

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
Quarterly Statement as of 31 March 2021

7 May 2021

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Summary

Summary

3M
2021

- **Good start to the new fiscal year despite corona and a comparatively weak jackpot situation**
 - **Billings and revenue up**
 - **Strong gross margin achieved**
 - **Profitability significantly improved**
- **LOTTO24 in the Google Play Store**

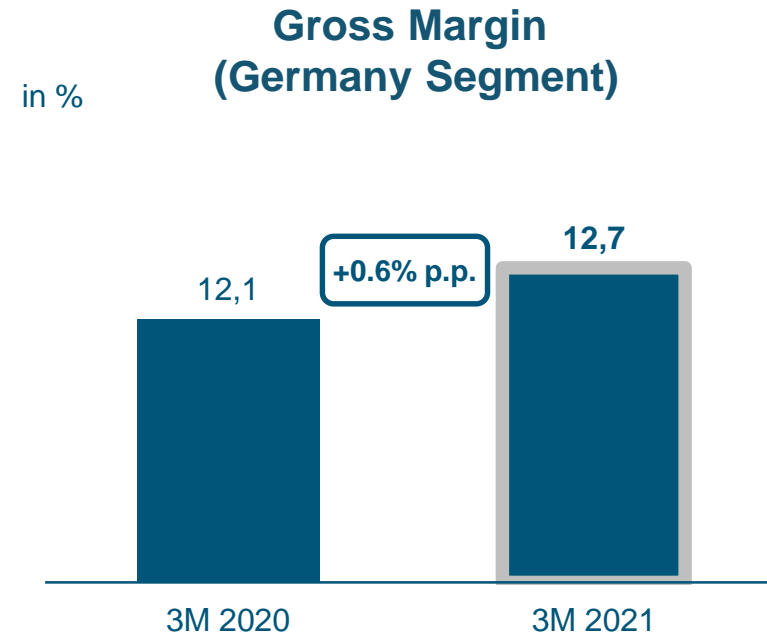
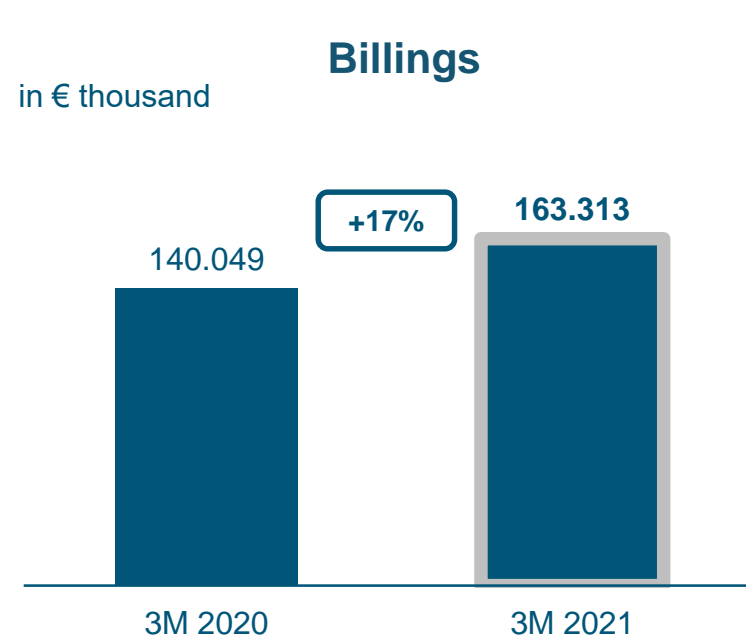


Financial Update

ZEAL Income Statement 3M 2021 - condensed

Income Statement	in € thousand	3M 2021	3M 2020	Change in %	Comments
	Revenue	22,620	19,024	+18.9	<ul style="list-style-type: none"> ➤ Revenue: <ul style="list-style-type: none"> – Strong revenue increase of 19% driven by billings growth and a favorable product mix ➤ Total costs of operations: <ul style="list-style-type: none"> – An 8% increase compared to previous year ➤ Personnel expenses: <ul style="list-style-type: none"> – Stable level of employees of 164 FTE's (2020: 165) – The slight cost increase is mainly due to normal salary increases ➤ Marketing expenses: <ul style="list-style-type: none"> – Continued investment in customer acquisition despite the low-jackpot situation ➤ Direct operating expenses: <ul style="list-style-type: none"> – Due to the change of payment service provider, direct costs have increased disproportionately – The change enabled optimisations in the areas of processing effort, chargebacks and fraud cases ➤ Indirect operating expenses: <ul style="list-style-type: none"> – Decrease in indirect costs driven primarily by savings in office costs ➤ Adjusted EBITDA: <ul style="list-style-type: none"> – EBITDA increased due to good revenue development and the scaling effect of the business model
	Personnel expenses	(5,161)	(4,954)	+4.2	
	Other operating expenses	(12,882)	(11,761)	+9.5	
	Marketing expenses	(7,053)	(6,554)	+7.6	
	Direct operating expenses	(2,774)	(1,987)	+39.6	
	Indirect operating expenses	(3,055)	(3,220)	(5.1)	
	Adjusted EBITDA¹⁾	4,567	2,832	+61.3	
	Amortisation and depreciation	(2,205)	(2,682)	(17.8)	
	Non-recurring income and expenses	-	(108)	n.a.	
EBIT	2,362	42	+5,523.8		
Net profit after taxes	2,484	152	1,534.2		

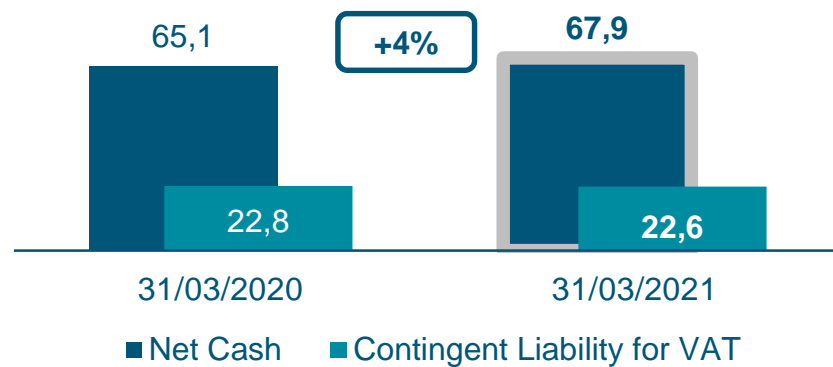
Other performance indicators I



Other performance indicators II

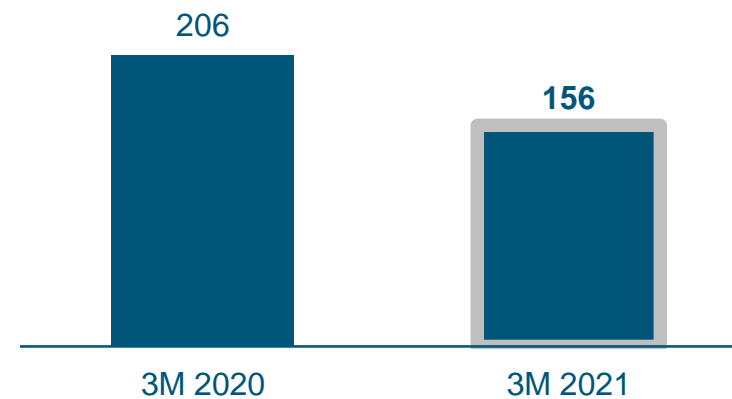
Net Cash

in €m



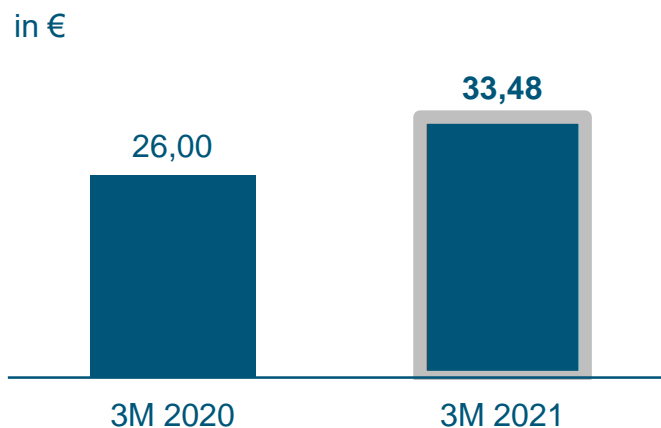
New registered customers (Germany segment)

in thousand

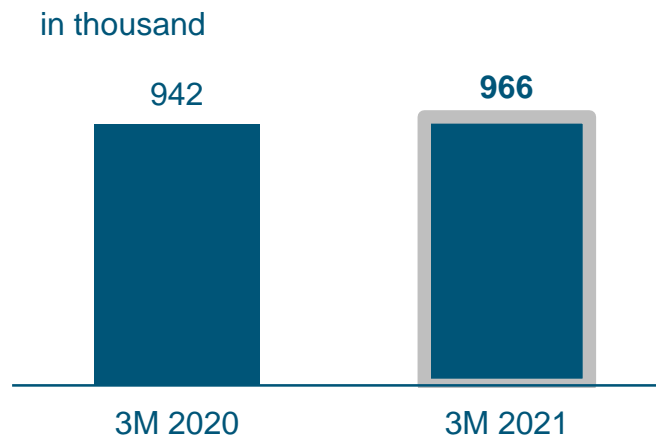


Other performance indicators III

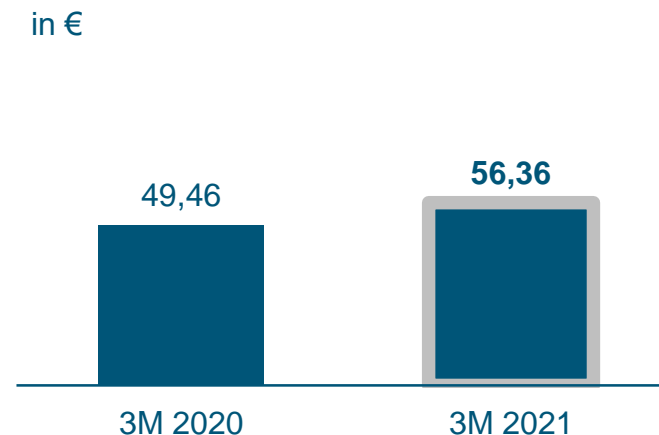
Cost per Lead, CPL (Germany Segment)



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) 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 will propose a **total pay-out of €20.2 million** (2019: €17.9 million) to the Annual General Meeting on 1 June 2021
- This corresponds to a dividend of **€0.90 (+12.5%)** per share for the fiscal year 2020 (2019: €0.80)
- 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




AGM 2021

Upcoming AGM 2021

The Annual General Meeting (AGM) of ZEAL Network SE will take place on 1 June 2021

OVERVIEW OF THE AGENDA

2. Resolution on the appropriation of the distributable profit for the 2020 fiscal year
3. Resolution on the ratification of the actions of the members of the Management Board for the 2020 fiscal year
4. Resolution on the ratification of the actions of the members of the Supervisory Board for the 2020 fiscal year
5. Resolution on the appointment of the auditors of the annual financial statements and consolidated financial statements for the fiscal year 2021
-  6. Resolution on a capital increase from company funds and a subsequent ordinary capital reduction
7. Resolution on the approval of the compensation system for the members of the Management Board
8. Resolution on the compensation and compensation system for the members of the Supervisory Board



Key Take-Aways

Key take-aways

Good billings and revenue development despite comparatively low jackpots

Profitability increased significantly

Ratification of the State Treaty on Gambling in all Federal State Parliaments

LOTTO24 now also in the Google Play Store

Questions

Answers

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Appendix

Consolidated Income Statement and Balance Sheet in €k

Income Statement	3M 2021	3M 2020	Change in %
	Revenue	22,620	19,024
Total costs of operations	(18,043)	(16,715)	+7.9
Adjusted EBITDA ¹⁾	4,567	2,832	+61.3
EBIT	2,362	42	+5,523.8
Profit before taxes	2,879	-188	+1,631.4
Net Profit	2,484	152	+1,534.2

Balance Sheet	31/03/21	31/12/20	Change in %
	Current assets	103,380	104,432
Non-current assets	387,895	389,902	(0.5)
ASSETS	491,275	494,334	(0.6)
Current liabilities	32,254	36,051	(10.5)
Non-current liabilities	60,684	62,721	(3.2)
Equity	398,337	395,562	+0.7
EQUITY & LIABILITIES	491,275	494,334	(0.6)

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

Business Unit Segment Reporting as of 31/03/21 in €k

	Germany	Other	Total
Revenue	21,120	1,500	22,620
Other operating income	176	1	177
EBITDA	4,101	466	4,567
Depreciation/amortisation	–	–	(2,205)
EBIT	–	–	2,362
Financial result	–	–	567
Share of loss from associates			(50)
EBT	–	–	2,879
Income tax	–	–	(395)
Net Profit/loss	–	–	2,484

KPIs

Secondary lottery business

Broker Business

Billings (in €m)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
	67.4	112.0	153.3	134.0	140.0	174.4	157.3	181.0	163.3

ABPU (in €)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
	57.5	60.5	57.3	48.4	49.5	54.5	54.9	61.3	56.4

MAU (in k)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
	375*	365	917	925	942	1,065	954	984	966

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

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