

Anti-Money-Laundering Statement

Anti-Money Laundering

1. ZEAL's self-understanding

Money laundering and terrorist financing have been identified as major threats to gaming operations, and are therefore a core topic of ZEAL's overall Ethics & Compliance Management System, which follows the structure of the IDW PS 980 audit standard. Risks are regularly assessed, evaluated and mitigated and all measures are constantly monitored to ensure effectiveness and compliance with the legal requirements¹ for combating money laundering (AML). At ZEAL, we also do not engage in cash transactions and we are transparent about our licenses:

Lotto24 is regulated and licensed by:

- Gemeinsame Glücksspielbehörde der Länder (GGL);
 - Erlaubnis zur gewerblichen Spielvermittlung
 - Erlaubnis zur Veranstaltung virtueller Automatenspiele
- Malta Gaming Authority
 - B2B games supplier license

ZEAL has decided to cooperate with the Chevron group, a leading consulting company in the European gambling sector, to address all AML topics appropriately. The group's CEO Mr Jochen Biewer has been appointed as Lott24's MLRO and in addition Mr Nikolas Lotz, a COO of a Chevron group company, has been appointed as deputy MLRO. These proven experts act as MLROs for several gambling operators in Germany and further European jurisdictions (e.g. Malta, Spain, Austria, Denmark, etc.). The MLRO

- is responsible for Lotto24's AML strategy;
- drives communication to the management board and other stakeholders with respect to issues concerning AML as appropriate;
- maintains relationships between AML and the external auditors;
- is the primary AML specific point of contact with the local regulators and law enforcement authorities;
- oversees AML's global budget & resources, planning & forecasting processes;
- is responsible for the AML risk analysis and for the implementation of adequate monitoring – research /surveillance tools;
- oversees AML related IT-systems, change projects, technology, operations and ensures that reporting obligations are met;
- is responsible for establishment and maintenance of an AML program using a risk based approach towards assessing and managing the money laundering and terrorist financing risks; and

¹ In particular, the Directive (EU) 2018/843 amending Directive (EU) 2015/849 (4th and 5th EU AML directives) and the Money Laundering Act - GwG [as of 01.08.2021] as well as the Application Guidance (AUA). Depending on local particularities, affiliate companies may have additional local policies and procedures to comply with respective local legislation, regulations and any government approved guidance in the jurisdictions in which they operate.

- is responsible for preparing or filling of any reports or forms requested by or received from FIU, completely and within the time limit given.

2. Anti-Money Laundering Strategy

The AML strategy contains obligations and duties which all relevant members of ZEAL must comply with at all times. These duties are monitored by the MLRO and the particular specialist departments.

The strategy consists of

- the implementation of effective and efficient AML procedures for day-to-day management and administration by an AML Management System;
- the development and performance of adequate controls to ensure that all applicable legal and regulatory AML requirements of its jurisdiction are being adhered to;
- ensuring that local guidelines and procedures are in line with local AML laws / regulations;
- the development and maintenance of procedures to ensure that unusual and suspicious transactions are detected
- establishing and maintaining risk-based procedures, including enhanced due diligence for those customers presenting higher risk, such as Politically Exposed Persons (PEPs), and according to the risk categorisation performed;
- establishing and maintaining risk based systems and procedures to monitor ongoing customer activity;
- procedures for reporting suspicious activity internally and to the relevant law enforcement authorities as appropriate;
- the maintenance of appropriate records for the minimum prescribed periods;
- establishing and maintaining risk-based employee's due diligence, identification and verification of reliability procedures;
- regular training and awareness for all relevant employees. Failure to comply with our internal rules to prevent money laundering or any other unethical behavior may give rise to disciplinary action, up to and including dismissal; and
- the provision of appropriate management information and reporting to senior management of the ZEAL's compliance with the requirements.

3. Anti-Money Laundering Measures

ZEAL has implemented the following AML measures which are necessary for the success of our AML strategy:

- Appointment of two MLROs, who are proven AML experts;
- Widespread identification and assessment of potential money laundering or terror financing (ML/TF) risks and determining efficient AML measures to be implemented;
- Application of comprehensive identification tools (e.g. Schufa check and Post Ident), ensuring a clear know-your-customer (KYC) strategy;

- Regular PEP and sanction list checks (at registration stage and during business relationship with the customer), using up to date lists of industry expert Tolerant Software;
- Application of enhanced due diligence measures, whenever applicable;
- Comprehensive automated and manual monitoring of the gambling and payment activities of the players, enabling ZEAL to detect (possible) suspicious activities at an early stage;
- At least annual thorough AML trainings for all staff employed in ML/TF critical departments;
- Profound screening of (potential) new employees and also ensuring staff's ongoing reliability;
- Implementing state of the art internal reporting tools enabling all employees to forward any (potential) suspicious activity detected non-anonymously or anonymously to ZEAL's Compliance Team;
- Recording relevant personal player data, gambling and payment activities for at least five years;
- Preparation of annual reports for the senior management by the MLROs signposting the company's current (risk) situation and explaining potential optimization measures identified; and
- Annual review and adaption of ZEAL's AML documentation or AML Management system.

4. Whistleblowing Channels

For those who wish to report a (potential) case of money-laundering or an infraction of a related or, ZEAL provides several channels which are listed below. Whistleblowers are strongly encouraged to use these internal channels before turning to external ones (otherwise no guaranteed protection). For those reporting in good faith (and those cooperating in investigations) no discrimination or other disadvantage will arise. The anonymity of whistleblowers is given when reporting through the tool, where communication for further exchange of information is still possible through a secure postbox. Naturally, ZEAL treats all received confidentially and in a GDPR-compliant way.

eMail:

ethics@zealnetwork.de

Whistleblower

Here it is possible, but not necessary, to remain completely anonymous. Accessible also via smartphone or tablet.

zeal.whistleblownetwork.net

Tool:
