a number of undertakings given by Working Capital Group, in particular:
 - (i) the acceptance of the Offer for all Lotto24 shares held by it;
 - (ii) undertakings not to dispose of any interests in the Lotto24 shares held by it, not to accept any other offer for Lotto24 shares and not to make use of any statutory withdrawal rights in relation to the Offer;
 - (iii) undertakings to tender any additional shares in Lotto24 acquired after the date of the irrevocable undertaking and still held on the second-last day of the Offer period;
 - (iv) undertakings to support the resolutions to (i) approve the Offer, (ii) approve the acquisition of Shares in pursuance of the Offer from, or from persons connected with, Oliver Jaster and Jens Schumann, and (iii) to grant the Directors the necessary authority to allot the Consideration Shares pursuant to the Offer;
 - (v) undertakings to approve the Waiver Resolution; and
 - (vi) undertakings to approve, in the case of a successful Offer, a resolution to approve the Relocation at the relevant general meeting of the Offeror.

7.2 Othello Drei and Othello Vier, subsidiaries of Günther SE and members of the Günther Concert Party, are party to the mutual undertaking agreement referred to in paragraph 7.1(a) above. Except in the ordinary course of business, no other material contracts have been entered into by the Günther Group or any other member of the Günther Concert Party.

8. **General**

8.1 Each of Lazard and Ernst & Young has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of their names and their reports and references to them in this Circular in the form and context in which they appear, and has confirmed that the reports continue to apply.

8.2 Save as set out in this Circular, no agreement, arrangement, or understanding (including any compensation arrangement) exists between any member of the Günther Concert Party on the one hand,

and the Directors, recent directors, shareholders or recent shareholders of the Company having any connection with or dependence upon the proposals set out in this Circular. There is no agreement, arrangement or understanding whereby the beneficial ownership of any Shares to be acquired by the Günther Concert Party pursuant to the Offer will be transferred to any other person.

- 8.3 The approval of the Waiver Resolution will not restrict the Günther Concert Party from making an offer for Shares in the Company in the future.
- 8.4 There have been no disqualifying transactions (as set out in the Takeover Code) in the 12 months prior to the date of this notice.
- 8.5 Neither the Company, nor any member of the Günther Concert Party, has been rated by ratings agencies.

9. Documents available for inspection

9.1 Copies of the following documents are available at www.zeal-offer.com and a hard copy is available on request from ZEAL Network SE, Investor Relations, 5th floor, One New Change, London, EC4M 9AF, United Kingdom:

- (a) this Circular;
- (b) the statutes of the Company;
- (c) English translation of the Limited Partnership Agreement relating to Othello Drei;
- (d) English translation of the Limited Partnership Agreement relating to Othello Vier;
- (e) the material contracts referred to in paragraph 7 above;
- (f) the consent letters from Lazard and Ernst & Young referred to at paragraph 8.1 above;
- (g) the reports of Lazard and Ernst & Young set out in the Announcement and in Parts 7 and 8 of this Circular;
- (h) the Annual Accounts of the Company for the periods ended 31 December 2016 and 31 December 2017;
- (i) the consolidated audited accounts for Günther SE for the years ended 31 December 2016 and 31 December 2017, together with English convenience translations of those accounts; and
- (j) the Announcement.

10. Availability of documents in hard copy

Any Shareholder, person with information rights or other person to whom this Circular is sent may request a copy of this Circular and each of the documents set out above in hard copy form. A copy of any such documents or information incorporated by reference into this Circular will not be provided unless requested. Where documents incorporated by reference into this Circular incorporate further information or documents by reference, this further information is not incorporated by reference into this Circular.

21 December 2018

PART 7

PART A

QUANTIFIED FINANCIAL BENEFITS OF THE OFFER

The Announcement issued on 19 November 2018 contained the following Quantified Financial Benefits Statement (clarifications of the text of the Announcement are shown in square brackets; references to Parts A, B and C of Appendix A are references to the corresponding Parts of this Part 7; and references to "Directors" in this Part 7 are references to the Executive Board):

This Announcement contains statements of estimated cost savings, revenue synergies and dis-synergies arising from the Combination (together, the 'Quantified Financial Benefits Statement').

A copy of the Quantified Financial Benefits Statement is set out below.

The Executive Board of ZEAL (the 'ZEAL Board') believes the following:

Cost synergies

The quantified recurring pre-tax cost synergies expected to result from the Combination principally arise from:

a) Business model change (non-personnel costs): Savings in direct costs of operations account for around 60 percent of the overall cost synergies:

- all costs covering the bookmaking risks for the German market (hedging costs) will not be required after the transformation to an online brokerage business;
- reduction of non-deductible VAT within the myLotto24 sub-group.

b) Organisational efficiency: Reduction of personnel and other operating expenses within the Combined Group, which represents around 40 percent of the overall cost synergies and will arise from:

- removing business related duplicated roles enabled by the migration of the German broker businesses of the Combined Group onto one technology platform;
- removing duplication of central functions roles;
- removing duplicates in senior management structure;
- rationalisation of the Combined Group's locations;
- removing roles related to hedging activities; and
- reduction of consultancy expenses / professional fees based on de-duplication and changed requirements due to business model change.

The total anticipated cost synergies of EUR 57 million per annum are equivalent to approximately 41 percent of the Combined Group operating expenses (including personnel expenses) from continuing operations of EUR 138 million, calculated based on the consolidated audited accounts for each of ZEAL and Lotto24 for the financial year ended 31 December 2017.

The ZEAL Board expects that the cost synergy realisation will take place progressively, with approximately 80 percent of the total cost synergies achieved by the end of year one, rising to 100 percent achieved by the end of year two.

Revenue synergies and dis-synergies

For the Combined Group it is envisaged that there will be **overall net revenue dis-synergies of approximately EUR 107 million**, mainly caused by the business model change of ZEAL's myLotto24 subsidiary into a German licensed online lottery brokerage business.

This represents the loss of approximately 67% of the Combined Group's revenue of EUR 160 million, calculated based on the consolidated audited accounts for each of ZEAL and Lotto24 for the financial year ended 31 December 2017.

The revenue synergies and dis-synergies will principally comprise:

a) Business model-related revenue dis-synergies of EUR 120 million will be generated mainly from:

- billings loss: An overall billings loss due to the customer loss which will be caused by the transition into an online brokerage business, and reduced average billings per user, due to the restriction to the DLTB product portfolio; and
- margin reduction: A reduction in the margin applied to the Group's reduced billings, as a result of the lower margin of an online brokerage business, relative to the higher margin enjoyed by ZEAL's current secondary lottery business.

b) Revenue synergies of EUR 13 million: The revenue dis-synergies will be offset to some extent by increased billings generated by the Combined Group mainly arising from:

- reduced customer acquisition costs due to improved access to and optimization of marketing channels within the Combined Group, which leads to more newly registered & active customers; and
- decreased legal restrictions and improved customer quality, leading to a higher number of active customers and / or higher average spend per user.

The ZEAL Board expects the transformation of the business model to be implemented within the first full year following completion [of the Combination]. Revenue dis-synergies will take effect at the same time as the business model change with a full run-rate by the end of year one following completion of the Combination.

The revenue synergies realisation will take place progressively, with approximately 40 percent of the total revenue synergies achieved by the end of year one, approximately 70 percent achieved by the end of year two and with full the run-rate effect achieved by the end of year three after the completion of the Combination.

Costs to achieve

The ZEAL Board expects that implementation of the business model change and realisation of the cost and revenue synergies would result in total non-recurring costs in the range of approximately EUR 15 million to EUR 20 million incurred within the first two years following [completion of the Combination]. These costs consist mainly of employee restructuring costs and IT migration costs.'

Bases of belief for the Quantified Financial Benefits Statement

Following initial discussions regarding the Combination, a synergy development team was established at ZEAL to evaluate and assess the potential synergies available from the Combination.

The team, which comprised senior strategy, financial, technology and business personnel at ZEAL, worked to identify and quantify potential synergies as well as estimate any associated costs. The team engaged with the relevant functional heads and other personnel at ZEAL to provide input into the development process and to agree on the nature and quantum of the identified synergy initiatives.

In preparing the Quantified Financial Benefits Statement and to estimate the merger benefits relating to the Combination, the ZEAL Board has made use of publicly available information about Lotto24 along with knowledge it continues to have from the period prior to Lotto24's spin-off from ZEAL in 2012 and as a result of the separation of the technology platform in 2015. In circumstances where data has been limited for commercial or other reasons, the team has made estimates and assumptions to aid the development of individual synergy initiatives. ZEAL did not have access to the Lotto24 senior management or any current non-public information about Lotto24 and its business during the preparation of the Quantified Financial Benefits Statement.

The bases used for the quantified exercises are:

- ZEAL: Full year 2018 P&L forecast data from ZEAL's financial planning contains 6 months actuals and 6 months forecast. Revenues and resultant synergies / dis-synergies are based on normalised revenue, which has been adjusted to match the statistically expected prize pay-out ratio;
- Lotto24: Rolling 12 months actual P&L data for the period July 2017 to June 2018 has been used as a baseline, as no full year 2018 forecast is publicly available.

In arriving at the estimate of synergies set out in this document, the ZEAL Board made the following operational assumptions:

- the Combined Group will migrate the two broker businesses onto one technology platform;
- policies and procedures will be harmonised according to best practices at ZEAL and Lotto24; and
- the Combined Group will, wherever possible, utilise existing resource and capabilities within ZEAL and Lotto24 to deliver the revenue synergies.

The ZEAL Board has, in addition, made the following assumptions, all of which are outside its control:

- a license and / or license extension will be granted to the Combined Group to enable the transformation of the myLotto24 sub group's German secondary lottery business into a licensed private online brokerage business;
- there will be no change to macroeconomic, political, regulatory or legal conditions in the markets or regions in which Lotto24 and ZEAL operate that materially impact the implementation or costs to achieve the proposed cost and revenue synergies;
- there will be no material change in current foreign exchange rates; and
- there will be no change in tax legislation or tax rates or other legislation or regulation in the countries in which Lotto24 and ZEAL operate that could materially impact the ability to achieve any benefits.

The assessment and quantification of the potential synergies have in turn been informed by ZEAL management's industry experience as well as their experience of executing and integrating past acquisitions.

Further synergies and savings not contingent on the Combination and separate to the Quantified Financial Benefits Statement

Separately, ZEAL plans to achieve, and has already started to implement recurring cost savings of approximately EUR 4 million per annum as a result of an internal cost saving initiative, which will be delivered by end of 2018. These additional cost savings are not contingent on the Combination and so do not form part of the Quantified Financial Benefits Statement.

Furthermore, the ZEAL Board believes that additional synergy opportunities in revenue and costs can be achieved related to the Combination, which are not quantified [and do not form] part of this Quantified Financial Benefits Statement.

Reports

As required by Rule 28.1(a) of the Takeover Code, Ernst & Young, as reporting accountants to ZEAL, and Lazard, as financial advisers to ZEAL, have provided the opinions required under that Rule. Copies of these reports are included at Parts B and C of this Appendix A. Each of Ernst & Young and Lazard has given and not withdrawn its consent to the publication of its report in this Announcement in the form and context in which it is included.

Notes

The Quantified Financial Benefits Statement relates to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, or may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.

Due to the scale of the Combined Group, there may be additional changes to the Combined Group's operations. As a result, and given the fact that the changes relate to the future, the resulting synergies may be materially greater or less than those estimated.

No statement should be construed as a profit forecast or interpreted to mean that the Combined Group's earnings in the first full year following implementation of the Combination, or in any subsequent period, would necessarily match or be greater than or be less than those of ZEAL and / or Lotto24 for the relevant preceding financial period or any other period.

PART B
REPORT FROM ERNST & YOUNG



Ernst & Young LLP
1 More London Place
London
SE1 2AF

Tel: + 44 20 7951 2000
Fax: + 44 20 7951 1345
ey.com

The Directors
ZEAL Network SE
5th Floor – One New Change
London EC4M 9AF

19 November 2018

Lazard & Co. Limited
50 Stratton Street
London W1J 8LL

Dear Sirs

We refer to the statement regarding the estimate of expected merger benefits statement (“the Statement”) made by ZEAL Network SE (“the Company”). The Statement, including the relevant bases of belief (including sources of information) is set out in Appendix A of the initial announcement of the proposed Offer in compliance with the Takeover Code (the “Announcement”) issued by the Company dated 19 November 2018. This report is required by Rule 28.1(a)(i) of The City Code on Takeovers and Mergers (the “City Code”) and is given for the purpose of complying with that rule and for no other purpose.

Save for any responsibility that we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with, this report or our statement, required by and given solely for the purposes of complying with Rule 23.2 of the City Code by consenting to its inclusion in the Announcement.

Responsibility

It is the responsibility of the directors of the Company (“the Directors”) to prepare the Statement in accordance with the requirements of the City Code.

It is our responsibility to form an opinion as required by the Code as to the proper compilation of the Statement and to report that opinion to you.

It is the responsibility of Lazard & Co. Limited to form an opinion as required by, and solely for the purpose of Rule 28.1(a)(ii) of the City Code as to whether the Statement has been prepared with due care and consideration and to report that opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting 1000 (Investment Reporting Standards applicable to all engagements in connection with an investment circular) issued by the Auditing Practices Board in the United Kingdom. We have discussed the Statement together with the relevant bases of belief (including sources of information) with the Directors and with Lazard & Co. Limited. Our work did not involve any independent examination of any of the financial or other information underlying the Statement.



We do not express any opinion as to the achievability of the cost and revenue synergies, as well as the revenue dis-synergies identified by the Directors.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the Statement has been properly compiled on the basis stated.

Yours faithfully

A handwritten signature in black ink that reads 'Ernst + Young LLP.' The signature is written in a cursive, slightly slanted style.

Ernst & Young LLP

PART C
REPORT FROM LAZARD

LAZARD

The Executive Board
ZEAL Network SE
5th Floor One New Change
London EC4M 9AF
United Kingdom

19 November 2018

Dear Sirs,

Intended public takeover offer for Lotto24 AG by ZEAL Network SE ('ZEAL' or the 'Company')

We refer to the ZEAL Quantified Financial Benefits Statement, the bases of belief thereof and the notes thereto (together, the 'Statement') as set out in Part A of Appendix A of this announcement, for which the Directors of ZEAL (the 'Directors' or 'you') are solely responsible under Rule 28 of the City Code on Takeovers and Mergers (the 'City Code').

We have discussed the Statement (including the assumptions and sources of information referred to therein), with the Directors and those officers and employees of ZEAL who developed the underlying plans to which the Statement relates. The Statement is subject to uncertainty as described in this announcement and our work did not involve an independent examination of any of the financial or other information underlying the Statement.

You have confirmed to us that all financial and other information relevant to the Statement has been disclosed to us. We have relied upon the accuracy and completeness of all the financial and other information provided to us by, or on behalf of, ZEAL, or otherwise discussed with or reviewed by us, and we have assumed such accuracy and completeness for the purposes of providing this letter.

We do not express any opinion as to the achievability of the quantified financial benefits identified in the Statement.

We have also reviewed the work carried out by Ernst & Young LLP as auditors of the Company and reporting accountants whose responsibility it is to form an opinion as required by Rule 28.1(a)(i) of the City Code on Takeovers and Mergers that the Statement has been properly compiled on the basis stated and that the basis of accounting used is consistent with the Company's accounting policies and we have discussed with them the opinion set out in Part B of Appendix A of this announcement addressed to yourselves and ourselves on this matter.

This letter is provided to you solely in connection with Rule 28.1(a)(ii) of the City Code and for no other purpose. We accept no responsibility to the Company or its shareholders or any person other than the Directors in respect of the contents of this letter. We are acting exclusively as financial adviser to the Company and no one else in connection with the transaction referenced above in connection with which the Statement has been produced and it was solely for the purpose of complying with Rule 28.1(a)(ii) that you requested us to prepare this letter. No person other than the Directors can rely on the contents of this letter and accordingly, to the fullest extent permitted by law, we exclude all liability (whether in contract, tort or otherwise) to any other person in respect of this letter, its contents or the work undertaken in relation to this letter, or any of the results or conclusions that can be derived from this letter or any written or oral information provided in connection with this letter, and in relation to any loss suffered by any such person as a result of, or in connection with, this letter.

On the basis of the foregoing, we consider that the Statement, for which you as the Directors are solely responsible, has been prepared with due care and consideration.

Yours faithfully,

For and on behalf of
Lazard & Co., Limited

PART 8

PART A REVISED PROFIT GUIDANCE

The Announcement issued on 19 November 2018 contained the following revised profit guidance (references to "Directors" in this Part 8 are references to the Executive Board):

ZEAL Network SE: Adjustment of EBIT Guidance

As the following forecasts are prepared on the basis of assumptions about future events and actions, it naturally entails substantial uncertainties. The forecasts constitute the forecasts for the financial year 2018 of Earnings Before Interest and Tax (the '**ZEAL Profit Forecast**') and of Total Operating Performance (the '**ZEAL Revenue Forecast**'). Because of these uncertainties it is possible that the actual revenue and/or profit of the ZEAL Network SE ('ZEAL') group may differ materially from the forecasted numbers.

Based on the following factors and assumptions and associated uncertainties, ZEAL expects for the financial year 2018 that Earnings Before Interest and Tax (EBIT) will range between EUR 33 million and EUR 38 million, and Total Operating Performance (TOP) between EUR 150 million and EUR 160 million. This is not a statement about facts and should not be interpreted as such by potential investors. Rather, it is a statement about the expectations of ZEAL's management in respect of EBIT and TOP of the ZEAL group.

ZEAL defines EBIT as Earnings Before Interest and Tax and Total Operating Performance as the sum of revenue and other operating income. In this context, ZEAL considers EBIT to provide a measure of the ZEAL group's ability to increase the economic value of its operating activity over a period of time and TOP to provide a measure of the statutory revenue and other operating income (including income from hedging activities) of the ZEAL group.

The ZEAL Profit Forecast is based on the assumptions set out below made by ZEAL's Executive Board for the development of the influencing factors of EBIT and TOP of the group. The assumptions used in the ZEAL Profit Forecast relate to factors which (i) cannot be influenced by the ZEAL group and those which (ii) can, even if only to a limited extent, be influenced by the ZEAL group. Even if ZEAL believes that these assumptions are reasonable at the time of the estimate of EBIT and TOP by ZEAL's management, they may prove erroneous or unfounded. If one or more of these assumption(s) prove(s) to be erroneous or unfounded, the actual result could deviate materially from the ZEAL groups' current EBIT and TOP.

The members of the Executive Board of ZEAL confirm that the ZEAL Profit Forecast is valid, has been properly compiled on the basis of the assumptions stated and that the basis of accounting used is consistent with ZEAL's accounting policies.

These forecasts relate to EBIT and TOP in line with guidance previously provided by ZEAL and as a means of evaluating the financial performance of the ZEAL Group. Generally ZEAL releases profit forecasts annually. When ZEAL released its preliminary results for the financial year 2017, it released its first profit forecast for 2018 - of EBIT between EUR 33 million and EUR 43 million, and Total Operating Performance (TOP) between EUR 150 million and EUR 160 million. The profit forecast was confirmed in each case when ZEAL released its results for the first three, six and nine months of 2018.

The adjustment of the upper end of the EBIT forecast range for the financial year 2018 in the ZEAL Profit Forecast in comparison to the previously released and confirmed profit forecasts for 2018 from EUR 43 million to 38 million, while maintaining the lower end of the range of EUR 33 million, includes the impact of transaction costs in connection with the announced intention of ZEAL to make a public takeover offer for Lotto24 AG as well as restructuring expenses in connection with an internal cost savings programme initiated on the date of the announcement.

Except for the narrowing of the previously forecasted EBIT range, the Executive Board of ZEAL confirms its previously published guidance and expects the ZEAL group to generate Total Operating Performance (TOP) of EUR 150 million to EUR 160 million in the financial year 2018.

Explanatory notes to the ZEAL Profit Forecast

Basis of Preparation

The ZEAL Profit Forecast was prepared on the basis of management forecasts of the results of ZEAL for the financial year ending 31 December 2018.

The accounting policies applied in the preparation of the forecast are consistent with the accounting policies applied in the preparation of the ZEAL's annual report for the year ended 31 December 2017 which are explained in pages 77 to 90 of ZEAL's annual report for the year ended 31 December 2017.

The intended takeover offer for Lotto24 AG is not expected to complete until after the end of the period covered by the ZEAL Profit Forecast and so, with the exception of transaction costs of EUR 3.5 million, the impact of the intended takeover offer has not been included in the ZEAL Profit Forecast.

Additionally, the ZEAL Profit Forecast for EBIT in the range between EUR 33 million and EUR 38 million includes restructuring and severance costs of approximately EUR 4.5 million which will also be treated as Exceptional Items in ZEAL's results for the year ended 31 December 2018.

Assumptions

The ZEAL Profit Forecast is based on the following assumptions:

Factors outside ZEAL's influence or control

The ZEAL Profit Forecast is subject to certain factors outside the influence or control of ZEAL. The relevant assumptions are described below:

While preparing the forecast, ZEAL's Executive Board assumes that no significant unforeseeable results will occur that could lead to significant constraints in its ongoing business operations. In particular, ZEAL's Executive Board assumes that no or only insignificant changes will occur in respect of current legal and regulatory framework as it pertains to ZEAL.

- It is assumed that there will be no material changes in legislation or regulatory requirements impacting on ZEAL's operations or its accounting policies.
- It is assumed that the market for secondary lotteries, especially in Germany, will not suffer any negative developments, and that ZEAL will be able to retain its current competitive positions in the markets in which it operates.
- It is assumed that the occurrence and size of jackpot prize events in the markets in which the ZEAL group operates will be in line with long term trends.
- The ZEAL Profit Forecast is susceptible to the level of pay-outs won by customers. In preparing the ZEAL Profit Forecast, ZEAL's Executive Board assumes that statistically expected pay-out levels will be incurred in the forecast months.
- It is assumed in the ZEAL Profit Forecast that no individually-significant jackpot prize wins will be borne by ZEAL group in the forecast months before the end of 2018.
- It is assumed that no financial or economic crisis will occur that affect Europe and specifically Germany, and that the economic conditions in Germany will not suffer any negative developments.
- It is assumed that there will be no other material changes to the conditions of the markets in which ZEAL operates.
- It is assumed that the principal exchange rates to which ZEAL's results are exposed to fluctuations will remain materially unchanged from the prevailing rates.
- It is assumed that there will be no material change to the competitive environment leading to an adverse impact on customer preferences.

Factors within ZEAL's influence or control

Other factors that can be influenced or controlled by ZEAL affect the ZEAL Profit Forecast. The relevant assumptions are described below:

- It is assumed that there will be no material change in ZEAL's ability to negotiate new business, and that there will be no material change to the ZEAL's customer base or the ability or willingness of the customer base to meet its obligations to ZEAL.
- It is assumed that there will be no material change in ZEAL's go-to-market approach, and that historic trends of customer retention and acquisition will remain materially unchanged.
- It is assumed that the scale and type of marketing activity to retain existing customers and acquire new customers will not materially change.
- With the exception of the exceptional transaction and restructuring costs described above, it is assumed that the level of cost incurred by ZEAL will not materially change over the remainder of the financial year 2018.

PART B
REPORT FROM ERNST & YOUNG



Ernst & Young LLP
1 More London Place
London
SE1 2AF

Tel: + 44 20 7951 2000
Fax: + 44 20 7951 1345
ey.com

The Directors
Zeal Network SE
5th Floor - One New Change
London
EC4M 9AF

19 November 2018

Lazard & Co. Limited
50 Stratton Street
London
W1J 8LL

Dear Sirs

We report on the profit forecast comprising forecast of EBIT of Zeal Network SE (the “Company”) and its subsidiaries (together the “Group”) for the year ending 31 December 2018 (the “Profit Forecast”). The Profit Forecast, and the material assumptions upon which it is based, are set out in the announcement titled “*ZEAL Network SE: Adjustment of EBIT Guidance*” released by the Company on 19 November 2018 pursuant to Article 17 MAR of the Regulation (EU) No 596/2014 (the “Announcement”). This report is required by Rule 28.1(a)(i) of The City Code on Takeovers and Mergers (the “City Code”) and is given for the purpose of complying with that rule and for no other purpose.

Save for any responsibility that we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with, this report or our statement, required by and given solely for the purposes of complying with Rule 23.2 of the City Code by consenting to its inclusion in the Announcement.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Profit Forecast in accordance with the requirements of the City Code.

It is our responsibility to form an opinion as required by the City Code as to the proper compilation of the Profit Forecast and to report that opinion to you.

It is the responsibility of Lazard to form an opinion as required by, and solely for the purpose of, rule 28.1(a)(ii) of the City Code as to whether the Profit Forecast has been prepared with due care and consideration and to report that opinion to you.

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited. A list of members' names is available for inspection at 1 More London Place, London SE1 2AF, the firm's principal place of business and registered office. Ernst & Young LLP is a multi-disciplinary practice and is authorised and regulated by the Institute of Chartered Accountants in England and Wales, the Solicitors Regulation Authority and other regulators. Further details can be found at <http://www.ey.com/UK/en/Home/Legal>.



Basis of preparation of the Profit Forecast

The Profit Forecast has been prepared on the basis stated in the Announcement and is based on the unaudited interim financial results for the six months ended 30 June 2018, the unaudited management accounts for the four months ended 31 October 2018 and a forecast to 31 December 2018. The Profit Forecast is required to be presented on a basis consistent with the accounting policies of the Group.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included evaluating the basis on which the historical financial information included in the Profit Forecast has been prepared and considering whether the Profit Forecast has been accurately computed based upon the disclosed assumptions and the accounting policies of the Group. Whilst the assumptions upon which the Profit Forecast are based are solely the responsibility of the Directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the Profit Forecast have not been disclosed and whether any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Profit Forecast has been properly compiled on the basis stated.

Since the Profit Forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Profit Forecast and differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in Germany or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the Profit Forecast has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Group.

Yours faithfully

Ernst + Young L.L.P.

Ernst & Young LLP

PART C
REPORT FROM LAZARD

LAZARD

The Executive Board
ZEAL Network SE
5th Floor - One New Change
London EC4M 9AF
United Kingdom

19 November 2018

Dear Sirs,

Report on profit forecast by ZEAL Network SE for purposes of Rule 28.1(a)(ii) of the City Code on Takeovers and Mergers

We refer to the profit forecast comprising a forecast of EBIT of ZEAL Network SE (the 'Company') and its subsidiaries for the year ending 31 December 2018 (together, the 'Profit Forecast') for which the Executive Board of ZEAL (the 'Directors' or 'you') are solely responsible under Rule 28 of the City Code on Takeovers and Mergers (the 'City Code').

We have discussed the Profit Forecast and the bases and assumptions on which it has been prepared and the accounting policies and basis of calculation for the Profit Forecast with the executive officers of the Company and with EY as auditors of the Company and reporting accountants whose responsibility it is to form an opinion as required by Rule 28.1(a)(i) of the City Code that the Profit Forecast has been properly compiled on the basis stated and that the basis of accounting used is consistent with the Company's accounting policies. We have considered EY's letter dated 19 November 2018 addressed to you and us on this matter.

You have confirmed to us that all financial and other information relevant to the Profit Forecast has been disclosed to us. We have relied upon the accuracy and completeness of all such information and have assumed such accuracy and completeness for the purposes of providing this letter to you. Our work did not involve an independent examination of any of the financial or other information underlying the Profit Forecast. We do not express any opinion on the achievability of the Profit Forecast.

This letter to you is solely in connection with Rule 28.1(a)(ii) of the City Code and for no other purpose. We accept no responsibility to the Company or its shareholders or any person other than the Directors in respect of the contents of this letter. We are acting exclusively as financial adviser to the Company and no one else in connection with the transaction in connection with which the Profit Forecast has been produced and it was solely for the purpose of complying with Rule 28.1(a)(ii) of the City Code that you requested us to prepare this letter. No person other than the Directors can rely on the contents of this letter and accordingly, to the fullest extent permitted by law, we exclude all liability (whether in contract, tort or otherwise) to any other person in respect of this letter, its contents or the work undertaken in relation to this letter, or any of the results or conclusions that can be derived from this letter or any written or oral information provided in connection with this letter, and in relation to any loss suffered by any such person as a result of, or in connection with, this letter.

On the basis of the foregoing, we consider that the Profit Forecast, for which you in your capacity as Directors are solely responsible, has been prepared with due care and consideration by the Directors.

Yours faithfully,

For and on behalf of
Lazard & Co., Limited

NOTICE OF GENERAL MEETING

ZEAL Network SE

NOTICE IS HEREBY GIVEN that a **GENERAL MEETING** of ZEAL Network SE (the "**Company**") will be held at the Andaz London Liverpool Street, 40 Liverpool Street, London, EC2M 7QN, United Kingdom on 18 January 2019 at 9:00 a.m. GMT to consider and, if thought fit, pass the following resolutions, which will be proposed as ordinary resolutions and which will (in the case of resolution 2, and also in the case of resolution 1 if a poll is validly demanded at the meeting) be decided on a poll.

ORDINARY RESOLUTIONS

1. That the making of the proposed offer (the "**Offer**") by the Company for all the issued shares of Lotto24 AG and the acquisition of shares in pursuance of the Offer from, or from persons connected with, Oliver Jaster and Jens Schumann (members of the Company's Supervisory Board) be and are hereby approved and that the Directors (being the Executive Board of the Company, acting with and subject to the consent of the Supervisory Board of the Company) be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot up to 16,428,173 Shares of one Euro each in the capital of the Company (the "**Consideration Shares**") in pursuance of the Offer, provided that (a) the maximum aggregate nominal value of shares that may be allotted pursuant to this authority shall be 16,428,173 Euros; and (b) the authority conferred by this resolution shall, unless previously revoked, varied or renewed, expire on 31 December 2019.
2. That the waiver by the Panel on Takeovers and Mergers of any obligation, pursuant to Rule 9 of the City Code on Takeovers and Mergers, for any member of the Günther Concert Party (as defined in the Circular dated 21 December 2018, of which this notice of meeting forms part) to make a general offer for all the Shares of the Company as a result of the allotment of Consideration Shares to members of the Günther Concert Party (resulting in the Günther Concert Party holding between 30.99% and 47.61% of the Enlarged Issued Share Capital (as defined in the Circular dated 21 December 2018, of which this notice of meeting forms part), depending on the extent to which Lotto24 shareholders participate in the Offer), be and is hereby approved.

By order of the Board

Dr Helmut Becker

Chairman of the Executive Board

21 December 2018

EXPLANATORY NOTES

These notes provide further details of the resolutions to be proposed at the General Meeting, and should be read in conjunction with the letter from the Chairman of the Executive Board which accompanies this Notice of General Meeting

Resolution 1: To approve the making of the Offer and to authorise the Directors to allot the Consideration Shares

This resolution approves the making of the Offer, and the acquisition of shares pursuant to the Offer from Jens Schumann and Othello Vier (a company connected with Oliver Jaster) and (if he accepts the Offer) from Walter Manfred Günther (a member of Oliver Jaster's family), and grants the Directors the necessary authority to allot the Consideration Shares pursuant to the Offer, taking into account any additional shares Lotto24 may issue during the Offer period from its current authorised capital. The authority to allot shares granted by this resolution will expire on 31 December 2019, unless it is previously revoked, varied or renewed.

Resolution 2: To approve a waiver of the obligation that would otherwise arise for the Günther Concert Party to make a general offer for the entire issued share capital of the Company as a result of the issue of Consideration Shares to members of the Günther Concert Party pursuant to the Offer

Please refer to paragraph 9 of the letter from the Chairman of the Executive Board which accompanies this Notice of General Meeting for an explanation of Rule 9 of the Takeover Code.

At the date of this Circular, the Günther Group (through its subsidiary Othello Drei) holds 857,334 Shares, comprising approximately 10.22% of the Company's Current Issued Share Capital. Following the allotment of the Consideration Shares pursuant to the Offer, the Günther Group (through its subsidiaries Othello Vier and Othello Drei) will hold in aggregate 7,125,611 Shares. Depending on the extent to which Walter Manfred Günther and other Lotto24 shareholders choose to participate in the Offer, the Günther Concert Party will hold in aggregate between 30.99% and 47.61% of the Company's Enlarged Issued Share Capital following implementation of the Offer.

The Company has applied to the Panel on Takeovers and Mergers for a waiver of the obligation which the Günther Concert Party would otherwise have under Rule 9.1 of the Takeover Code, as a result of the issue of the Consideration Shares, to make a general offer to acquire all Shares held by Shareholders other than the Günther Concert Party. The Panel has agreed to grant such a waiver, subject to the Independent Shareholders' approval of this Resolution. In accordance with the requirements of the Panel, a poll will be taken on this Resolution, and Othello Drei (as a member of the Günther Concert Party) will not be allowed to vote on this Resolution.

NOTES REGARDING ATTENDANCE AND VOTING AT THE GENERAL MEETING

1. The Company, pursuant to clauses 75, 76, 121 and 122 of the Company's statutes, specifies that only those Shareholders entered in the register of members of the Company or the CI Register (as defined in the Company's statutes) (collectively, the "Registers of Members", and each a "Register of Members") at 5:00 p.m. GMT on 16 January 2019, or, if the general meeting is adjourned, in the appropriate Register of Members 48 hours before the time of any adjourned general meeting, shall be entitled to attend and vote at the General Meeting in respect of the number of shares or CIs registered in their name at that time. Changes to the entries in the Registers of Members after 5:00 p.m. GMT on 16 January 2019 or, if the General Meeting is adjourned, in the Register of Members less than 48 hours before the time of any adjourned general meeting, shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.
2. Shareholders may appoint one or more proxies (who need not be a Shareholder) to exercise all or any of their rights to attend and to speak and vote at the General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by his appointer. A Shareholder may appoint a proxy or proxies by completing and returning the proxy form enclosed with this notice by post or by courier to ZEAL Network SE, c/o Computershare Investor Services, General Business Overseas, The Pavilions, Bridgwater Road, Bristol BS99 6BR, United Kingdom, or by sending a scan of the proxy form as an attachment to an email, addressed to meetingservices@computershare.co.uk, in each case so as to be received no later than 9:00 a.m. GMT on 16 January 2019.
3. To appoint more than one proxy or if you have not received a proxy form with this pack, please contact Computershare by email to meetingservices@computershare.co.uk.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may have a right, under an agreement between him and the Shareholder by whom he was nominated, to be appointed (or to have someone

else appointed) as a proxy for the general meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.

5. The statement of Shareholders' rights in relation to proxy appointment described above does not apply to Nominated Persons. Only the Company's Shareholders may exercise the rights described.
6. Any corporation which is a Shareholder may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder in relation to the meeting provided that they do not exercise their powers differently in relation to the same share, in which case the power is treated as not exercised.
7. Any corporate Shareholder who wishes (or who may wish) to appoint more than one corporate representative should contact Computershare by email to meetingservices@computershare.co.uk.
8. As at the Latest Practicable Date, the Company's issued share capital consisted of 8,385,088 Shares, carrying one vote each. The Company holds 43,910 Shares in treasury. Therefore, the total number of voting rights in the Company as at the Latest Practicable Date is 8,341,178.
9. You may not use any electronic address provided in this notice of meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated in this notice or the Form of Proxy.