

The logo for ZEAL, consisting of the word "ZEAL" in a bold, white, sans-serif font, positioned on a dark blue horizontal bar that tapers from the left side of the slide.

ZEAL Network SE

Investor Call
Half Year Report as of 30/06/16

London, 12 August 2016

Important Notice

This Presentation has been produced by ZEAL Network SE (the "Company") and is furnished to you solely for your information and may not be reproduced or redistributed, in whole or in part, to any other person.

This document contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which the Company operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes," "expects," "predicts," "intends," "projects," "plans," "estimates," "aims," "foresees," "anticipates," "targets," and similar expressions. The forward-looking statements, including assumptions, opinions and views of the Company or cited from third party sources, contained in this Presentation are solely opinions and forecasts which are uncertain and subject to risks. A multitude of factors can cause actual events to differ significantly from any anticipated development. The Company does not guarantee that the assumptions underlying such forward-looking statements are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments.

No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, none of the Company or any of its subsidiary undertakings or any of such person's officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.

By accepting this Presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's business.

This document does not constitute or form a part of, and should not be construed as, an offer or invitation to subscribe for or purchase any securities and neither this document nor anything contained herein shall form the basis of, or be relied on in connection with, any offer or commitment whatsoever.

This Presentation speaks as of August 2016. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

This Presentation is neither an offer for sale of securities nor an offer for purchase of securities. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. The Company does not intend to conduct any public offering of or for securities in the United States.

Highlights H1 2016

€m Statutory	H1 2016	H1 2015	Change %
Total operating performance	61.4	65.5	(6)
EBIT	10.3	18.5	(45)

- Total operating performance of €61.4m only €4m down versus last year despite the high prize pay-out in May
- EBIT of €10.3m also impacted by the high prize pay-out in addition to several uncontrollable and non-recurring cost items

€m Normalised ¹	H1 2016	H1 2015	Change %
Revenue	69.5	68.0	2
EBIT	21.4	22.7	(6)

- 'Normalised'¹ Revenue increased by €1.5m to €69.5m despite:
 - The distraction of the Euro 2016 Championship
 - Lower average jackpots versus last year
- 'Normalised'¹ EBIT €21.4m was impacted by several uncontrollable and non-recurring cost items

¹ 'Normalised' revenue is defined as statutory revenue adjusted for statistical fluctuation differences

Business Unit Update

B2C:

- Despite the distraction of EURO 2016 – normalised revenue grew 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



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

Other topics

Hedging as a Service

- MyLotto24 has signed its first Hedging Service agreement for the provision of third-party Jackpot risk coverage

German VAT:

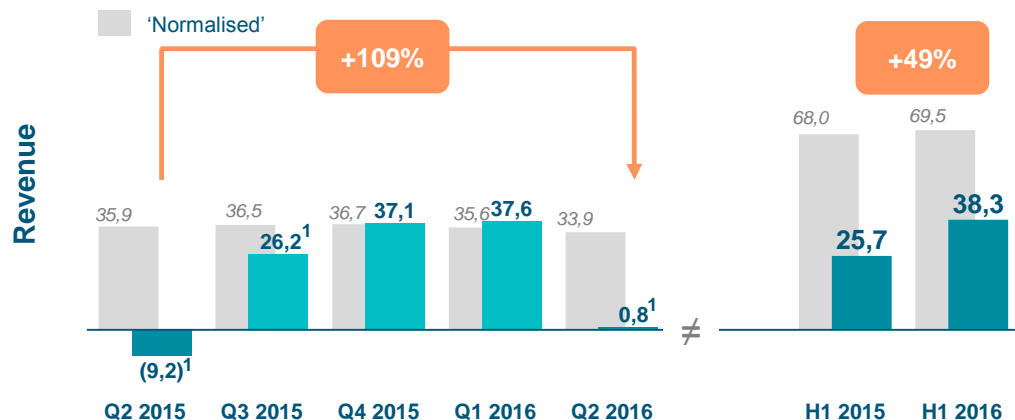
- No change in situation, no new information since Annual Report 2015

Brexit:

- The future relationship between UK and EU remains unclear **but** in all scenarios we expect the impact on ZEAL group companies be non-significant.

Development of Revenue TOP

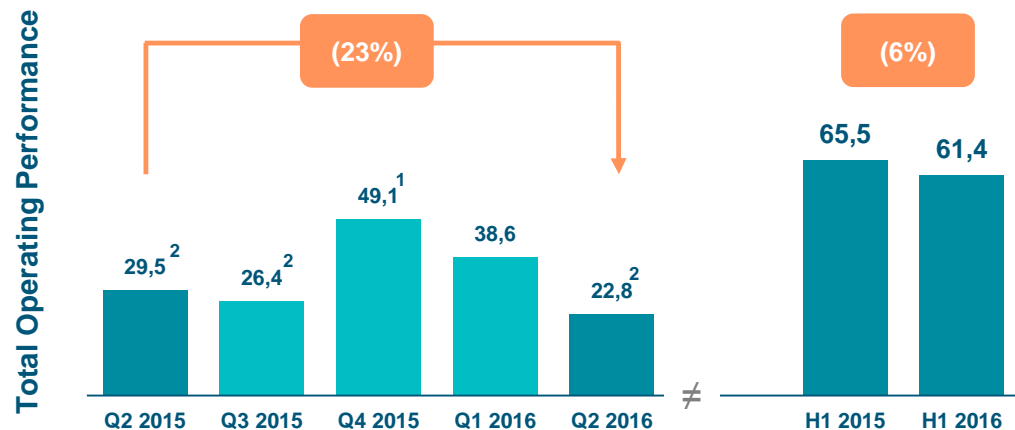
in million €



¹) Negatively impacted by high prize pay-outs

Comments

- 'Normalised' Revenue increased by 2% thanks to the successful rollout of instant win games offset by:
 - The distraction of the Euro 2016 Championship
 - Lower average jackpots versus last year
- Statutory Revenue increased by 49%



¹) Impacted by Spanish lottery tax of €9.6m

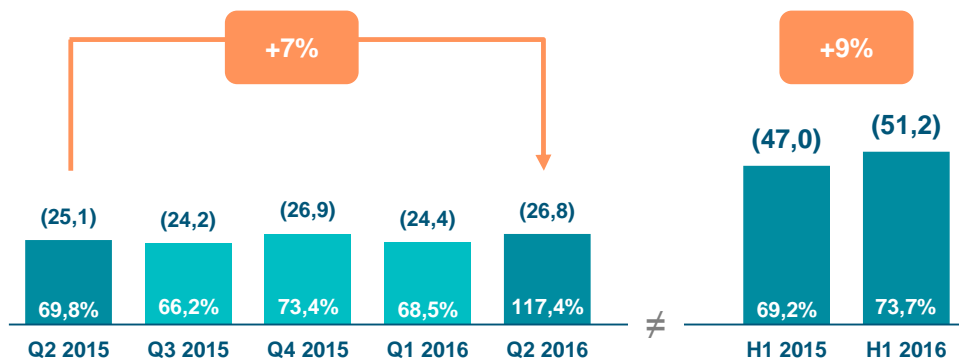
²) Negatively impacted by high prize pay-outs

- Total Operating Performance decreased by 6% compared to previous year
 - Negatively impacted by high prize pay-outs (H1 2016: €17m, H1 2015: €9.6m)
 - Mitigated by successful rollout of instant win games and a higher average levels of spend from the customer base

Development of Expenses

in million €

Total costs of operations¹



Comments

Personnel cost:

- Broadly in line with previous year with minor increase due to increased headcount and inflation based salary increases

Other Operating Expenses:

- €2.5m increase in irrecoverable VAT costs from a change in the UK VAT grouping structure
- €1.4m increase in investment in marketing costs
- Partly offset by reduced consulting costs of €1.0m

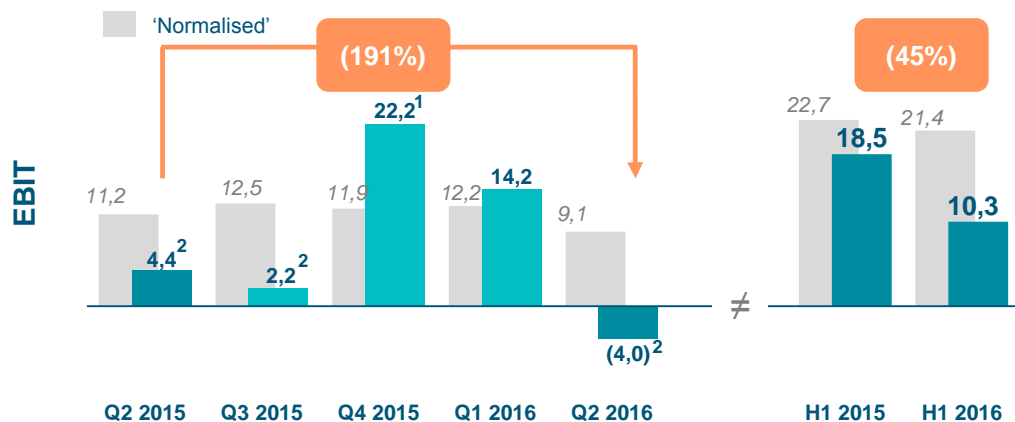
Other:

- Negative forex movements of €2.8m
- Non-recurring charge of €1.3m (Geo investments)
- Partly offset by lower depreciation charges of €2.0m

¹ Percentage of 'normalised' Revenue

Development of EBIT and Net Profit

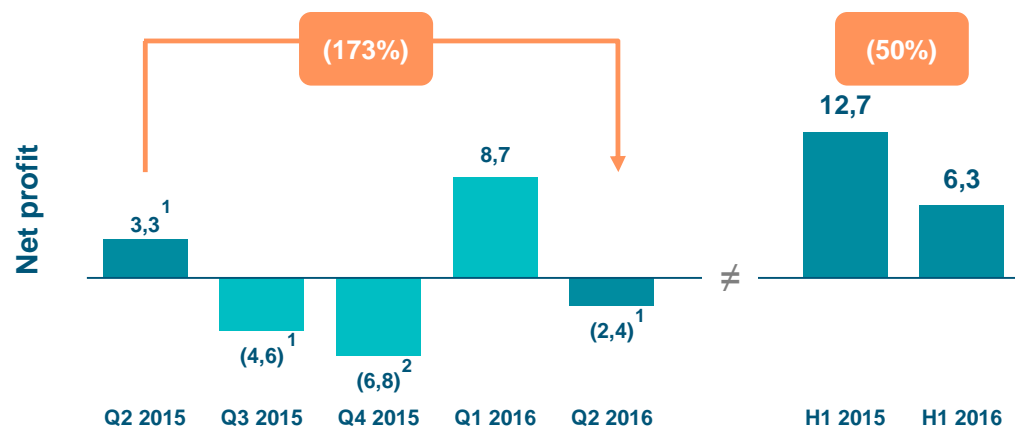
in million €



Comments

- EBIT impacted by several uncontrollable and non-recurring cost items

¹) Impacted by Spanish lottery tax of €9.6m
²) Negatively impacted by high prize pay-outs

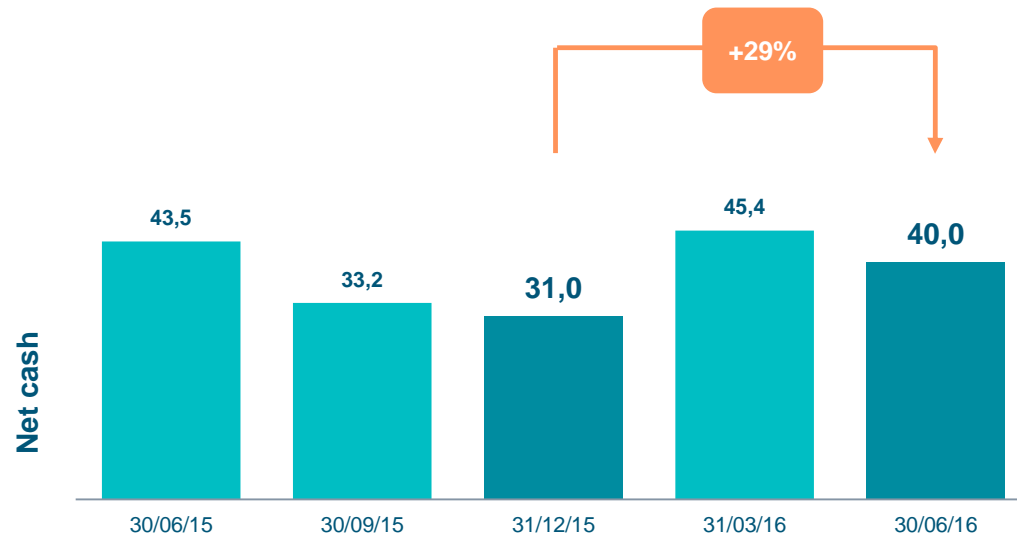


- Net profit impacted by EBIT variance and a non-recurring charge related to the impairment of Geo of €1.6m
- Consolidated tax rate of 30% (2015: 26%)
- Earnings per share (EPS) of €0.75 (2015: €1.52)

¹) Negatively impacted by high prize pay-outs
²) Negatively impacted by non-cash charge for the Geo investments

Development of net cash¹

in million €



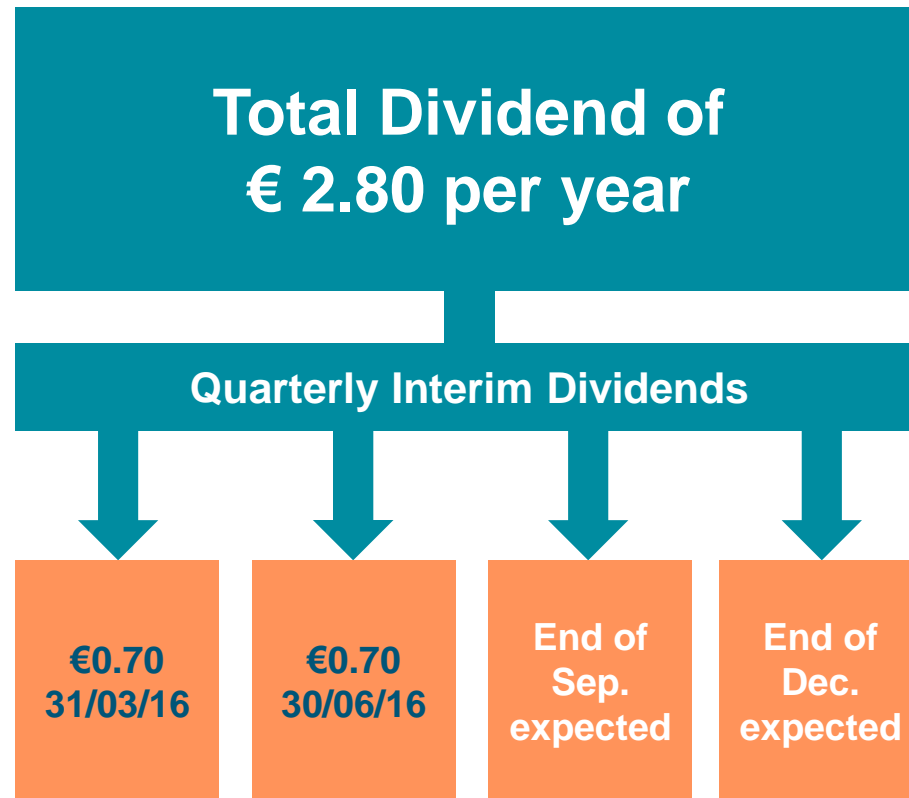
Comments

Net Cash was impacted in the first 6 months by:

- €12m dividend payments in H1 2016
- €17m from high pay-out in the 2nd Quarter
- Refund of €10m from the Spanish Tax Authority in 1st Quarter

¹ Definition of net cash: Short-term financial assets + other current assets and prepaid expenses, less Trade payables, Other liabilities, Income tax liabilities and a €50m hedging reserve

Dividend Policy



Guidance 2016

Guidance 2016	in € million
Total Operating Performance	€ 125 - 135m
EBIT	€ 25 - 35m
Dividend	€ 2.80 per share

- Guidance based on recent high prize pay-out
- Solid underlying business performance

Financial calendar

Publication of Q1 Report	13 May 2016
Annual General Meeting	22 June 2016
Publication of Q2 Report	12 August 2016
Publication of Q3 Report	11 November 2016

An abstract graphic consisting of several overlapping, wavy, translucent blue bands that flow from the left side of the page towards the right. The bands vary in shades of blue, from light cyan to a darker teal. On the right side, these bands converge into a solid dark blue horizontal bar.

ZEAL

Appendix

Consolidated Income Statement and Balance Sheet

in €k

Income Statement		30/06/16	30/06/15	Change in %
	Revenue		38,330	25,698
Total operating performance		61,444	65,542	(6.3)
Other operating expenses		(33,613)	(31,710)	+6.0
EBITDA		11,640	22,079	(47.3)
EBIT		10,264	18,520	(44.6)
Earnings before taxes		9,041	17,083	(47.1)
Profit		6,329	12,711	(50.2)

Balance Sheet		30/06/16	31/12/15	Change in %
	Current assets		122,283	132,156
Non-current assets		7,048	8,198	(14.0)
ASSETS		129,331	140,354	(7.9)
Current liabilities		38,149	43,711	(13.6)
Non-current liabilities		1,684	1,474	14.2
Equity		89,498	95,169	(5.6)
EQUITY & LIABILITIES		129,331	140,354	(7.9)

Business unit segment reporting as of 30/06/16

in €k

	B2C	B2B/B2G	Business unit total	Reconciliation to stats	- thereof normalisation adjustments	- thereof other	Statutory
	[A]	[B]	[A]+[B]=[C]	[D]+[E]=[F]	[D]	[E]	[C]+[F]
Revenue	66,234	3,125	69,359	(31,029)	(31,143)	114	38,330
Other operating income	1,135	164	1,299	21,815	20,030	1,785	23,114
Total operating performance	67,369	3,289	70,658	(9,214)	(11,113)	1,899	61,444
EBITDA	27,274	(4,815)	22,460	(10,820)	(11,113)	293	11,640
Depreciation/amortisation	(1,042)	(334)	(1,376)	-	-	-	(1,376)
EBIT	26,232	(5,148)	21,084	(10,820)	(11,113)	293	10,264
Financial result	-	-	-	(1,223)	-	(1,223)	(1,223)
EBT	-	-	21,084	(12,043)	(11,113)	(930)	9,041
Income tax	-	-	-	(2,712)	-	(2,712)	(2,712)
Net Profit/loss	-	-	21,084	(14,755)	(11,113)	(3,642)	6,329

Statutory / Normalised Revenue & EBIT

in €k

Revenue		H1 2016	H1 2015	Variance
	Statutory	38,330	25,698	12,632
	Normalised	69,473	67,989	1,484
	Variance	(31,143)	(42,291)	

EBIT		H1 2016	H1 2015	Variance
	Statutory	10,264	18,520	(8,256)
	Normalised	21,377	22,712	(1,335)
	Variance	(11,113)	(4,192)	



Frank Hoffmann

Investor Relations Manager

ZEAL

5th Floor - One New Change
London EC4M 9AF

T +44 (0) 203 739 7123

M +49 (0) 175 2673420

F +44 (0) 203 739 7099

frank.hoffmann@zeal-network.co.uk

www.zeal-network.co.uk