ZEAL

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London,19 November 2018

ZEAL Network SE announces takeover offer for Germany's largest private digital lottery broker Lotto24 AG

- *The transaction will create a digital lottery group with currently more than 5 million combined customers globally, current combined billings of about EUR 500 million, and a diverse international footprint*
- *The combined group will build on the existing position of Lotto24, discontinue the German secondary lottery business of Tipp24 and transform it to a locally licensed online broker. The companies jointly aim to accelerate growth of online brokerage in the EUR 8.7 billion German lottery market*
- *The all-share takeover delivers significant benefits for shareholders with expected cost synergies of EUR 57 million per year, strong future cash generation, and a reduced risk profile*
- *The transaction strengthens the German lottery market and returns to federal states and their lottery beneficiaries*
- *ZEAL expects to offer one new ZEAL share for ca. 1.6 Lotto24 shares, reflecting the ratio of the volume-weighted average prices of ZEAL and Lotto24 shares over the past three months*
- *ZEAL has secured irrevocable commitments to accept the offer from major shareholders representing approximately 65% of Lotto24 shares*

ZEAL Network SE ("ZEAL") today announced an all-share voluntary takeover offer for Germany's largest private digital lottery broker, Lotto24 AG ("Lotto24"). On completion, the transaction will create a digital lottery group with currently more than 5 million combined customers globally, current combined billings of about EUR 500 million, and a diverse international footprint.

In the context of the deal, and consistent with its renewed strategy to de-risk its business model and focus on locally-licensed businesses, ZEAL intends to transform its German secondary lottery business into a locally licensed online brokerage model after reacquiring control of its myLotto24 and Tipp24 subsidiaries and, in due course, to relocate ZEAL to Germany. The transaction will significantly strengthen the German lottery market and expand returns to federal states and their lottery beneficiaries.

A strong platform for accelerated growth and shareholder value creation

The transaction combines the strong balance sheet, high-quality loyal customer base, and technological capabilities of ZEAL with the proven expertise of Lotto24 in the German lottery brokerage market. The enlarged Group will be in a unique position to accelerate online brokerage growth in the German lottery market.

The Group will also continue to pursue its international growth ambitions, building on the existing, diverse international portfolio (UK, Ireland, Spain, Norway, and Netherlands) and global development pipeline of ZEAL, with the aim of creating long-term growth and sustained shareholder and customer value.

ZEAL believes that the change to its business model in Germany will deliver significant benefits to ZEAL 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 ca. EUR 107 million, which is expected to be compensated for over time through accelerated growth of the enlarged Group. The combination with Lotto24 is also expected to deliver annual run-rate cost synergies of c. EUR 57 million through greater platform efficiencies and significant reductions in other operational costs. Further details of these revenue dis-synergies and cost savings are set out in Appendix A to this announcement.

In addition, ZEAL management has identified further cost savings of approximately EUR 4 million, which do not arise as a consequence of the transaction and sees additional potential future upside.

Dr Helmut Becker, CEO of ZEAL, said: *"ZEAL will reunite with Germany's largest digital lottery broker. We will have a significantly enlarged, loyal customer base, strong technology and marketing platforms, and an exceptionally experienced team. Together with our plans to regain control of Tipp24 and transform its German business models, this puts us in an excellent position to accelerate online growth in both the EUR 8.7 billion German lottery market and EUR 270 billion global lottery sector – as a locally-licensed broker, licensed operator, and lottery investor. This transaction is good for shareholders, good for customers, and good for the German federal states and their lottery beneficiaries. We have held initial, constructive conversations with Lotto24 and look forward to further engaging with the management to achieve a successful combination of the businesses. We also look forward to a successful and constructive cooperation with Germany's state lotteries and invite all shareholders to join us on this journey."*

Since its IPO on the Frankfurt Stock Exchange in 2012, Lotto24 has grown rapidly. In 2017, Lotto24 generated billings of EUR 220.7 million and revenues of EUR 25.2 million. In October 2018, Lotto24 upgraded its full year guidance, anticipating billings' growth of between 38% and 43% for 2018. In the first nine months of 2018, the company increased billings by 43% to EUR 235.9 million, revenues grew almost 50% to EUR 28.1 million, and the total number of registered customers rose by 36% to 2.04 million.

ZEAL has nearly two decades' experience as an online lottery operator, reseller and investor. In 2017, ZEAL delivered billings of EUR 280.5 million and revenues of EUR 134.3 million. In the first nine months of 2018, billings increased 5% to EUR 212.4 million, revenues rose by 19% to EUR 111.2 million, and the number of new customers grew by 54%, taking the total number of registered customers of the Group to more than 3.5 million.

Transaction supported by major Lotto24 shareholders

ZEAL will offer Lotto24 shareholders the opportunity to exchange their Lotto24 shares for shares in ZEAL. The offer consideration will reflect the ratio of the volume-weighted average share prices of both Lotto24 and ZEAL over the past three months before announcement of the transaction. Subject to the final determination of the minimum prices required by law and the final terms set forth in the offer document, ZEAL intends to offer one new ZEAL share as consideration in exchange for each ca. 1.6 tendered shares of Lotto24. Independently of the offer, ZEAL expects to pay an ordinary interim dividend of EUR 1.00 by year-end 2018.

In a clear statement of shareholder support for the deal, ZEAL today entered into irrevocable tender agreements with major shareholders of Lotto24, namely with Günther Group, Working Capital and Jens Schumann. They represent approximately 65% of the shares and voting rights in Lotto24. By entering into the tender agreements, these shareholders have undertaken to tender their shares in Lotto24 into the offer.

Jonas Mattsson, Chief Financial Officer of ZEAL: *"We believe this deal creates significant value for ZEAL and Lotto24 shareholders. The future growth prospects, significant reduction of regulatory risk and the related uncertainties, and EUR 57 million of annual cost synergies make the combined group* *a highly attractive long-term investment proposition. With our shared history, we are confident of achieving a seamless integration of both companies. We encourage all holders of Lotto24 and ZEAL shares to follow the major shareholders and take part in the offer."*

The offer will be made in accordance with the conditions to be set forth in the offer document, among others a minimum acceptance rate 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 at the beginning of 2019.

An extraordinary general meeting of ZEAL is expected to be held at the end of December 2018, at which ZEAL will ask its shareholders to approve the offer, including the acquisition of Lotto24 shares from certain members of the Supervisory Board of ZEAL or persons connected with them, and authorise the Executive Board to allot a number of shares as required to fund the offer. As Günther Group has made it a condition to its tender agreement with ZEAL that it will not, as a consequence of the offer, be subject to a legal obligation to make a general offer for the shares in ZEAL which it does not own at that time, ZEAL will furthermore propose a resolution to its shareholders (other than Günther Group and persons acting in concert with Günther Group) to approve the waiver of such obligation granted by the Panel on Takeovers and Mergers. The ZEAL shareholder approvals will be a condition for ZEAL to publish the offer document.

Discussions with the German gambling regulatory body about the future licensing arrangements for the enlarged Group have already been initiated. ZEAL expects to complete the transaction in the first half of 2019.

Updated ZEAL 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.

ENDS

Additional information

ZEAL invites media, investors and analysts to two separate webcasts and conference calls today to present the rationale and details of the transaction. The webcasts will be hosted in English by Dr Helmut Becker, CEO and Jonas Mattsson, CFO of ZEAL.

ZEAL Network SE Media Webcast and Conference Call:

Date: Today, 19 November 2018, 11.15 am CET / 10.15 am GMT
ConferenceCall dial-ins
Germany: +49 69 201744210
UK: +44 2030092470
USA: +1 8774230830
Confirmation code: 46065908#
Audio-Webcast: https://webcasts.eqs.com/zeal2420181119media
A replay of the webcast will be available under the same link after conclusion of the conference call.

ZEAL Network SE Investor and Analyst Webcast and Conference Call:

Date: Today, 19 November 2018, 12.00 pm CET / 11.00 am GMT
Conference Call dial-ins
Germany: +49 69 201744210
UK: +44 2030092470
USA: +1 8774230830
Confirmation code: 70491804#
Audio-Webcast: https://webcasts.eqs.com/zeal20181119investors
A replay of the webcast will be available under the same link after conclusion of the conference call.

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Important note
This announcement is for information purposes only and neither constitutes an offer to purchase or exchange nor an invitation to sell or to make an offer to exchange, securities of Lotto24 AG ("Lotto24") or ZEAL Network SE ("ZEAL"). The final terms and further provisions regarding the public takeover offer will be disclosed in the offer document once its publication will have been approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht). ZEAL reserves the right to deviate in the final terms and conditions of the public takeover offer from the basic information described herein. Investors and holders of securities of Lotto24 are strongly recommended to read the offer document and all announcements in connection with the public takeover offer as soon as they are published, as they contain or will contain important information.

The offer will be made exclusively under the laws of the Federal Republic of Germany, in particular under the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz (WpÜG)). The offer will not be made pursuant to the provisions of jurisdictions other than those of the Federal Republic of Germany. Therefore, no other announcements, registrations, admissions or approvals of the offer outside of the Federal Republic of Germany have been filed, arranged for or granted.

The ZEAL shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or with any securities regulatory authority of any state or any other jurisdiction of the United States of America ("USA"). Therefore, subject to certain exceptions, ZEAL shares may not be offered or sold within the USA or in any other jurisdiction where to do so would be a violation of applicable law. There is no public offering of ZEAL shares in the USA.

To the extent this announcement contains forward-looking statements, such statements do not represent facts. Forward-looking statements include all matters that are not historical facts. They are characterised by the words 'expect', 'believe', 'estimate', 'intend', 'aim', 'assume', 'plan' or similar expressions. Such statements express the intentions, opinions or current expectations and assumptions of ZEAL and the persons acting in conjunction with ZEAL, for example with regard to the potential consequences of the takeover offer for Lotto24, for those shareholders of Lotto24 who choose not to accept the takeover offer or for future financial results of Lotto24. Such forward-looking statements are based on current plans, estimates and forecasts which ZEAL and the persons acting in conjunction with it have made to the best of their knowledge, but which do not claim to be correct in the future. Forward-looking statements are subject to risks and uncertainties that are difficult to predict and usually cannot be influenced by ZEAL or the persons acting in conjunction with it. Actual events or consequences may differ materially from those contained in or expressed by such forward-looking statements.

This release and any materials distributed in connection with this release are not directed to or intended for release, publication or distribution (in whole or in part) directly or indirectly into or from the USA or any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction, nor are they directed to, or intended for use by, any person or entity that is a citizen or resident or located in the USA or in any locality, state, country or other jurisdiction where such release, distribution, publication, availability or use would constitute a violation of the relevant laws of such jurisdiction or which would require any registration or licensing within such jurisdiction.

Lazard & Co., Limited ("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 referred to 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, any of the matters referred to or contemplated in this document or otherwise.

Appendix A

QUANTIFIED FINANCIAL BENEFITS STATEMENT

Part A

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. 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. 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 as 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.

ZEAL

Part B
Report from Ernst & Young

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

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

19 November 2018

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.

ZEAL

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
Ernst & Young LLP

Part C
Report from 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 D
Definitions

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

"Announcement" -- the announcement of the Company on 19 November of its intention to make the Offer;

"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;

"Company" or "ZEAL" -- ZEAL Network SE;

"Completion" -- The completion of the Combination;

"DLTB" -- *Deutscher Lotto- und Totoblock*, the German Association of State Lottery Companies;

"Ernst & Young" -- Ernst & Young LLP;

"Executive Board" -- the executive board of the Company, comprising, at the date of this document, 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 document;

"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 United Kingdom as a bookmaker;

"Offer" -- the voluntary takeover offer pursuant to the German Takeover Act to be made by the Company to acquire all the issued shares of Lotto24;

"Takeover Code" or **"Code"** -- the City Code on Takeovers and Mergers.