

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.

Investor Call
Half-Yearly Report as of 30 June 2021

12 August 2021

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Summary

Summary

6M
2021

- **Continued growth at a weaker jackpot situation**
 - **Increased billings and revenue**
 - **Stable gross margin achieved**
 - **Profitability significantly improved**
- **AGM**
 - **All resolutions adopted at the AGM**
- **ZEAL Network SE undertakes to make a delisting purchase offer to the shareholders of Lotto24 AG**
- **ZEAL strengthens Management Board**

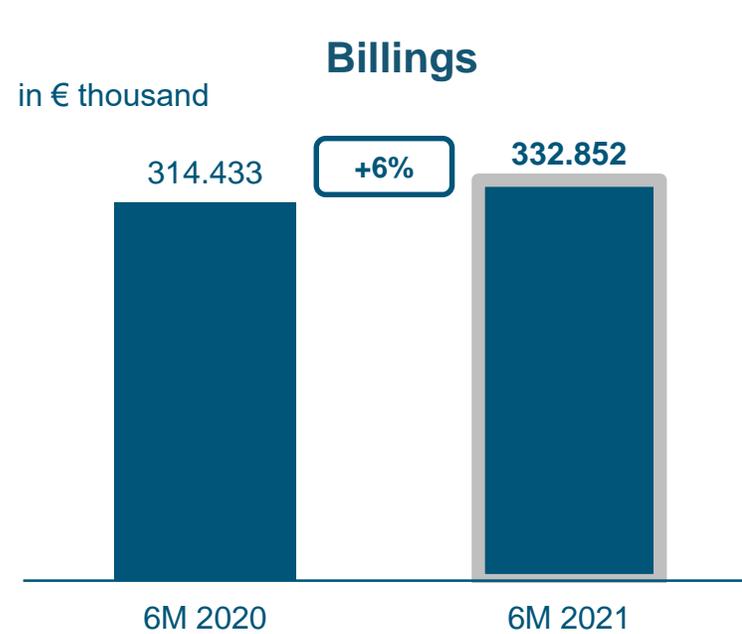


Financial Update

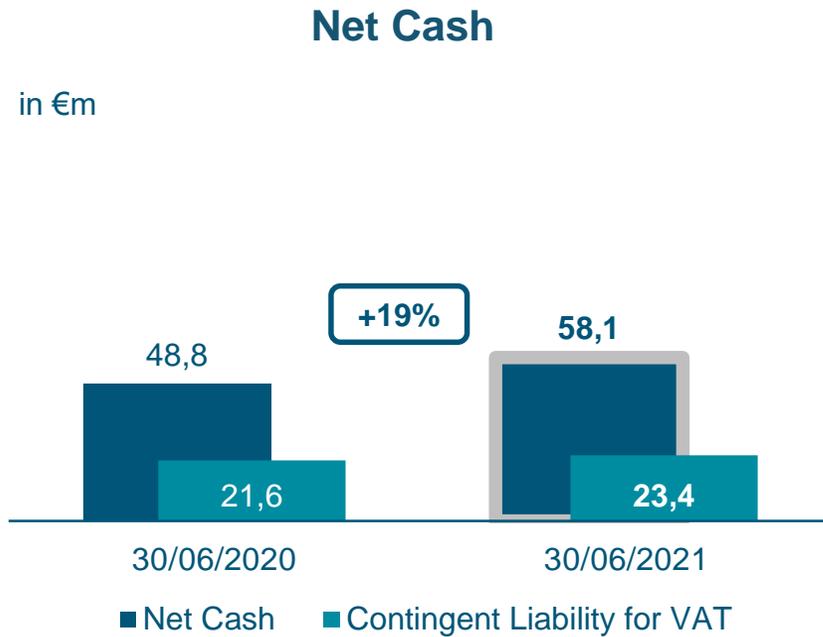
ZEAL Income Statement 6M 2021 - condensed

Income Statement	in € thousand	6M 2021	6M 2020	Change in %	Comments
	Revenue	44,517	43,570	+2.2	➤ Revenue: – Revenue increased by 2%
	Personnel expenses	-10,249	-11,195	-8.5	➤ Total costs of operations: – Total costs of operations decreased by 17% compared to previous year
	Other operating expenses	-23,682	-30,073	-21.3	➤ Personnel expenses: – Number of employees decreased from 156 FTE's to 151 FTE's – The 8.5 % decrease in costs is mainly due to the revaluation of the long-term incentives to match the current share price
	Marketing expenses	-13,761	-18,328	-24.9	➤ Marketing expenses: – Decrease in Marketing expenses as a result of the significantly weaker jackpot development
	Direct operating expenses	-5,135	-4,903	+4.7	➤ Direct operating expenses: – Increase of 5% in line with 6% billings growth
	Indirect operating expenses	-4,786	-6,842	-30.0	➤ Indirect operating expenses: – Decline in indirect operating expenses of 30%, mainly due to savings in services and external staff costs
	Adjusted EBITDA	10,668	3,250	+228.2	➤ Adjusted EBITDA: – EBITDA increased by 228% driven by savings in marketing expenses and indirect operating expenses, as well as by the increase in revenue
	Amortisation and depreciation	-4,387	-5,164	-15.0	
	Non-recurring income and expenses	-	-108	n.a.	
EBIT	6,281	-2,022	n.a.		
Net profit after taxes	5,676	377	+1,405.6		

Other performance indicators I

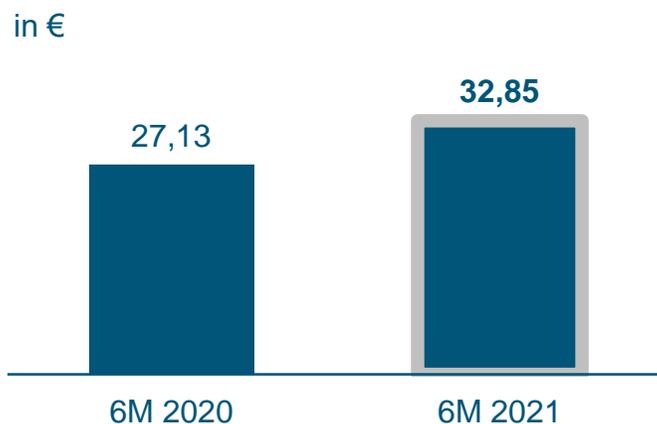


Other performance indicators II

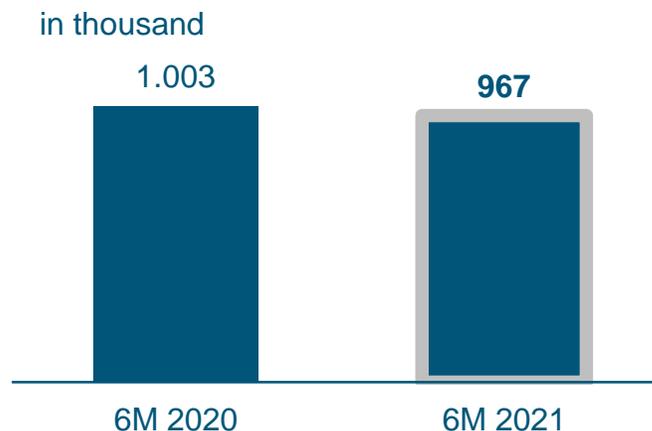


Other performance indicators III

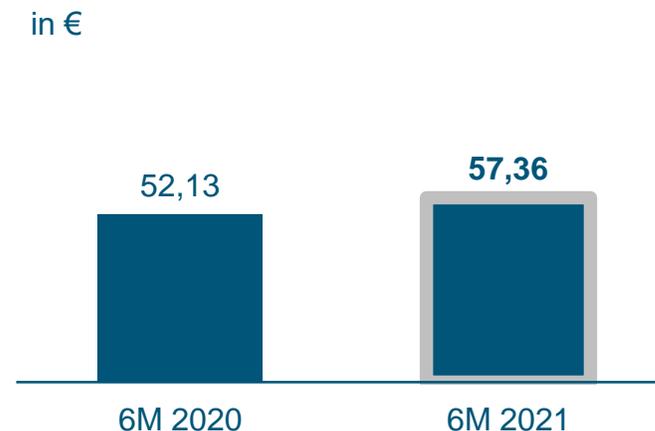
Cost per Lead, CPL (Germany Segment)



Monthly Active Users (MAU)¹⁾ (Germany Segment)



Average Billings per User, ABPU²⁾ (Germany Segment)



- 1) MAU (monthly average active users) is the number of unique users who have either purchased a ticket or participated in a draw in a given month (incl. free bets) and provides a measure of the Company's ability to retain and attract new customers.
- 2) ABPU (average billings per user per month) is the average net billings received from each active customer in a given month. It is calculated by dividing monthly net billings by average monthly active users) and provides a measure of the Company's ability to increase loyalty and value from our customers.



Guidance 2021

Consolidated Guidance 2021 - confirmed

in €m	2021 Guidance	2020 Actual
Billings (Germany segment)	At least 700	651.8
Revenue	At least 95	87.0
Adjusted EBITDA¹⁾	At least 20	12.7

¹⁾ Earnings before interest, taxes, depreciation, amortisation and non-recurring expenses

In fiscal year 2021, we plan to further expand our market leadership as an online provider of state lottery and other lottery products with the LOTTO24 and Tipp24 brands.

Depending on the general conditions, in particular the jackpot development, we expect billings of at least €700 million for the Germany segment. Following an exceptionally strong jackpot development in the previous year, we have assumed an average jackpot development, resulting in a lower growth rate than in the previous year.

Moreover, we expect revenue to be at least €95 million in fiscal year 2021. With similarly high marketing investments as in the previous year of €32 million to acquire new registered customers, adjusted EBITDA is expected to reach at least €20 million.

Dividend Policy

- Due to the positive liquidity situation of the ZEAL Group and the expected further increase in profitability, we have paid-out a total of €20.1 million (2019: €17.9 million) respectively €0.90 per share (2019: €0,80) in dividends to our shareholders in June 2021
- Depending on the economic development of the ZEAL Group, we have set ourselves the target of proposing a dividend of **€1.00 per share** to the shareholders at the Annual General Meeting in 2022



Key Take-Aways

Key take-aways

Good billings growth despite comparatively low jackpots

Profitability significantly increased

New German State Treaty on Gambling came into force on
1 July 2021

ZEAL strengthens Management Board

Questions

Answers

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ZEAL

Appendix

Consolidated Income Statement and Balance Sheet in €k

Income Statement	6M 2021	6M 2020	Change in %
	Revenue	44,517	43,570
Total costs of operations	-34,221	-41,094	-16.7
Adjusted EBITDA ¹⁾	10,668	3,250	+228.2
EBIT	6,281	-2,022	n/a
Profit before taxes	7,385	-215	n/a
Net Profit	5,676	377	+1,405.6

Balance Sheet	30/06/21	31/12/20	Change in %
	Current assets	92,154	104,432
Non-current assets	385,278	389,902	-1.2
ASSETS	477,432	494,334	-3.4
Current liabilities	33,917	36,051	-5.9
Non-current liabilities	62,078	62,721	-1.0
Equity	381,437	395,562	-3.6
EQUITY & LIABILITIES	477,432	494,334	-3.4

¹⁾ Earnings before interest, taxes, depreciation, amortisation and non-recurring expenses

Business Unit Segment Reporting as of 30/06/21 in €k

	Germany	Other	Total
Revenue	41,831	2,686	44,517
Other operating income	370	2	372
EBITDA	9,775	893	10,668
Depreciation/amortisation	–	–	-4,387
EBIT	–	–	6,281
Financial result	–	–	1,196
Share of loss from associates			-92
EBT	–	–	7,385
Income tax	–	–	-1,710
Net Profit/loss	–	–	5,676

KPIs

2nd lottery business

Broker Business

Billings (in €m)	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
	112.0	153.3	134.0	140.0	174.4	157.3	181.0	163.3	169.5

ABPU (in €)	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
	60.5	57.3	48.4	49.5	54.5	54.9	61.3	56.4	58.4

MAU (in k)	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
	365	917	925	942	1,065	954	984	966	968

Financial calendar 2021

Publication of Annual Report 2020	25 March 2021
Publication of Q1 Report	7 May 2021
Annual General Meeting	1 June 2021
Publication of Half-Year Report	12 August 2021
Publication of Q3 Report	11 November 2021

The logo for ZEAL, consisting of the word "ZEAL" in a bold, dark blue, sans-serif font. The background of the slide features a dynamic, abstract design of overlapping, wavy bands in various shades of teal and light blue, creating a sense of movement and depth. A white horizontal band runs across the middle of the slide, providing a clean background for the logo and contact information.

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