

An aerial photograph of a city, likely London, showing a wide river (the River Thames) and numerous buildings. A teal banner is overlaid across the top of the image.

ZEAL

ZEAL Network SE Fifth German Conference

Jonas Mattsson, CFO

Munich, September 2016

Content

COMPANY OVERVIEW

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Historical Development of ZEAL

Founded



Start Operation with
Broker Business



Profitable



Open Madrid
Office



IPO



Open London
Office



Regulatory Change
in DE *GlüStV*¹



Change Business
Model to secondary
lottery operator
& Admission to SDAX



Spin-off of Lotto24



Renaming to ZEAL
& Move
headquarters to
London Office

¹ Glücksspielstaatsvertrag = State Treaty

ZEAL Group (Figures 2015)

TOP¹

€ 141m

EBITDA

€ 50m

EBIT

€ 43m

Dividend Paid on quarterly basis

€ 2.8

Employees

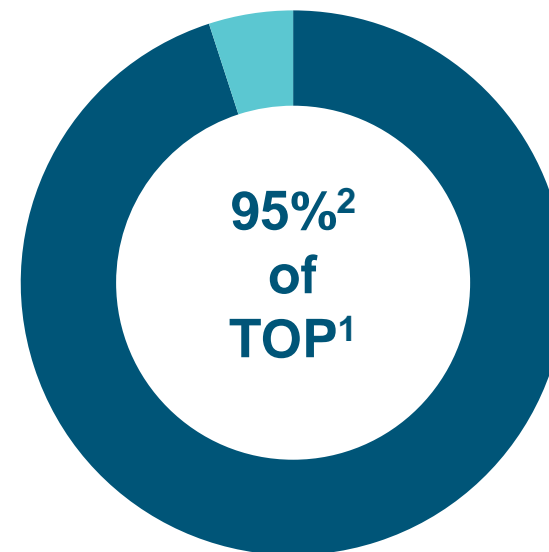
260

Market Cap.

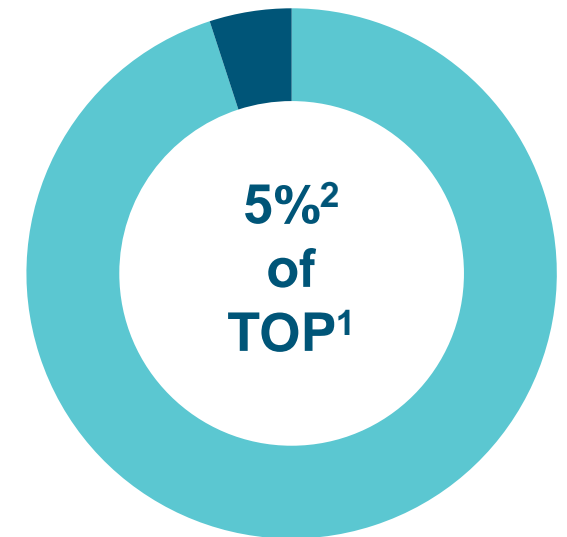
Listed since 2005,
Part of German SDAX

€ 340m

B2C – Consumer facing
lottery-based games



B2B/B2G – Digital Retailer,
Marketing Partner &
Multi-Channel Consultant

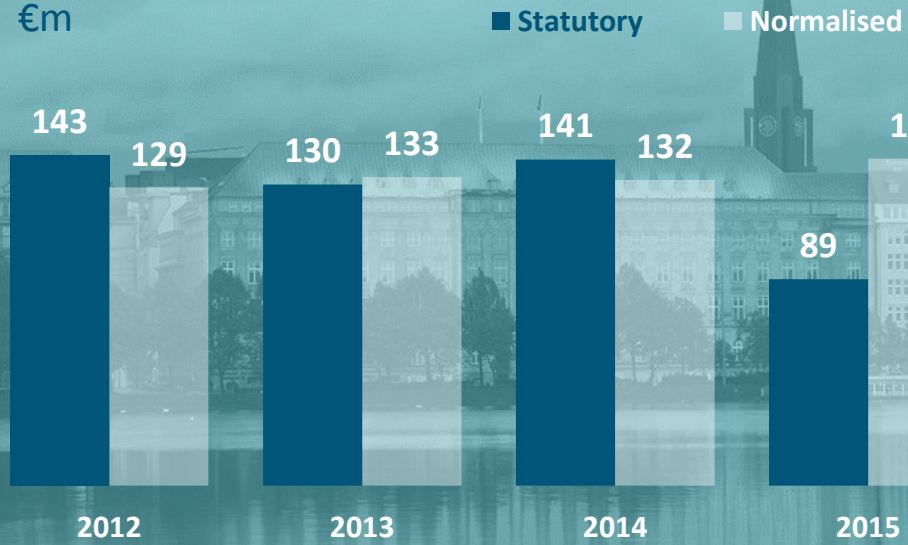


¹ Total Operating Performance
(ZEAL use Total Operating Performance instead of revenue for the results guidance to reflect overall performance by taking into account the effects of the hedging mechanism)

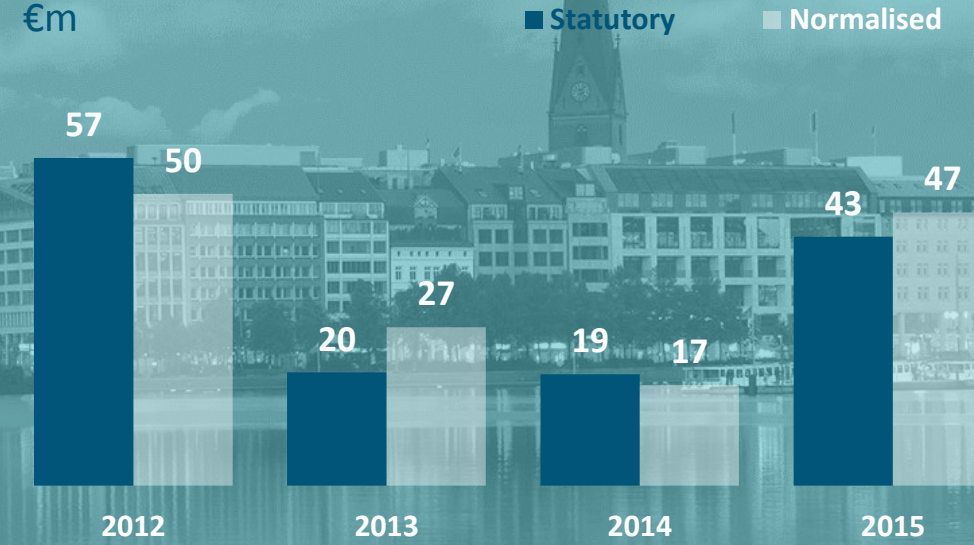
² Based on normalised numbers

Key Figures

Revenue €m

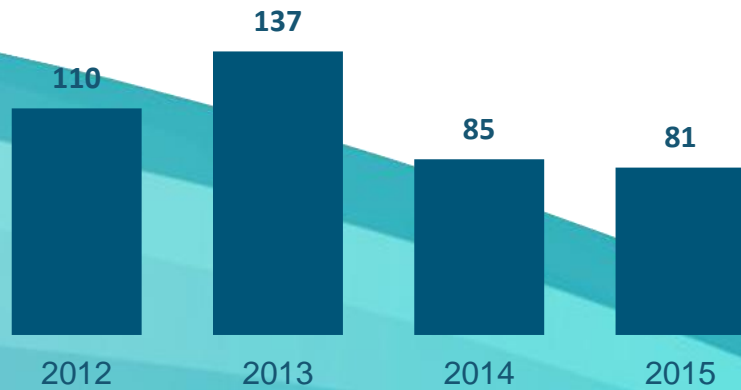


EBIT €m

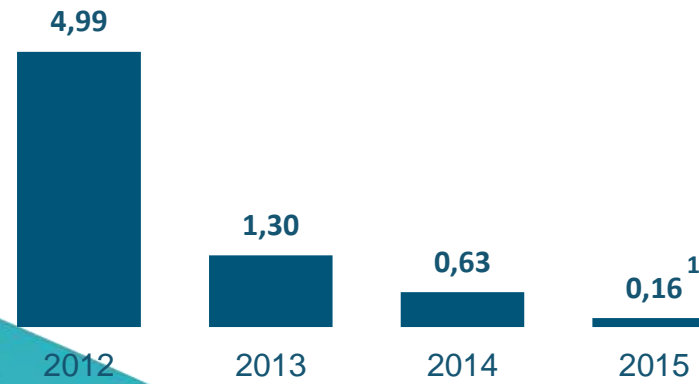


Key Figures

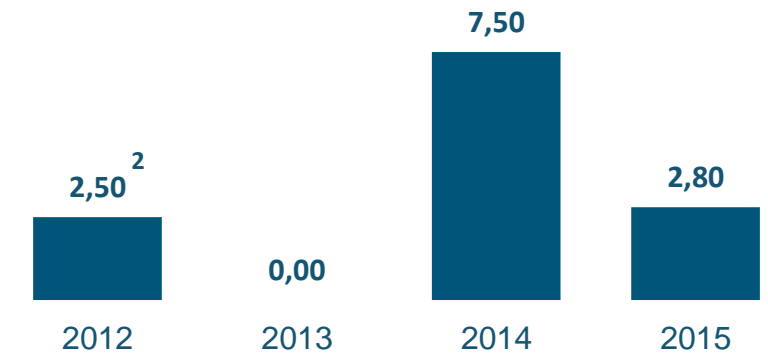
Net Cash €m



Earnings per Share €



Dividend per Share €



THE EXECUTIVE BOARD OF ZEAL



Jonas Mattsson
CFO since Feb 2015

Before:

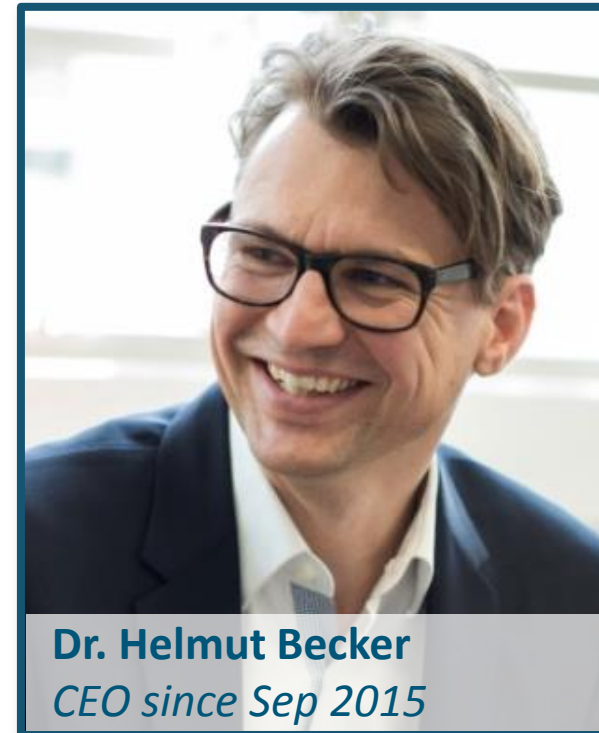
- CFO of O3b Networks
- CFO of various entities of SES



Susan Standiford
CTO since May 2015

Before:

- CTO of Rue La La
- Vice President of Technology at Travelocity and Disney Online



Dr. Helmut Becker
CEO since Sep 2015

Before:

- CMO of ZEAL
- Member of the Supervisory Board of ZEAL
- CCO at XING AG



ZEAL'S ASPIRATION

Create a Better World of Lottery

...a world that our customers, business partners and people deserve

By creating **EXCITING**, **INNOVATIVE** and
ACCESSIBLE products and services

By creating better ways to dream. Setting lottery free

B2C

Key Division Figures 2015

Revenue¹

€ 133m

EBIT¹

€ 56m

Employees

168

Locations

London,
Hamburg

¹ Normalised numbers



Business Unit Update – B2C



- Despite the distraction of EURO 2016 – normalised revenue grew in H1/2016 year on year
- Roll out of four new instant win games in 2016. In total 14 games are live on Tipp24.com
- Increasing the high average levels of spend from our customer base
- Starting a multimedia advertising campaign launched in 2016
- Application for license in Ireland submitted

Tipp24 customer offering - A very rich Product Offering



New website goes online

- Improved customer experience
- User flows more convenient
- Mobile friendly and fully responsive website
- Supporting growth through better conversion
- Faster future improvements and internationalization possible

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ZEAL Invented Hedging Structure for Secondary Lottery

COVERAGE UP TO €130M

Self-Retention
- €35m for FY
2016

Junior layer
€25m
(X3)

Senior Layer B
€25m

Senior Layer A
€25m

Contingency
Layer
€20m

To date, no payments have
charged the CAT Bond in 2016



Ventura24es

Ticket Duplication starting with
€70m for Euromillones

Tipp24.com

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B2B / B2G

Key Division Figures 2015

Revenue¹

€ 6m

EBIT¹

€ -9m

Employees

89

Locations

Madrid,
London,
Hamburg



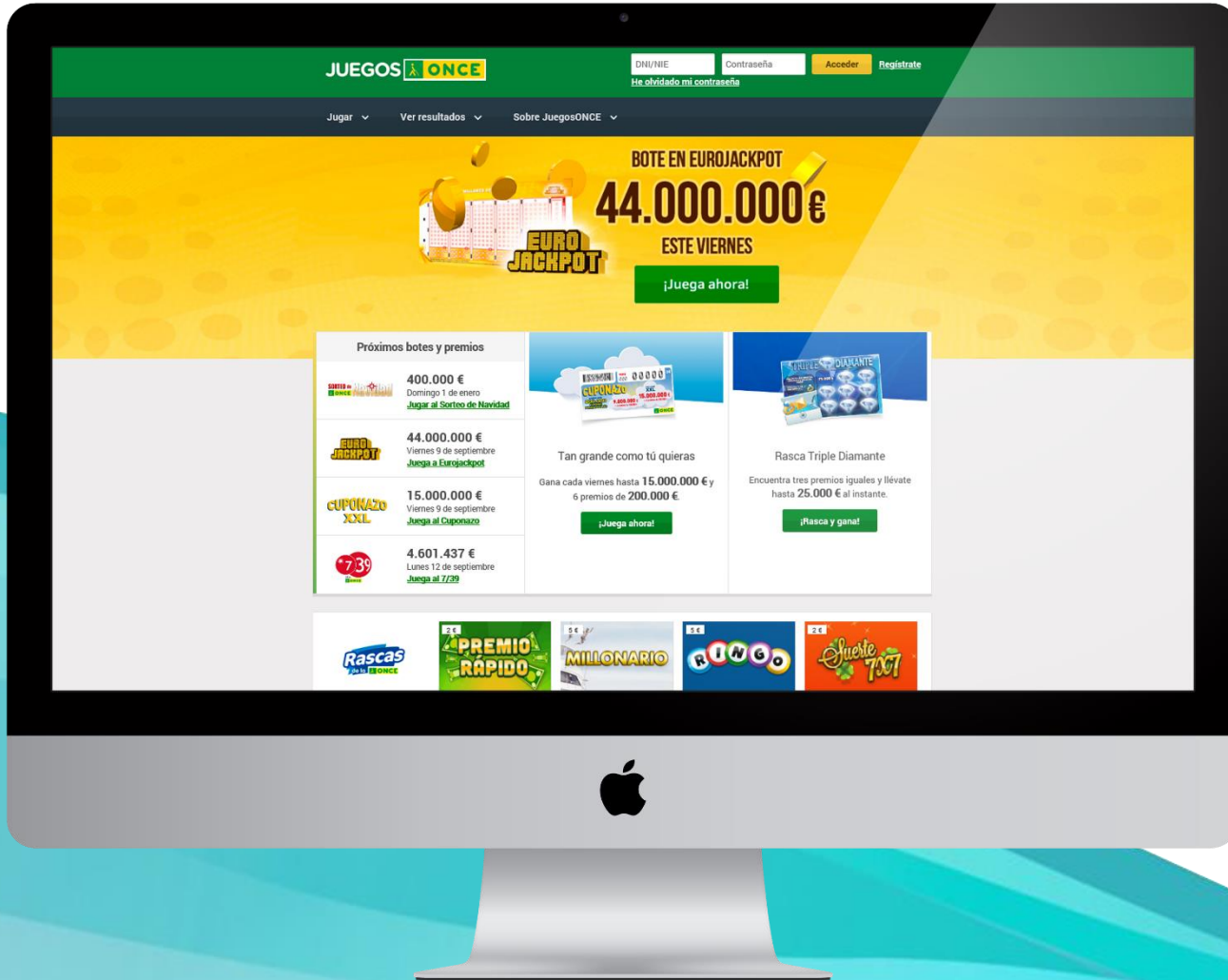
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13

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¹ Normalised numbers

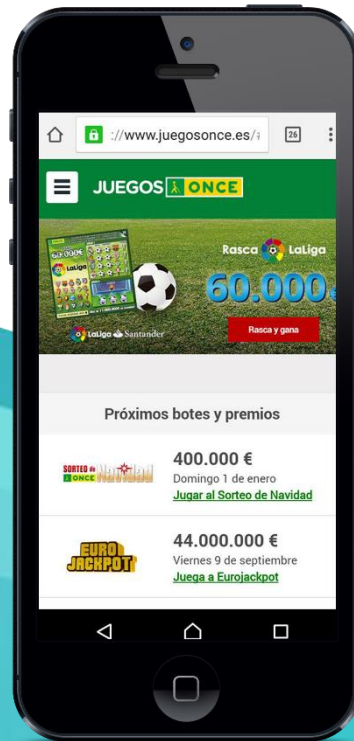
Business Unit Update – B2B/B2G



- License application process with UNICEF Norway underway
- Application for license in Netherlands underway
- Both Spanish operations with Ventura24 and Once ran profitable for the first 6 months

Clients for B2B / B2G Business are contracted

Location Status



Spain Live
The Spanish National Organisation
for Blind People

Services

Responsible for ONCE's
digital sales channel

Product Management
(technology provided by
existing supplier)

Marketing (Acquisition,
CRM, etc.)

Commercial Terms

Fully variable
(in % of gross margin)

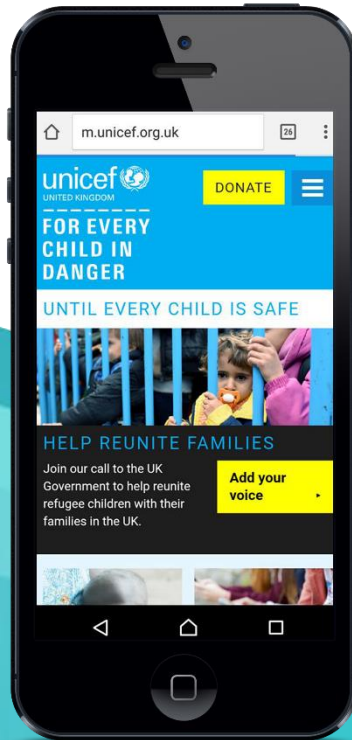
8-year contract (until 2021)

Break-even is expected
in 2016



Clients for B2B / B2G Business are contracted

Location Status



Norway In preparation
*United Nations International
Children's Emergency Fund*

Services

Responsible for all services to the lottery operations

Product Management

Marketing

Commercial Terms

Fully variable

9-year contract (until 2024)



Clients for B2B / B2G Business are contracted

Location Status



Spain Live

Services

Ventura24 acts as a broker of various state lottery products in Spain

Commercial Terms

Fees, which customers pay for the brokerage of lottery games

Positive EBIT contribution expected

Ventura24es

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GROWTH PROSPECTS



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Key Beliefs of our Strategy



Stand on more
than one leg



Be a growth
company

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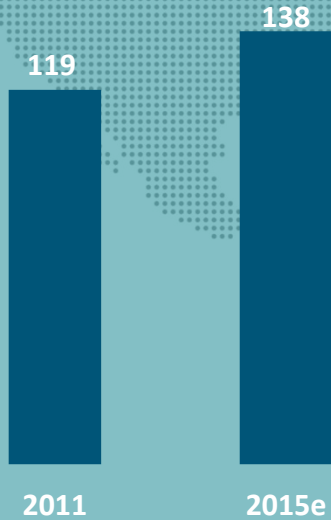


Be *THE* disruptor
in the lottery
industry

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The global Lottery Market is huge, the Online Share is still low but growing

Lottery - Revenue ¹ US\$bn



Online Share %

Market

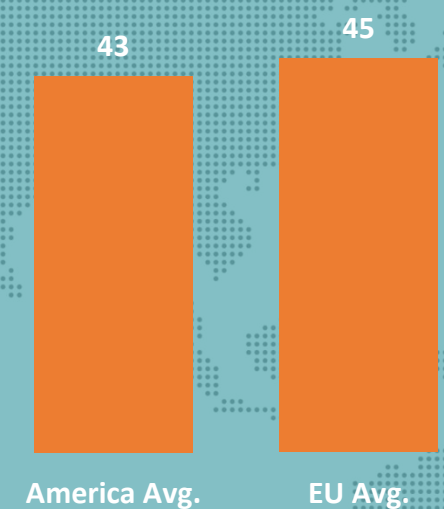


Lottery (2015)

Music (2014)



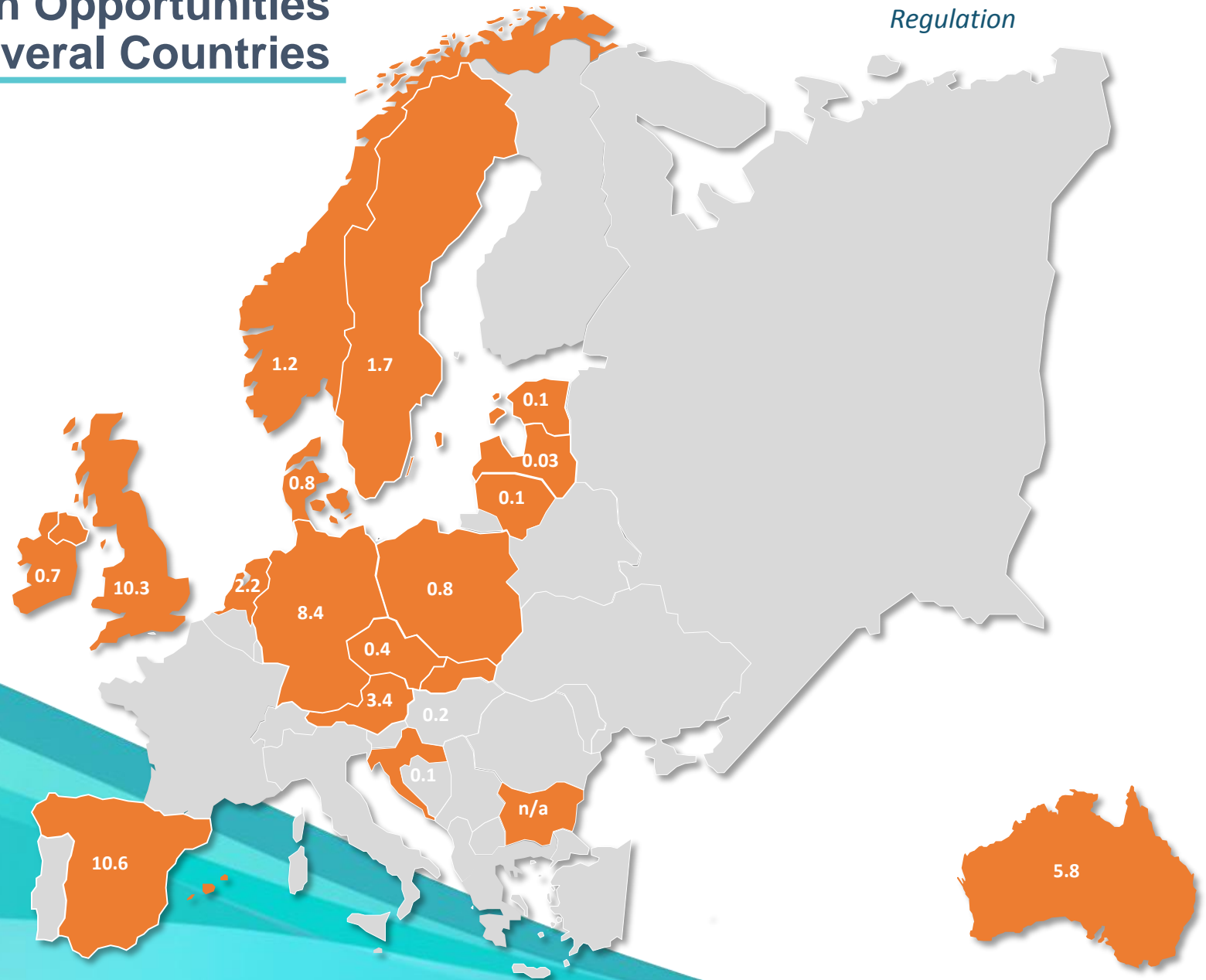
Travel (2013)



ZEAL identified Growth Opportunities for B2C and B2B / B2G in several Countries

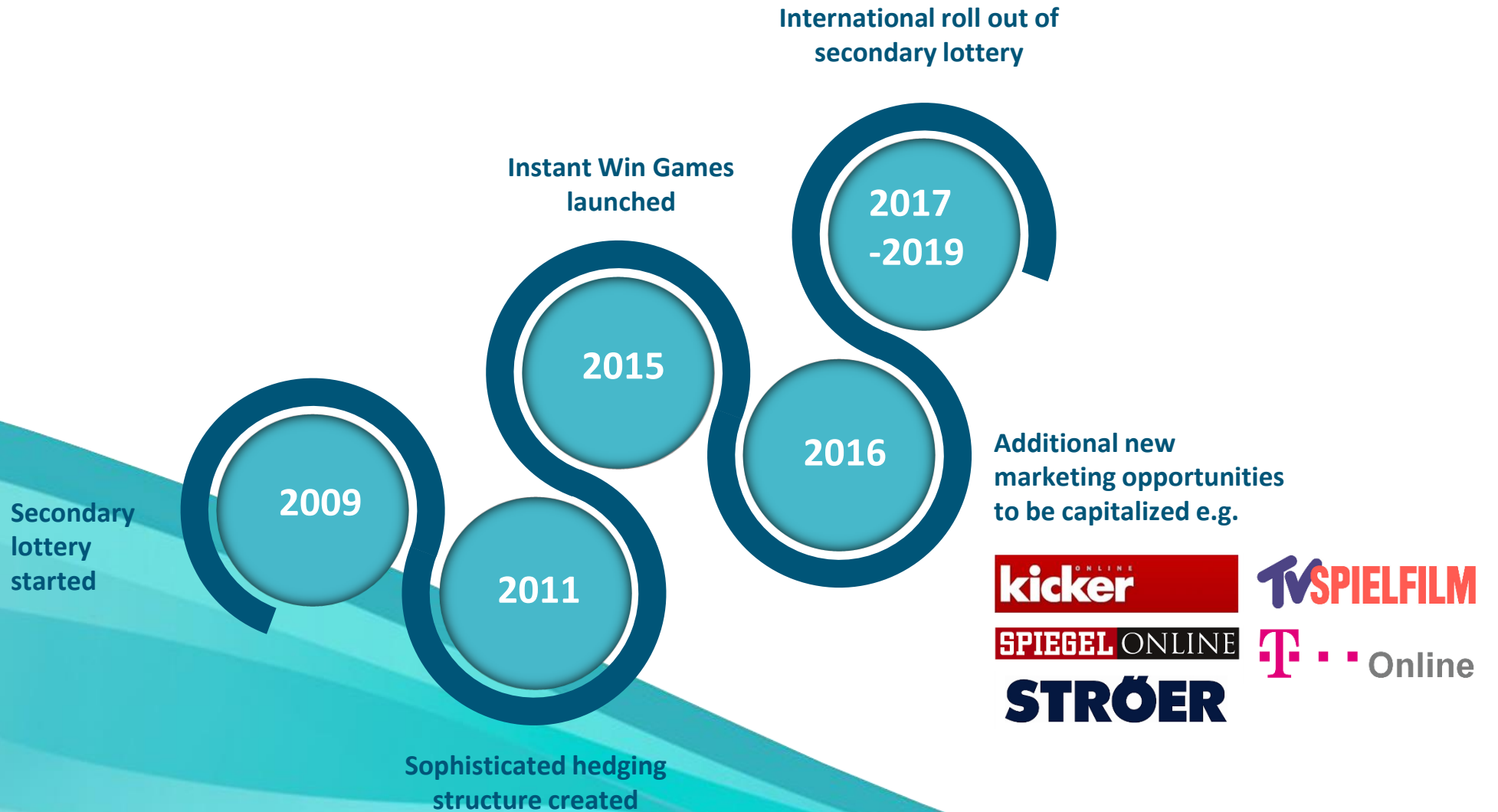
Billings 2016

€bn



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B2C is on Course for Growth and...



...B2B / B2G sets the Course or Growth

Foundation
and focus on
B2B / B2G

2012

2013

Contract signed with
UNICEF Norway

unicef 

2015

2016
- 2019

Focus on the primary
lottery opportunity
across Europe

- Charity model
- Operator model



Contract signed with



What's next?

In short to medium term, we want to...

- 1 ...grow and internationalise in B2C
- 2 ...establish B2B / B2G as THE partner for primary lotteries
- 3 ...explore future growth areas



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GUIDANCE 2016

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Amended Guidance 2016

Amended Guidance 2016	New in € million	Old in € million
Total Operating Performance	€ 125 - 135m	€ 140 - 150m
EBIT	€ 25 - 35m	€ 40 - 50m
Dividend	€ 2.80 per share	€ 2.80 per share

- New Guidance based on high price pay-out in May

- Underlying business performance still stable

Investment Highlights

- 1 Sustainable cash generating core business
- 2 Highly attractive growth opportunities
- 3 Strong financial position to finance growth
- 4 Leading expertise in online lottery

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An aerial photograph of London, England, taken at dusk or dawn. The River Thames flows through the center of the city, with several bridges crossing it. The city's dense urban landscape is visible, with numerous buildings and structures. A prominent teal horizontal banner is overlaid across the middle of the image. The sky is a mix of light and dark tones, suggesting the time is either early morning or late evening.

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Thank you