14th January 2019

Lottoland Holdings Limited
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Dear Zeal Network SE Shareholders

OPEN LETTER TO THE SHAREHOLDERS OF ZEAL NETWORK FROM LOTTOLAND HOLDINGS

In our letter to the Board of directors of Zeal Network SE (the "Board" and "Zeal"), dated 11th January 2019, we offered to pay up to 76 million Euro (in cash) for the German Business[1] of Zeal (the "Lottoland Offer").

We are concerned that the Board's rushed response drew inaccurate conclusions and was misleading as to the value of our offer.

We have already highlighted to the Board on several occasions its legal and fiduciary duties when considering both the Lottoland Offer and our strong recommendation that the Board postpones the upcoming general meeting for the approval of the takeover of Lotto24 AG ("Lotto24")[2]. However, the Board's limited desire to engage with us and its rash conclusions seem to indicate that that the Board is not interested in assessing any alternative.

We would like to draw to your attention to the following points for the upcoming General Meeting:

1 The "German Business" is defined as certain assets and entities of Zeal Network SE which are linked to the operation of the German focused business of Zeal, as currently operating under www.tipp24.com.
2 The postponement of the general meeting scheduled for 18th January 2019 (the "General Meeting") will not, as the Board falsely stated, in any case trigger a 12-month cooling-off period, as the German Federal Financial Supervisory Authority (BaFin) will generally grant an exemption from a cooling-off restriction provided the offeror (in this case Zeal) applies for such exemption and the offeree (in this case Lotto24) consents to it. As the Günther Concert Party (as defined in Zeal's Circular dated 21st December 2018) has a majority of Lotto24, they will undoubtedly give their consent. A copy of our announcement (dated 10th January 2019) explaining this can be found at http://www.rns-pdf.londonstockexchange.com/rns/7988M_1-2019-1-10.pdf?_ga=2.5709819.997663137.1546775468-2036969605.1546539260).

Lottoland

(1) The Lottoland Offer is a superior alternative to the takeover of Lotto24

(i) Lotto24 takeover offers no premium to Shareholders

The Lottoland Offer values Zeal's shares up to 26.65 Euro[3], which represents a premium of 34% per share over and above the price set[4] in relation to the planned takeover of Lotto24 (the "Günther Family Transaction").

Compared to how we view the capital market's valuation of Zeal's German Business, the Lottoland Offer represents a premium of up to 100% on the value of the German Business. Contrary to the Lottoland Offer, the Günther Family Transaction offers no premium to Shareholders.

(ii) Certainty of value in cash versus overvalued shares in Lotto24

We believe that the Board is proposing to pay an unjustifiable premium for Lotto24 shares, valued at more than 100 x 2018e EBIT[5] to enter into the lottery brokerage market.

In addition, the purchase of Lotto24 would leave shareholders with all of the execution risk associated with the switch to a new business model. This is not to mention the integration risk of combining two very different companies.

The fact that Zeal's shares fell by approximately 9%[6] after the announcement of the Günther Family Transaction further reinforces this point and, in our view, demonstrates that the capital markets do not agree with the pricing or rationale of the Günther Family Transaction.

The Lottoland Offer gives Shareholders the certainty of a cash deal.

(iii) No further German VAT exposure

In the Board's rejection of the Lottoland Offer, they failed to clarify that, regardless of whether Shareholders choose to pursue the Günther Family Transaction or the Lottoland Offer, Zeal will have zero exposure to German VAT going forward. However, in both instances Zeal will continue to have residual German VAT

3 Please refer to our letter dated 11th January 2019, for more details:
https://www.rns-pdf.londonstockexchange.com/rns/8560M_1-2019-1-11.pdf

4 Based on Lotto24's and Zeal's closing prices on 14th December 2018 (as defined in Zeal's Circular dated 21st December 2018)

5 Enterprise value; compared to Zeal's enterprise value of only 2 x 2018e EBIT (approximations)

6 From 18th November 2018 (closing price) to 3rd January 2019 (closing price)

exposure in respect of past bets taken from German customers (the "Residual VAT Risk").

We are open to discuss the allocation of the Residual VAT Risk. This could further help reduce the risk faced by Shareholders.

(iv) No dis-synergies and minimal break-up and restructuring costs

As stipulated in our letter dated 11th January 2019, the Lottoland Offer, unlike the Günther Family Transaction, will not trigger the high dis-synergies associated with the latter; Zeal has calculated these to be approximately 107 million Euro. Once again, the Board has also failed to take this into consideration when analysing the Lottoland Offer.

We firmly believe that the Lottoland Offer will not trigger material break-up and/or restructuring costs given we would be taking over both the workforce necessary to run the German Business as well as any relevant third-party contracts[7]. However, should there be any significant restructuring costs associated with the Lottoland Offer, we remain open to discussing the allocation of these.

Considering the above, the conclusions reached by the Board in rejecting the Lottoland Offer are not based on facts, are misleading and serve one purpose only, to safeguard the Günther Family Transaction which is quite clearly not in the interests of minority Shareholders.

(2) The Günther family will benefit the most from the Günther Family Transaction

It is evident that the Günther family and its related parties (together referred to as the "Günther Concert Party" as defined in Zeal's Circular dated 21st December 2018) will benefit the most from the Günther Family Transaction as: (i) they hold significantly less shares in Zeal than in Lotto24 (approximately 10% versus 45%, respectively), and (ii) the market consensus seems to be that Lotto24 shares are overvalued while Zeal shares remain undervalued. The latter creates a very favorable takeover ratio in favour of the Günther family but at the expense of all Zeal Shareholders.

Numerous third-party sources have highlighted this point, including the well-known German magazine Wirtschaftswoche[8]:

7 This is based on the assumption that as stated by the Board in their announcement of 11th January 2019 the German Business represents the majority of Zeal's operations.
8 https://www.wiwo.de/my/unternehmen/dienstleister/lotto24-showdown-in-der-lotto-uebernahmeschlacht/23855168.html

"Zeal shareholders are skeptical. ,The price offered for Lotto24 is completely overpriced and incomprehensible,' complains fund manager Markus Scharhag, whose fund claims to hold around 30,000 Zeal shares. In addition to the price, investors are particularly bothered by the role of the Günther family. It owns ten percent of Zeal shares and 45 percent of Lotto24 shares. ,Without this structure, Zeal would never do the deal,' Scharhag says."[9]

"In fact, Günther seems to be the big winner of the takeover. That's because of their construction: The price for Lotto24, Zeal does not want to pay cash, but in return create new Zeal shares."[9]

(3) The Günther Family Transaction is value destroying for Zeal Shareholders

Pursuant to the Günther Family Transaction the profit of the German Business will be cut dramatically due to an approximately **75% reduction in margin**[10].

Moreover, converting Zeal's existing lotto betting customers to lottery brokerage customers will be difficult and risky as the **product offering will shrink by more than 67%**[11]. In fact, Zeal will have to cease the offer of the recently introduced and highly lucrative products "Powerball" and "Megamillions"[12] as well as some of Zeal's bestsellers, e.g. betting on "The Spanish El Gordo" and "Euromillions". In addition, Zeal will have to stop offering its current scratch card product range and its entire instant win games portfolio. All of the above have cost Zeal significant money and resources to develop.

In summary, the Günther Family Transaction would result in existing customers of Zeal spending considerably less and/or moving to competitors which offer a wider product range.

(4) The Lottoland Offer grants higher protection for the Shareholders

Zeal Shareholders are being asked to waive (pursuant to resolution 2 of the General Meeting) the obligation of the Günther Concert Party to make a general offer for all the shares of Zeal. This would allow the Günther family to slowly acquire shares without adhering to the current regulatory obligations.

In addition, if the Günther Family Transaction goes through, the Board intends to move Zeal's headquarters to Germany. As a result, all Zeal Shareholders (and in particular

9 Translated via Google Translate

10 40-50% margin of lotto betting vs. 10-12% margin of lottery brokerage
11 Six (6) of the nine (9) main lottery games offered (i.e. 66.7%) will have to be ceased on Tipp24.com, if Tipp24.com would want to operate under a German license.
12 In the 2018 third quarter results, the Board deemed these products to be key revenue generators for Zeal.

minority shareholders) will lose the protections afforded to them by the UK Takeover Code. The move to Germany might in addition trigger additional withholding taxes for non-German shareholders further reducing the value of future dividends.

For these reasons, we urge all of Zeal Shareholders to also vote against the second resolution at Friday's General Meeting.

(5) The Lottoland Offer is achievable within a shorter period of time

The Lottoland Offer will at least equally achieve or enable the outcomes desired by the Board (namely, (i) significant risk reduction from an operational, tax and regulatory perspective , (ii) cost synergies and (iii) improved growth potential), whilst creating additional benefits for the Shareholders as outlined above and in our letter dated 11th January 2019 (http://www.rns-pdf.londonstockexchange.com/rns/8560M_1-2019-1-11.pdf). The execution of the Lottoland Offer can be achieved in a shorter period of time than that of the Günther Family Transaction.

We are ready to enter into negotiations with Zeal immediately and we remain open to any proposals. Both our management team and our advisors are on stand-by to start the customary/confirmatory due diligence and negotiations as soon as necessary.

In summary, the Lottoland Offer is superior financially to the Günther Family Transaction, deliverable, subject to minimal conditionality and could be executed within a shorter time frame. Therefore, the General Meeting should be delayed so that the Lottoland Offer can be fully evaluated and put to the Zeal Shareholders to vote on it.

Alternatively, if the General Meeting is not delayed, we urge all Zeal Shareholders to vote against both of the proposed resolutions so no further value is destroyed.

Yours faithfully,

Nigel Birrell
Chief Executive Officer