ZEAL Network SE (-)

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Dissemination of a Regulatory Announcement that contains inside information according to REGULATION (EU) No 596/2014 (MAR), transmitted by EQS Group.

Prize pay-out / guidance provided for 2019

In a secondary lottery held by MyLotto24 Limited, a fully consolidated minority shareholding of ZEAL Network SE, a customer has won a prize of EUR 26.3 million.

The self-retention specified in MyLotto24's hedging instruments will be utilized after the pay-out, part of which will be covered by those instruments. Total Operating Performance and EBITDA in the current fiscal year 2019 will therefore be impacted by EUR 21.5 million. Possible further jackpot winnings in 2019 will have no negative impact on EBITDA due to the full utilization of the self-retention.

In addition to the future jackpot development for major lottery products, the exact timing of the planned business model change - in connection with the takeover of Lotto24 AG in May 2019 - is of decisive importance for the ZEAL Group's forecast. Since the more profitable secondary lottery business will be converted to the brokerage business permitted in Germany from this date, ZEAL expects negative effects on revenue and profitability in the fourth quarter of 2019.

Based on the expectation of a business model change in October 2019, the effects on the customer base that cannot be conclusively assessed from today's perspective and the big price pay-out on 10 August 2019, ZEAL anticipates Total Operating Performance for the 2019 financial year significantly below the previous year (2018: EUR 160 million) and EBITDA between EUR 18 and 21 million (2018: EUR 48 million).

The dividend policy for 2019 remains under review.

Explanations of the key financial figures used can be found on the Company's website (available in the annual report 2018 at https://www.zeal-network.co.uk/investors/publications/.

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