



LOTTOLAND HOLDINGS LIMITED ACQUIRES 4.01% STAKE IN ZEAL NETWORK SE

Background

On 19th November 2018, Zeal Network SE (“Zeal”) announced an all-share takeover offer for Lotto24 AG (“Lotto24”) and that major cross-shareholders of both Lotto24 and Zeal, Günther Group and Working Capital Group have undertaken to tender their shares in Lotto24 to the offer (“the Transaction”).

Lottoland Holdings Limited (“Lottoland”) believes that the Transaction destroys value, 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.

Lottoland has today filed a TR1 form with both the Financial Conduct Authority and Zeal Network SE (“Zeal”) confirming it currently holds more than 4.01% in Zeal.

Concerns

Lottoland believes the statement made earlier today by ZEAL in respect of an applicable “cooling-off period” is incorrect. ZEAL inaccurately stated that a postponement of the general meeting, planned for 18th January 2019 (the “General Meeting”), would result in a “termination of the planned takeover bid for Lotto24 AG and a cooling-off period of 12 months before a potential new bid could be made, due to German takeover law and process framework for the transaction”.

Lottoland believes that Zeal is trying to put undue pressure on Zeal shareholders to vote at the upcoming general meeting. Pursuant to independent advice received by Lottoland, the postponement of the general meeting is not likely to 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 (Zeal) applies for such exemption and the offeree (Lotto24) consents to it. There is not legitimate reason for this not to be the case in this instance.

Pursuant to the above and the fiduciary duties the Board of Directors of Zeal (the “Board”) owe to all shareholders, Lottoland urges the Board to delay the General Meeting until Zeal shareholders have obtained more information on the Transaction (including satisfactory answers to all questions) and Lottoland’s has publicized its proposed offer and this has been objectively and adequately assessed. In the event the General Meeting is not delayed Lottoland urges Zeal shareholders to vote against the Transaction.

A copy of Lottoland’s announcement, dated 7th January 2019, which sets out Lottoland’s opposition to the Transaction can be found: <https://www.londonstockexchange.com/exchange/news/market-news/market-news-detail/other/13926205.html>

About Lottoland

Lottoland has grown rapidly to become a world leader in online lotto, offering lotto games, lottery bets, instant win games as well as B2B and B2G products. Innovation, coupled with the freedom to offer players a unique and enhanced lottery experience, has been key to the company’s success. In June 2018, Lottoland paid out €90 million to one lucky lotto betting winner in Germany. This win has been confirmed by Guinness World Records as the Largest Online Gambling Payout in history.





The Gibraltar-based business is active in 13 markets, has over 350 employees, and more than 9 million customers worldwide. Lottoland is licensed and regulated by the Government of Gibraltar, the UK Gambling Commission, the Republic of Ireland National Excise License Office, the Agenzia delle Dogane e dei Monopoli in Italy, the Northern Territory's Racing Commission in Australia, and the Swedish Gambling Authority.

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