

07 January 2019

Lottoland Holdings Limited

Office Suite C
Ocean Village Promenade
Gibraltar, GX11 1AA

To: Dr. Helmut Becker and Mr. Jonas Mattsson

For attention of: Supervisory Board of Zeal Network SE - Mr. Thorsten Hehl, Mr. Oliver Jaster, Ms. Leslie-Ann Reed, Mr. Bernd Schiphorst, Mr. Jens Schumann and Mr. Peter Steiner
Zeal Network SE
One New Change
London
United Kingdom, EC4M 9AK

Dear Dr. Becker and Mr. Mattsson

ZEAL NETWORK SE PROPOSED TAKEOVER OF LOTTO24 AG

I am writing to you as a shareholder of Zeal Network SE (the “**Company**”).

We would like to inform you of our strong opposition to the Company’s proposed takeover of Lotto24 AG (the “**Transaction**”).

We believe that the Transaction makes no strategic or economic sense and will result in a massive loss of billings and a substantially lower margin (potentially even a negative margin) for the combined new group (the “**Combined Group**”).

In summary, the Transaction destroys significant value.

Moreover, we do not feel that the Transaction has the best interest of all shareholders in mind. We are convinced that more value destruction will come if shareholders do not stop the Transaction now. Thus we see ourselves obliged to make this letter public.

The announced reasons for the Transaction are not only vague but unsubstantiated and raise several significant issues. In particular, we believe the board of directors has acted in the interest of certain shareholders and in doing so has not objectively and adequately explored any alternative option which could lead to a better deal for all shareholders.

We would ask you to respond to the following questions:



1. How do you justify taking over Lotto24 at a price of approx. 100 x EBIT 2018e (enterprise value)? Especially when intending to pay with ZEAL Network's shares which are valued at approx. 2 x EBIT 2018e (enterprise value)¹.
2. On what basis have the theoretic cost synergies been calculated and how are these broken down?
3. How do you foresee the international (non-German) secondary lottery business be insured going forward? What percentage of the planned revenues will it make? How much liquidity do you intend to keep for self-retention?
4. What do you intend to do with the high amounts of cash of the Company?
5. What is your projected growth for the Combined Group? Please provide a detailed breakdown of what you think will be achieved, including revenue and EBIT figures.
6. How do you expect to plug the revenue gap for the German market as a result of the change of business and the significantly reduced product offering that will be available there post the Transaction?
7. Are you fully certain that a license will be granted by the German authorities to transform the German secondary lottery business into a licensed private online brokerage business?
8. What other options other than the Transaction have you and the board considered with the aim of achieving a similar or better outcome, namely reduction in regulatory risk and significant cost savings?
9. What is the connection between your two shareholders Günther Group/Mr. Oliver Jaster (via the respective vehicles) and The Working Capital Group? Are they acting in concert? Are the Working Capital Group even acting for Mr. Oliver Jaster?

In light of the above, we have conducted extensive outside-in due diligence and are confident on the basis of that information that we will make an offer for the purchase of certain assets of the Company (the "Alternative Transaction"). We will therefore be in touch shortly to engage in conversations with you in order to help us better evaluate these assets, so we can publish our offer by January 31, 2019.

The Alternative Transaction will result in a better outcome for all shareholders.

Pursuant to the above and the fiduciary duties you owe to all shareholders, we urge you to delay the General Meeting planned for January 18th, 2019 until shareholders have obtained more information on the Transaction (including satisfactory answers to all questions) and the Alternative Transaction has been objectively and adequately assessed, so that a fully informed decision can be made.

Yours faithfully,

Nigel Birrell,
Chief Executive Officer

¹ ZEAL's share price at the time of sending of this letter on January 7th, 2019 was 21.65 EUR.

