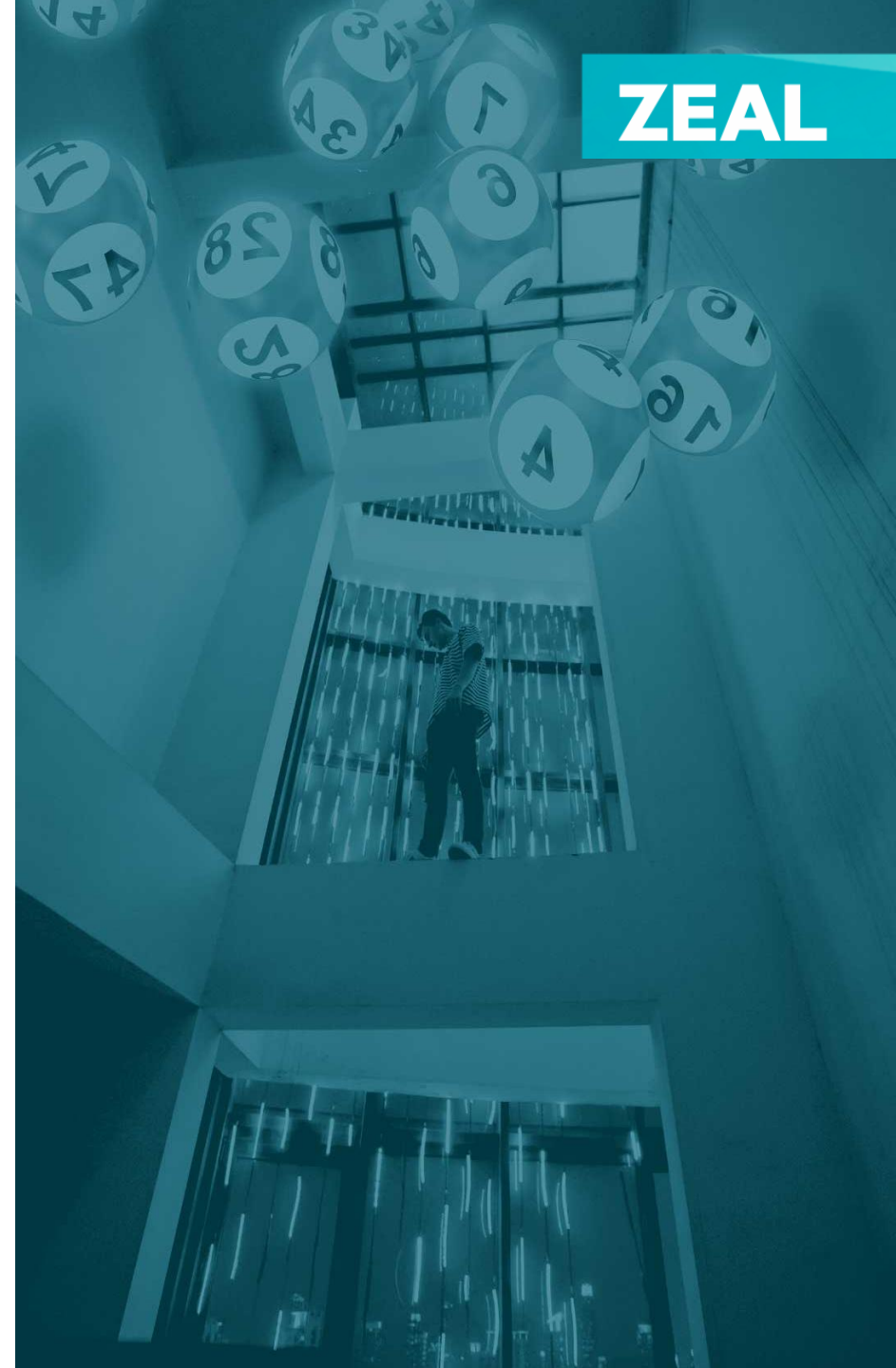


Earnings Call

Quarterly Statement as of
30 September 2021

11 November 2021



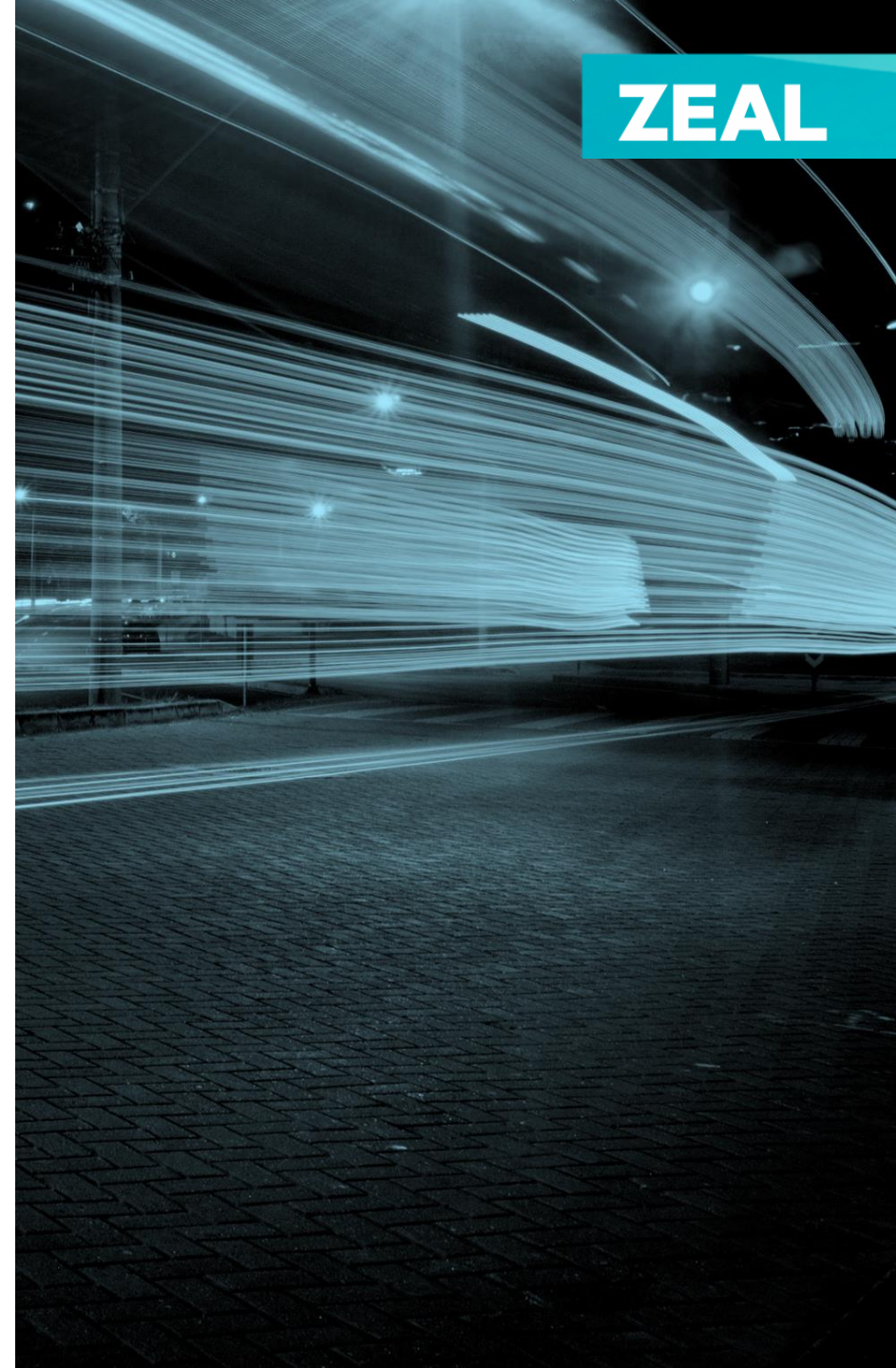
Content

SUMMARY

FINANCIAL UPDATE

GUIDANCE

KEY TAKE-AWAYS



Summary 9M 2021

9M 2021

- **Further growth in a weaker jackpot situation**
 - Billings and revenue increased despite low jackpots
 - Profitability significantly improved
- **Successful stock market withdrawal of LOTTO24 AG**
- **ZEAL supports vaccination campaign of the Federal Government**
- **The largest price ever paid out by ZEAL – €49m for a winner in Bavaria**
- **Guidance adjustment**

Current regulation works in our favour

New GlüStV 2021

- No expiry date (can't be terminated before 2028)
- Opportunities: Games, Sports Betting

Games License

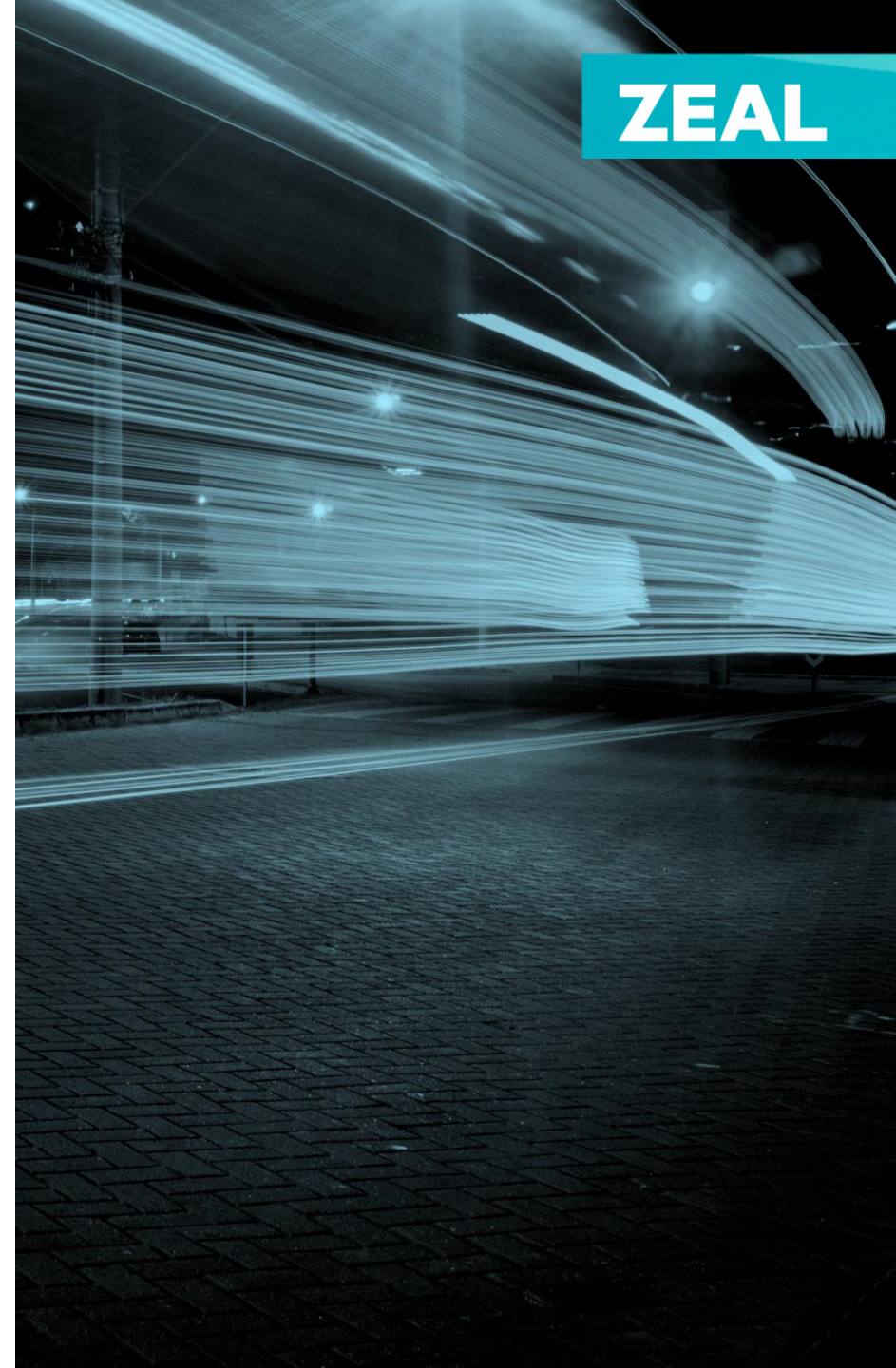
- Application (permit) filed in July 2021
- Authority stated recently: "First permits will be issued earliest in Q4 but certainly in the first quarter of 2022"

Broker License

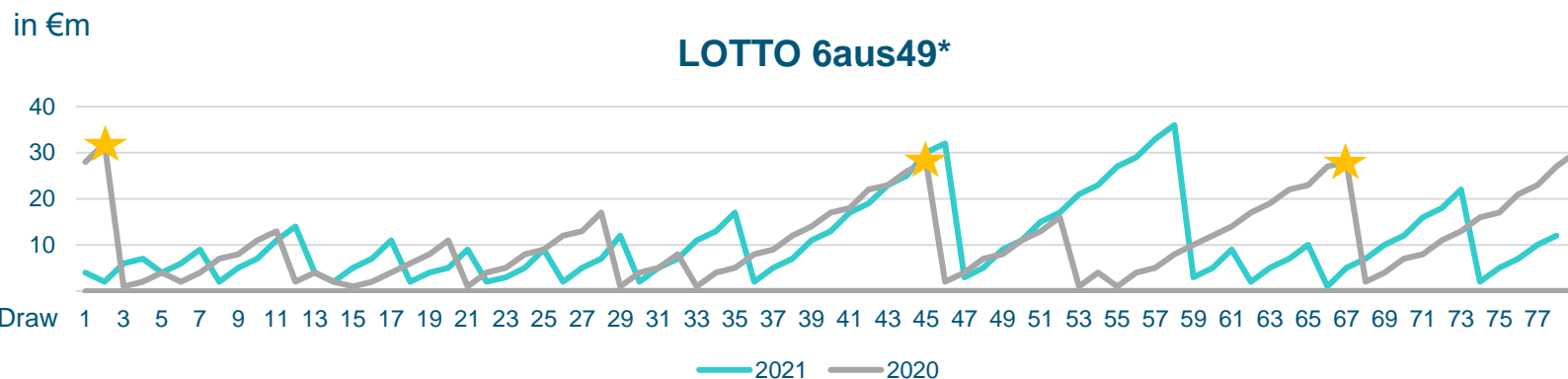
- Lotto24 broker permit valid until June 2022
- Renewal considered a formality



Financial Update

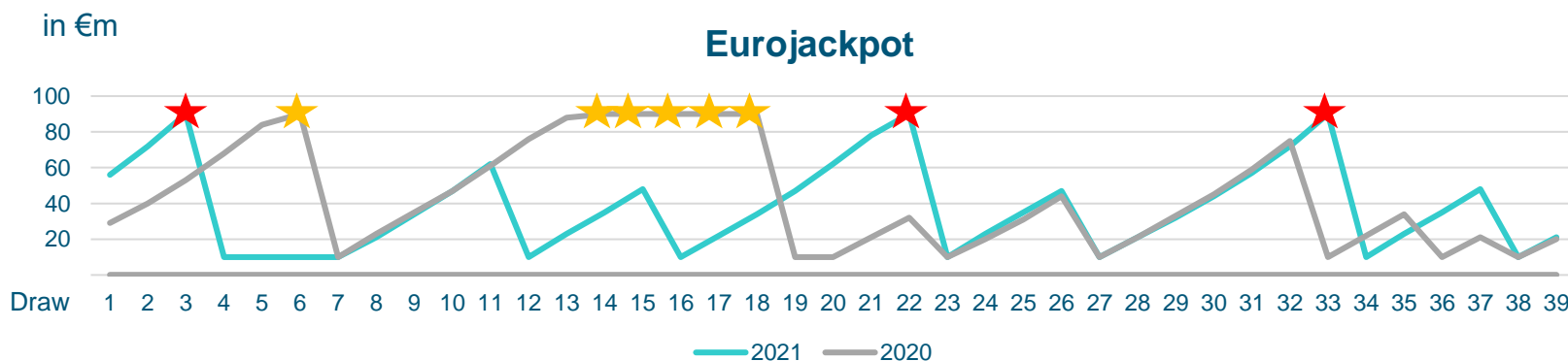


Jackpot development - only 3 peaks in 2021 vs. 9 in 2020



in €m	Average	Peak
YTD 2021	10.3	0
YTD 2020	10.9	3

* Since 23 September 2020, the amount of the jackpot has been limited to a maximum of 45 million euros each and is no longer paid out after twelve consecutive draws

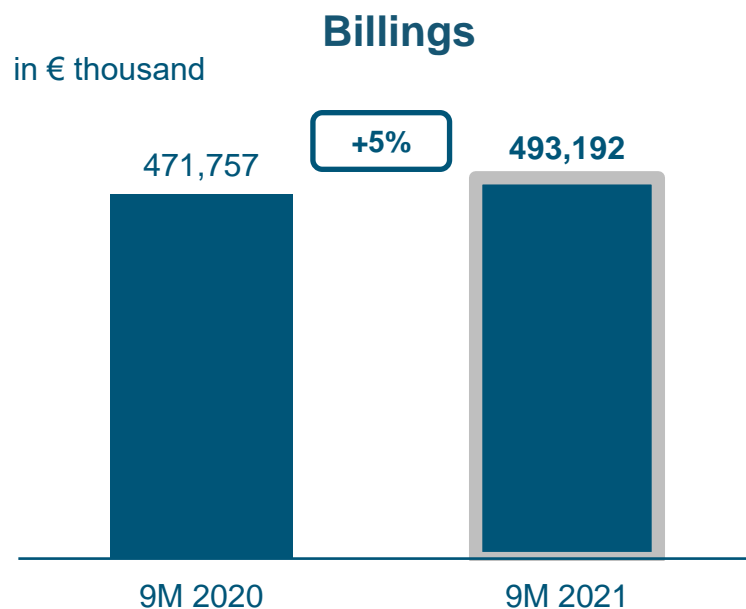


in €m	Average	Peak
YTD 2021	38	3
YTD 2020	44	6

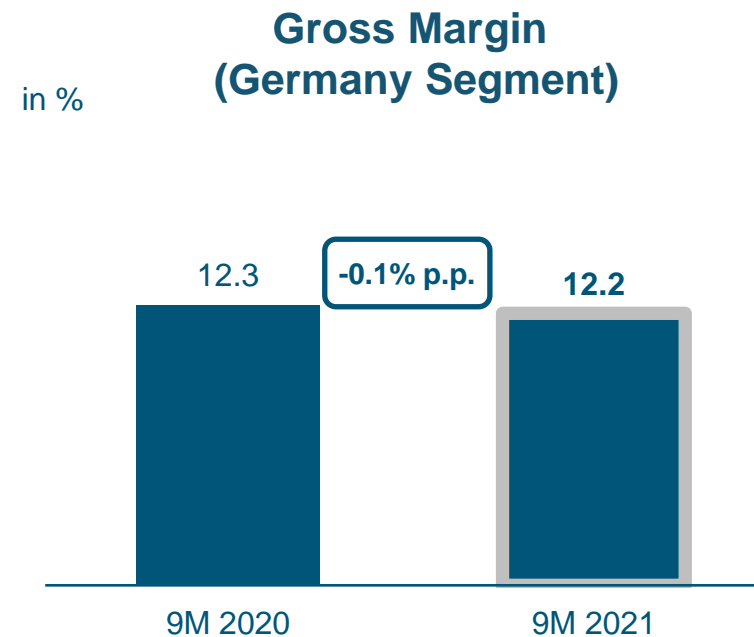
ZEAL Income Statement 9M 2021 - condensed

in € thousand		9M 2021	9M 2020	Change in %	Comments
Income Statement	Revenue	65,053	64,457	+0.9	➤ Revenue: – Revenue increased by 1%, despite low jackpots
	Personnel expenses	-14,485	-16,593	-12.7	➤ Total costs of operations: – Total costs of operations decreased by 19% compared to previous year
	Other operating expenses	-33,216	-42,976	-22.7	➤ Personnel expenses: – Number of employees decreased from 160 to 158 FTE's – The 13% decrease in costs is mainly due to the revaluation of the long-term incentives to match the current share price and the reduction of employees
	Marketing expenses	-18,615	-25,304	-26.4	➤ Marketing expenses: – Decrease in Marketing expenses as a result of the significantly weaker jackpot development
	Direct operating expenses	-7,470	-7,236	+3.2	➤ Direct operating expenses: – Increase of 3% in line with 5% billings growth
	Indirect operating expenses	-7,131	-10,436	-31.7	➤ Indirect operating expenses: – Decline in indirect operating expenses of 32%, mainly due to savings in services and external staff costs as well as the release of provisions in respect of litigation.
	Adjusted EBITDA	17,649	6,903	+155.7	➤ Adjusted EBITDA: – EBITDA increased by 156% driven by savings in personnel expenses, marketing expenses and indirect operating expenses, as well as by the increase in revenue
	Amortisation and depreciation	-6,573	-7,695	-14.6	
	Non-recurring income and expenses	-	+3,656	n.a.	
	EBIT	11,076	2,864	286.7	
Net profit after taxes	7,344	6,537	+12.3		

Other performance indicators I

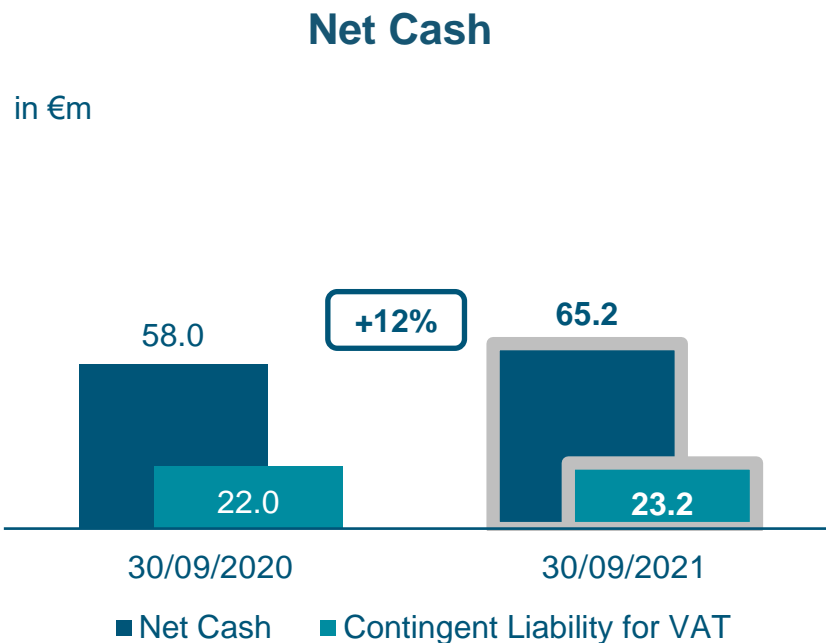


Further growth despite weaker jackpot development

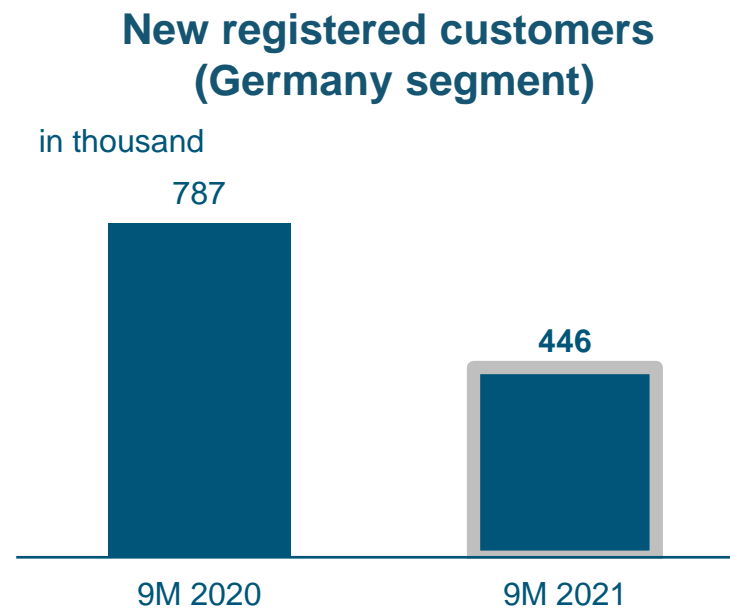


Weaker jackpot development results in a slightly decrease in gross margin

Other performance indicators II



Strong net cash generation mainly driven by operating profitability

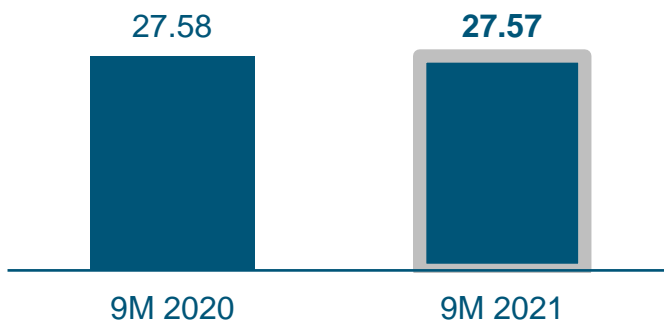


Management dialed down marketing resulting in fewer new customers

Other performance indicators III

**Cost per Lead, CPL
(Germany Segment)**

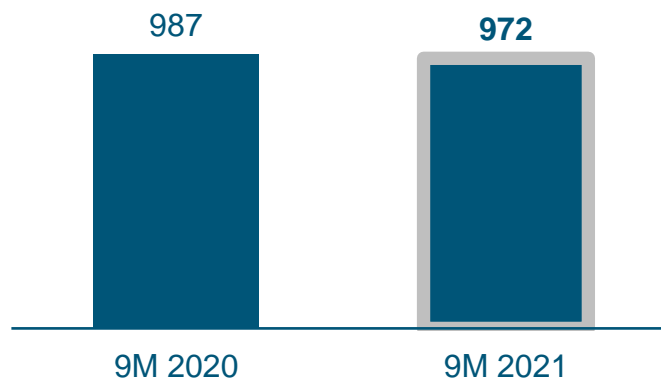
in €



Our "#geimpftgewinnt" campaign linked to new customer acquisition had contributed to a reduction in the CPL compared to the first half of this year.

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

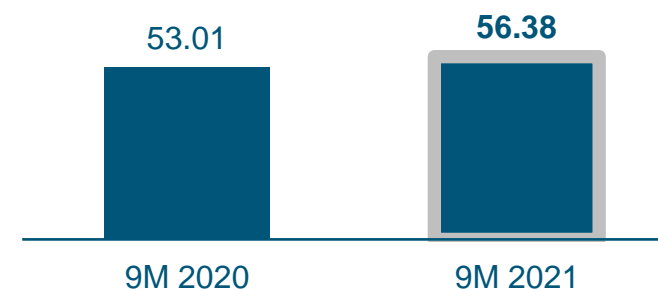
in thousand



Weaker Jackpot development results in a decrease of active customers per month

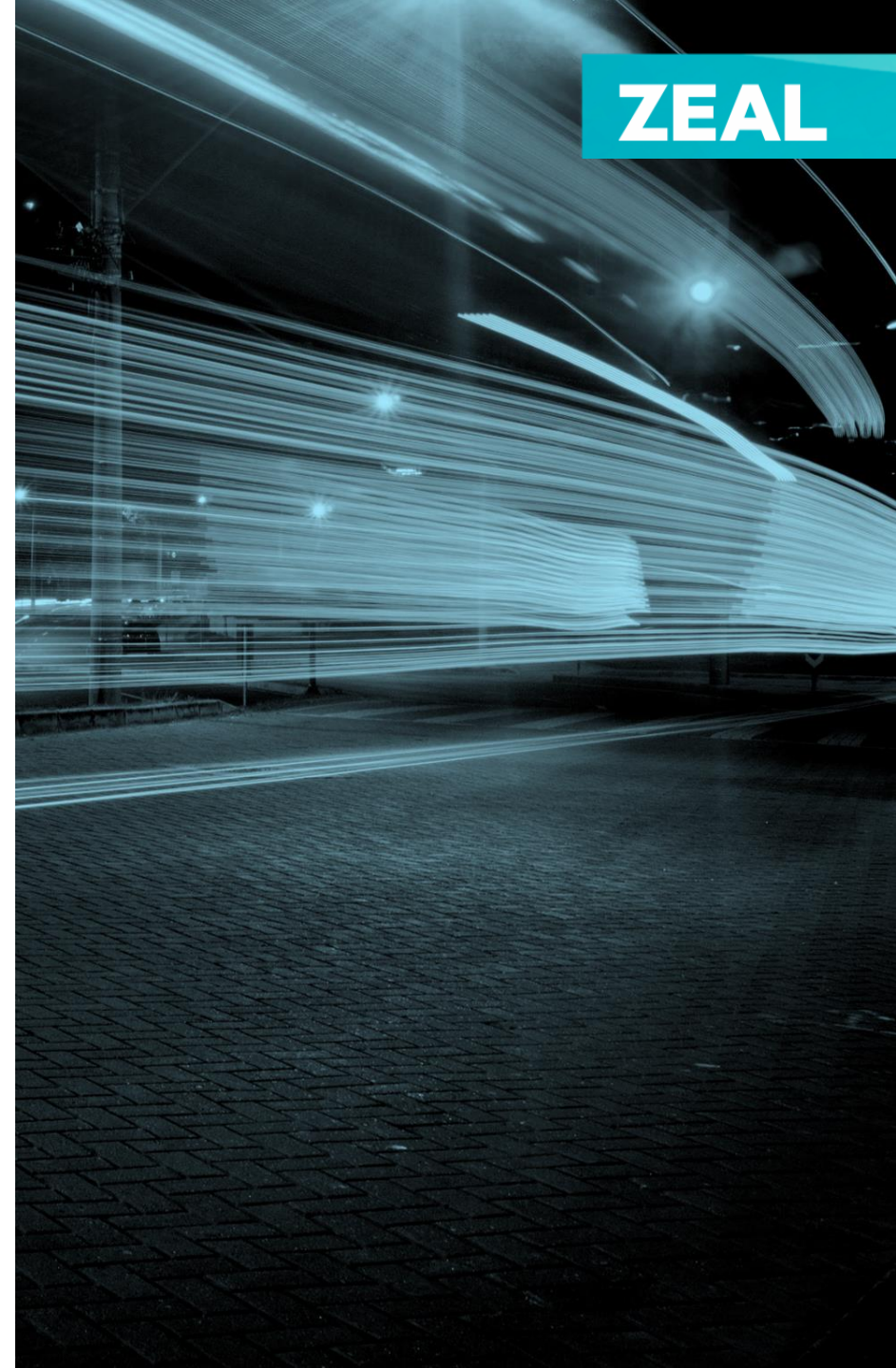
**Average Billings per User, ABPU²⁾
(Germany Segment)**

in €



The price increase in September 2020 contributed to the growth of ABPU

Guidance 2021



Consolidated Guidance 2021

in €m	2021 Guidance	2021 previously	2020 Actual
Billings (Germany segment)	around 650	at least 700	651.8
Revenue	around 86	at least 95	87.0
Adjusted EBITDA¹⁾	around 25	at least 20	12.7

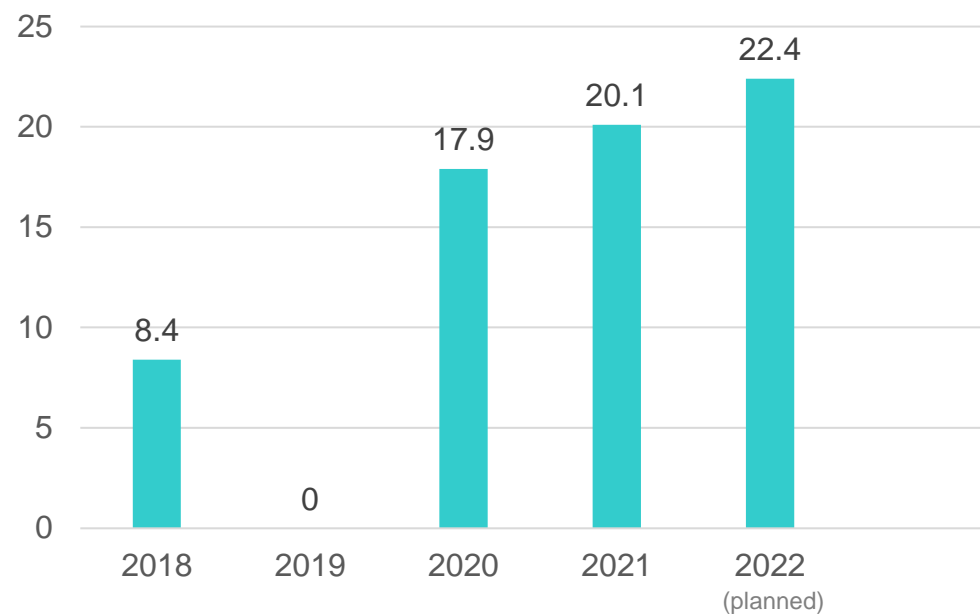
¹⁾ Earnings before interest, taxes, depreciation, amortisation and non-recurring expenses

Depending on the general conditions - in particular the further jackpot development - the company now expects for the financial year 2021 a transaction volume of around EUR 650 million (previously: at least EUR 700 million) in the Germany segment. In addition, the company now assumes that revenue will amount to around EUR 86 million (previously: at least EUR 95 million). ZEAL now expects an adjusted EBITDA of around EUR 25 million (previously: at least EUR 20 million).

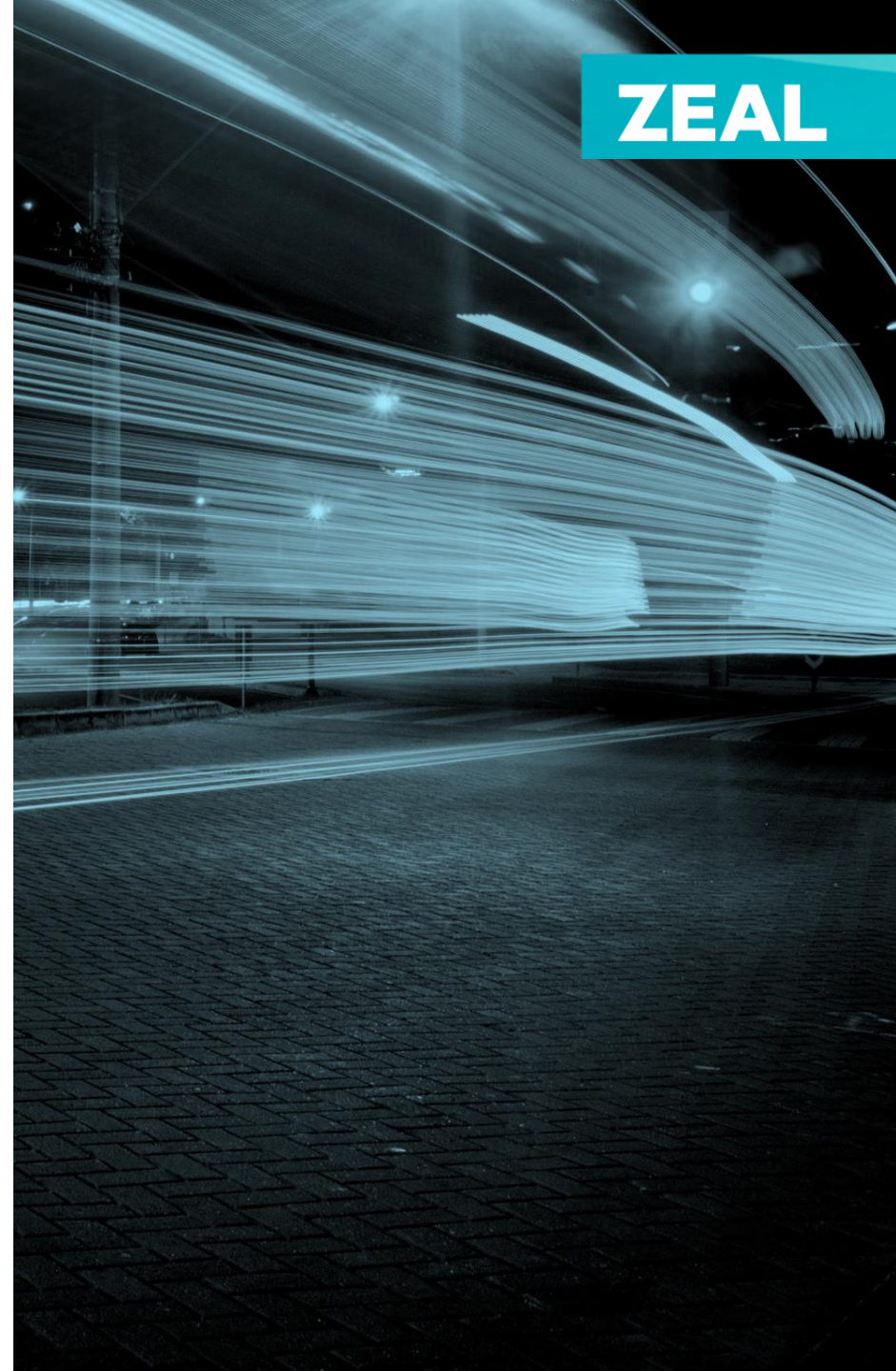
Dividend Policy

- 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

Total pay-out p.a. in million €



Key Take-Aways



KEY TAKE AWAYS

Further growth despite comparatively low jackpots

Profitability significantly increased

Successful stock market withdrawal of LOTTO24 AG

We adapt our marketing measures to the respective market situation



Tipp24

ZEAL
VENTURES

A man and a woman are laughing together. The man is on the left, looking towards the woman on the right. The woman is holding a smartphone and looking upwards. The entire image is overlaid with a teal color. Two speech bubbles are overlaid on the image: one white with a teal outline containing the word 'Questions' and one solid teal containing the word 'Answers'.

Questions

Answers

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Appendix

Consolidated Income Statement and Balance Sheet in €k

Income Statement	9M 2021	9M 2020	Change in %
	Revenue	65,053	64,457
Total costs of operations	-48,081	-59,291	-18.9
Adjusted EBITDA ¹⁾	17,649	6,903	+155.7
EBIT	11,076	2,864	+286.7
Profit before taxes	10,760	5,595	+92.3
Net Profit	7,344	6,537	+12.3

Balance Sheet	30/09/21	31/12/20	Change in %
	Current assets	146,266	104,432
Non-current assets	389,860	389,902	-0.0
ASSETS	536,126	494,334	+8.5
Current liabilities	80,861	36,051	+124.3
Non-current liabilities	70,885	62,721	+13.0
Equity	384,380	395,562	-2.8
EQUITY & LIABILITIES	536,126	494,334	+8.5

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

Business Unit Segment Reporting as of 30/09/21 in €k

	Germany	Other	Total
Revenue	61,460	3,593	65,053
Other operating income	676	2	677
EBITDA	16,553	1,096	17,649
Depreciation/amortisation	–	–	-6,573
EBIT	–	–	11,076
Financial result	–	–	-124
Share of loss from associates	–	–	-191
EBT	–	–	10,760
Income tax	–	–	-3,416
Net Profit/loss	–	–	7,344

KPIs

Billings (in €m)	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
	153.3	134.0	140.0	174.4	157.3	181.0	163.3	169.5	160.4

ABPU (in €)	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
	57.3	48.4	49.5	54.5	54.9	61.3	56.4	58.4	54.4

MAU (in k)	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
	917	925	942	1,065	954	984	966	968	982

CPL (in €)	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
	24.80	42.50	26.00	27.80	29.00	28.80	33.48	34.00	17.60

Financial calendar 2021

Publication of Annual Report 2020	25 March 2021
Publication of Q1 Quarterly Statement	7 May 2021
Annual General Meeting	1 June 2021
Publication of Half-Year Report	12 August 2021
Publication of Q3 Quarterly Statement	11 November 2021
Publication of Annual Report 2021	24 March 2022

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