

ZEAL

EARNINGS CALL



**QUARTERLY STATEMENT Q1
AS OF 31 MARCH 2025**

7 May 2025

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- Financial Update
- Strategic Focus & Guidance 2025
- Dividend Proposal
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SUMMARY

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SUMMARY Q1 '25

- Gross margin increased
- Customer base significantly expanded
- Strong revenue growth continued
- EBITDA almost doubled



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FINANCIAL UPDATE

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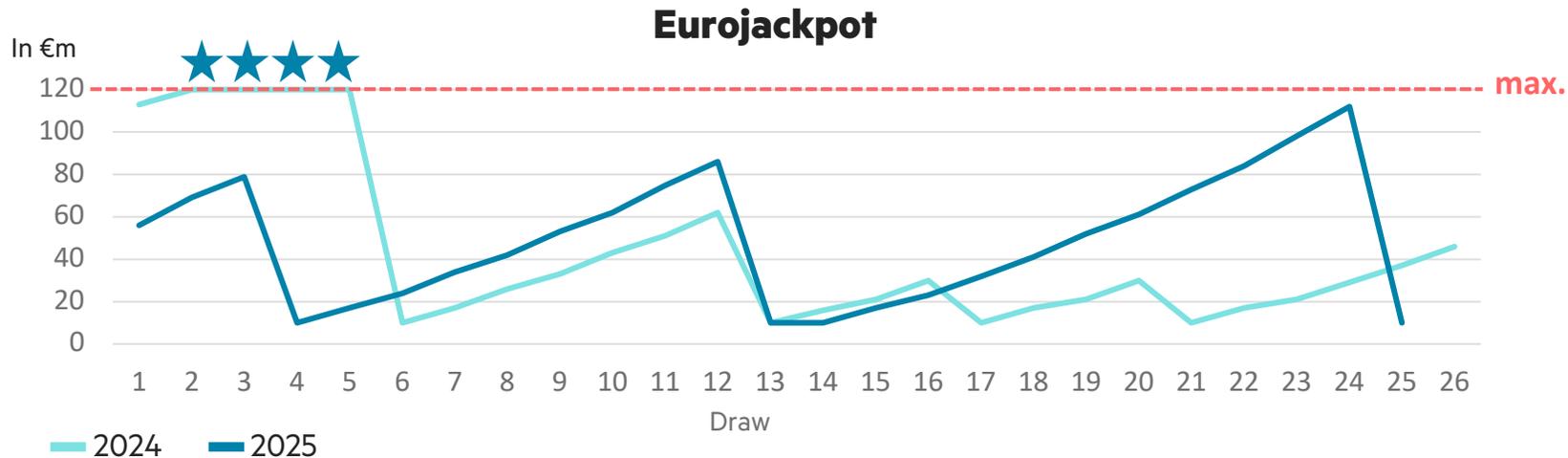
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WEAK JACKPOT ENVIRONMENT – 0 PEAKS IN Q1 '25 VS. 4 PEAKS IN Q1 '24



in €m	Average	Peak
Q1 '25	12	0
Q1 '24	11	0



in €m	Average	Peak
Q1 '25	49	0
Q1 '24	44	4

ZEAL INCOME STATEMENT Q1 '25 – CONDENSED

INCOME STATEMENT	Q1 '25 (in €k)	Q1 '24 (in €k)	CHANGE (in %)
REVENUE	51,131	36,100	+41.6
➤ Lotteries	45,238	31,974	+41.5
➤ Games	3,402	2,187	+55.6
TOTAL COSTS OF OPERATIONS	-33,726	-27,137	+24.3
Personnel expenses	-8,360	-6,203	+34.8
Other operating expenses	-25,358	-20,967	+20.9
Marketing expenses	-15,548	-13,390	+16.1
Direct operating expenses	-4,868	-4,011	+21.4
Indirect operating expenses	-4,942	-3,566	+38.6
EBITDA	17,732	9,405	+88.5
Amortisation and depreciation	2,131	1,869	+14.0
EBIT	15,601	7,537	+107.0
NET PROFIT AFTER TAX	9,833	21,085	-53.4

REVENUE

Revenue increased by 42% driven by billings growth of 7% and an increased billings margin

COST OF OPERATIONS

Personnel expenses:

Personnel expenses increased by 35% or €2.2m driven by an 28% increase in FTE from 187 to 240 and one-off expenses due to the departure of management personnel

Marketing expenses:

Marketing expenses increased by 16% due to tests of various measures to tap into new target groups and channels

Direct operating expenses:

Direct operating expenses increased by 21% driven by an increase in lottery billings and in connection with our games offering and higher commission costs were incurred for external developers to expand our games portfolio.

Indirect operating expenses:

Indirect operating expenses were up by 39%, mainly driven by increased costs for consulting services, external staff and software.

EBITDA

EBITDA increased by 89% due to the strong increase in revenue, with an EBITDA margin of 34.7 % ('24: 26.1%)

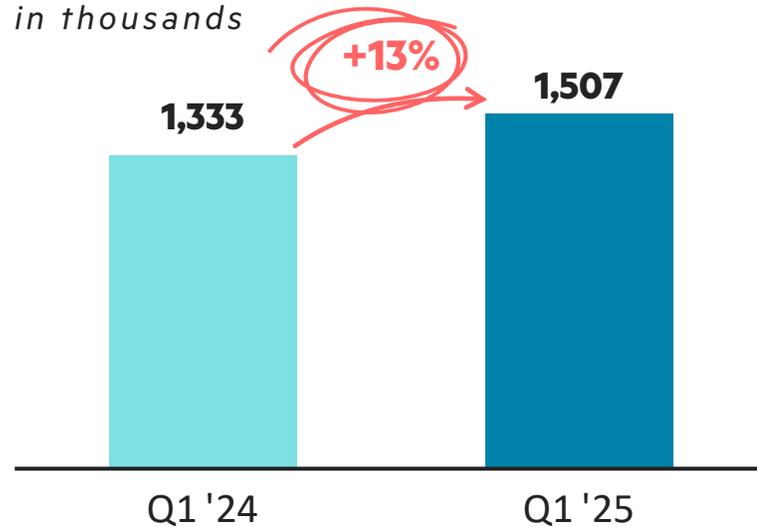
NET PROFIT AFTER TAX

Net profit decreased by 53% to €9.8 mainly from the recognition of deferred tax assets of €17,247 thousand in the previous year

GROWTH OF LOTTERY BILLINGS DRIVEN BY GROWTH IN USER BASE

MONTHLY ACTIVE USERS (MAU)

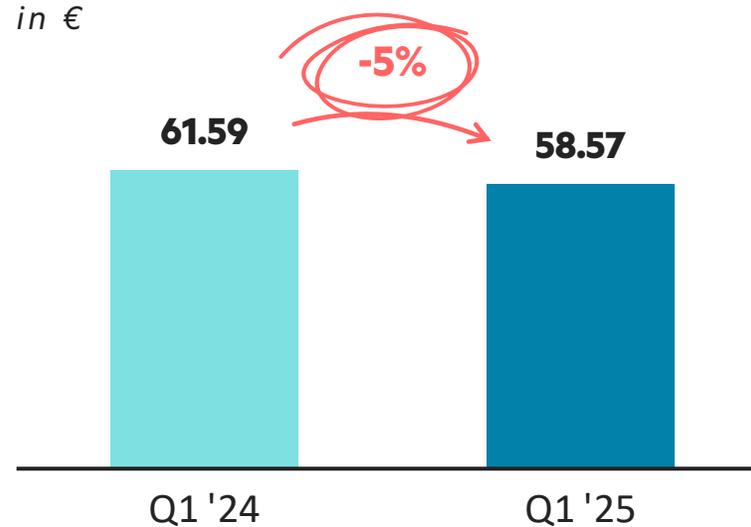
(Lotteries)
in thousands



Strong increase in the customer base and increased level of customer activity

AVERAGE BILLINGS PER USER, ABPU

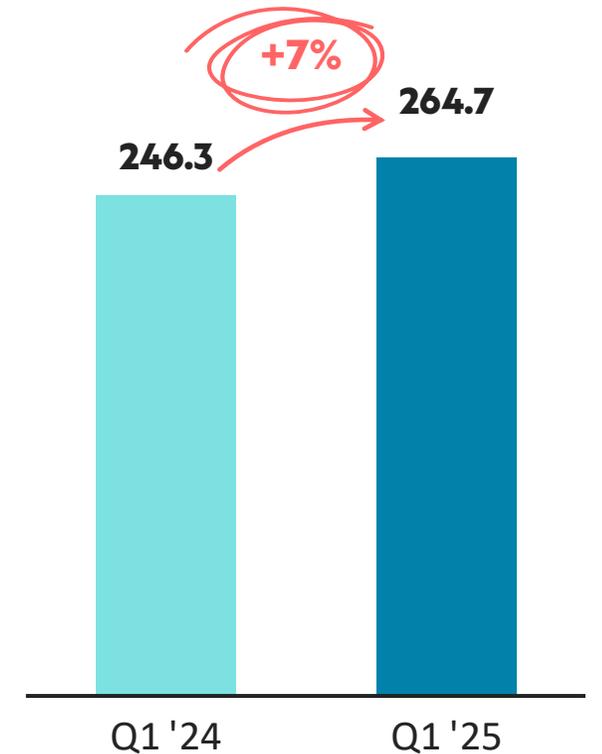
(Lotteries)
in €



Decrease due to weak jackpot development

BILLINGS

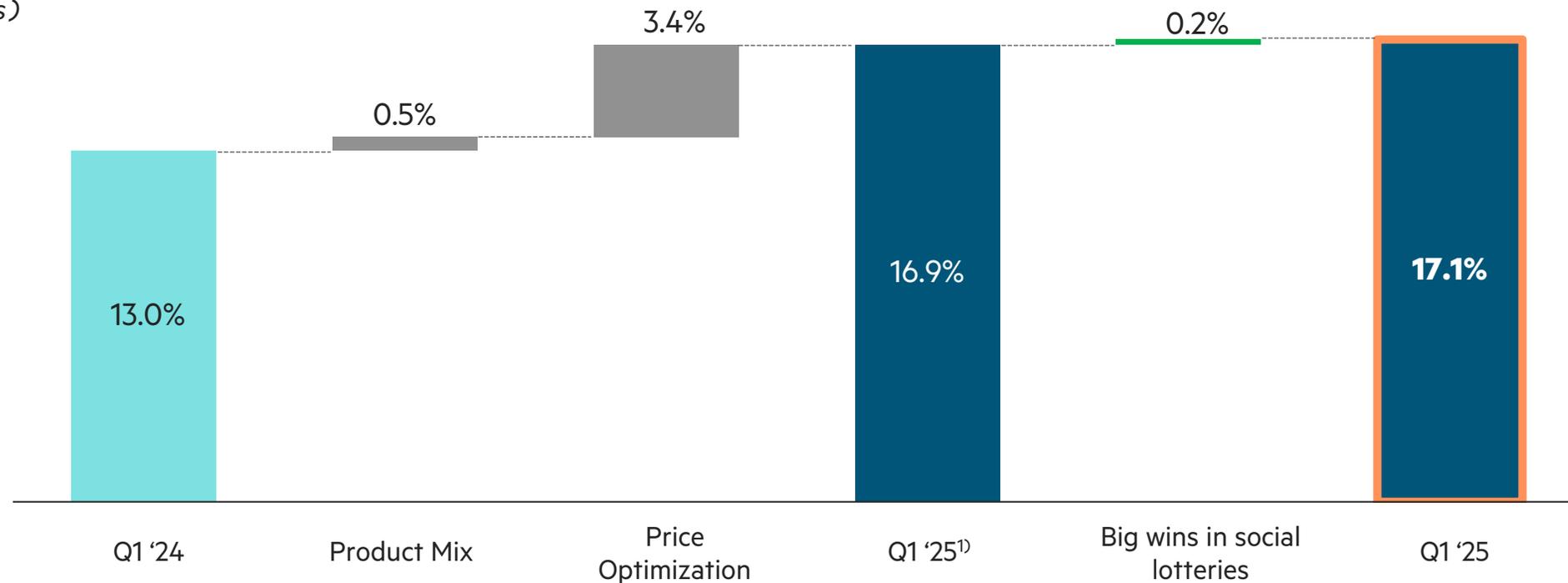
(Lotteries)
in € millions



HIGHER LOTTERY GROSS MARGIN DRIVEN BY IMPROVED PRODUCT MIX AND ROLL-OUT OF PRICE OPTIMISATION

BILLINGS MARGIN: Q1 '24 VS. Q1 '25

(Lotteries)
in %

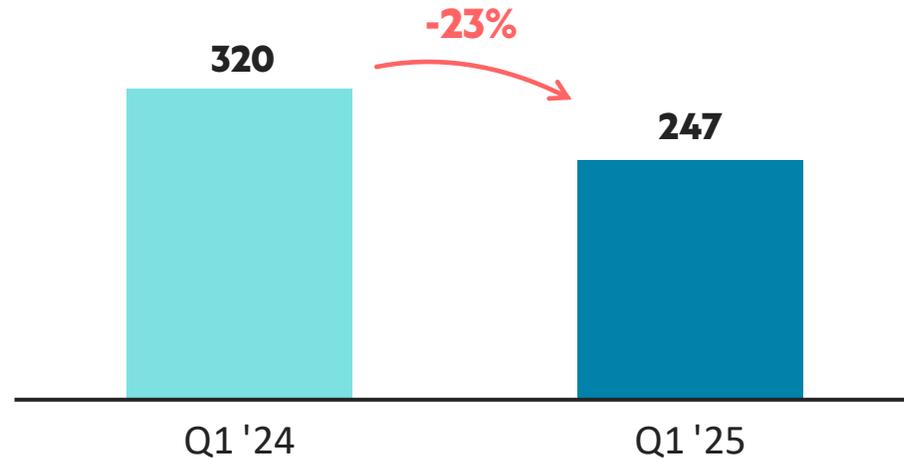


¹⁾ Excluding effects from big wins at social lotteries

Q1 '25 SHOWED HIGHEST NUMBER OF NEW CUSTOMERS FOR A QUARTER WITH NO JACKPOTS

NEW REGISTERED CUSTOMERS

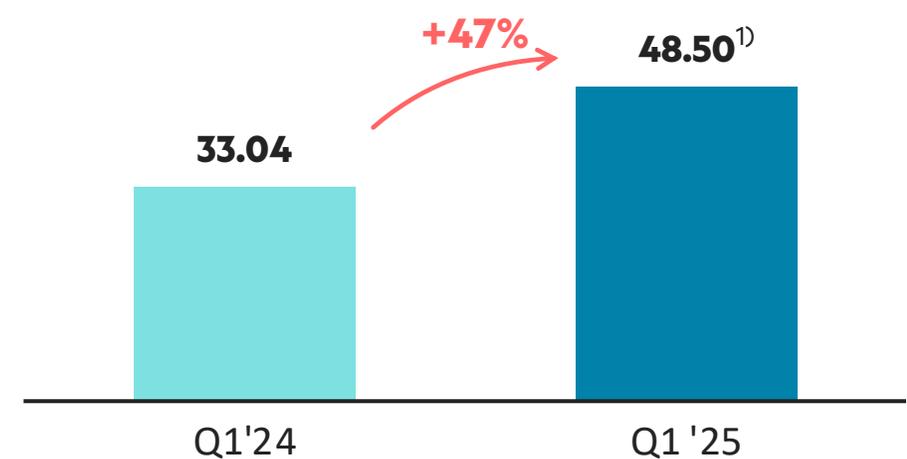
(Lotteries)
in thousands



Decrease due to weak jackpot development

COST PER LEAD, CPL

(Lotteries)
in €



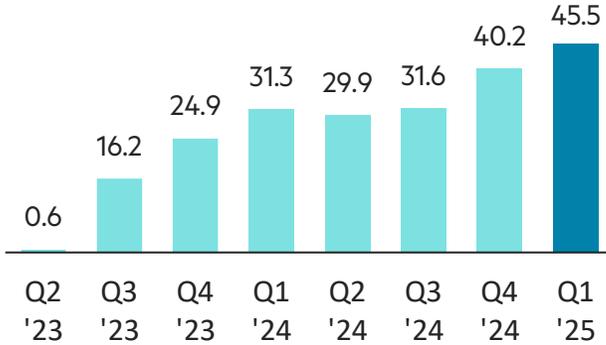
Increase due to weak jackpot situation and special marketing tests

¹⁾ Including D2C marketing activity tests for social lotteries

GAMES BUSINESS MAKING POSITIVE PROGRESS

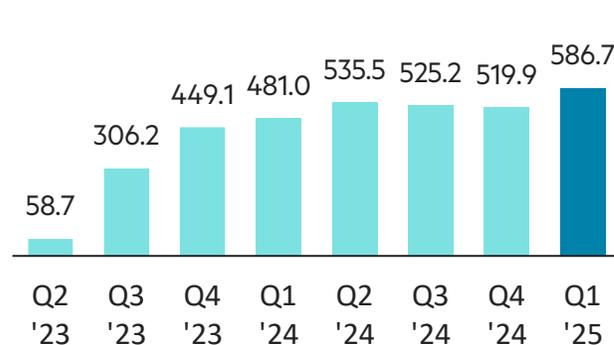
BILLINGS

in € millions



ABPU

in €



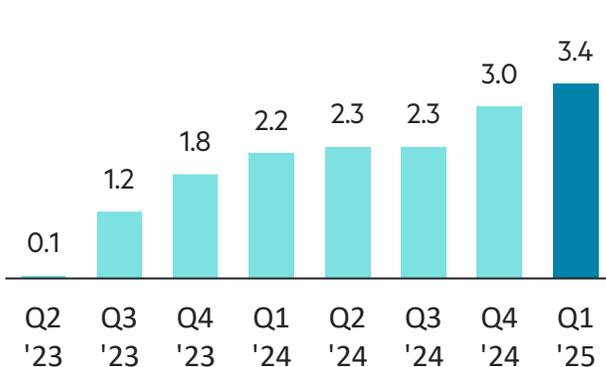
MAU

in k



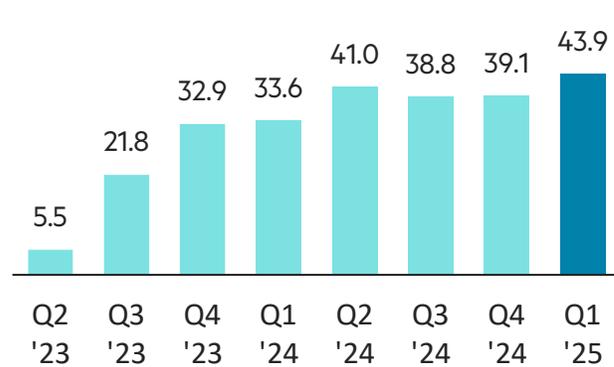
REVENUE

in € millions



ARPU

in €



- As of 31.03.25 more than 400 games were online (31.12.24 293 games)
- Games Business developed well
- Stable MAUs despite weak jackpots and lower activity on the platform

TRAUMHAUSVERLOSUNG – 3RD RAFFLE IS RUNNING



- Raffle of the 2nd house supported charities with €2.0m (1st house €1.8m)
- Houses are staged by “Schöner Wohnen Kollektion”

Second house draw

- Started 1 Nov. and finished on 28-Feb-2025
- KPIs:

	House 1	House 2
Billings	€8.6m	€9.6m
- Billings from D2C	40%	44%
MAU	417k	466k
ABPU	€20.52	€20.67

Next draw

- Third draw started with draw on 02-Jun-2025, house located in “Unterfranken” (Bavaria)

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STRATEGIC FOCUS & GUIDANCE 2025

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OVERVIEW OF STRATEGIC FOCUS AREAS FOR 2025

Our Strategic Areas for 2025

Continue to improve acquisition performance & profitability of Lotto24 business

Successfully scale “Traumhausverlosung”

Accelerate growth of Games business

Our Achievements in 2025

- Despite the weak jackpot development in Q1, we were able to show a gross margin of > 16% with a modified product mix
- New customer acquisition further improved despite weak jackpot situation

- First draw already in February and second follows in June. Third house for 2025 already purchased.
- Business performance in line with expectations
- Subscriptions also available on Lotto24.de since end of February
- High-end car offered as special prize

- Games portfolio is growing steadily and paying off
- Revenue growth of 56% compared to the previous year

GUIDANCE 2025

In €m	2025 GUIDANCE	2024 Actuals
Revenue	195-205	188.2
EBITDA ¹⁾	55-60	61.9

Full Year 2025:

- New guidance for FY 2025 based on an average jackpot environment
- ZEAL will expand its marketing in FY 2025 (c. €60-70m) in Germany
- ZEAL will continue to invest into charity lotteries and games

Mid-Term 2026 – 2028:

- Continuously targeting a double-digit annual revenue growth rate in mid teens
- Continuously expanding EBITDA margin

¹⁾ Excluding exceptional costs

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DIVIDEND PROPOSAL

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DIVIDEND PROPOSAL 2025 AND DIVIDEND POLICY

Next AGM: **21 May 2025**

Dividend Proposal of **€2.40 per share**

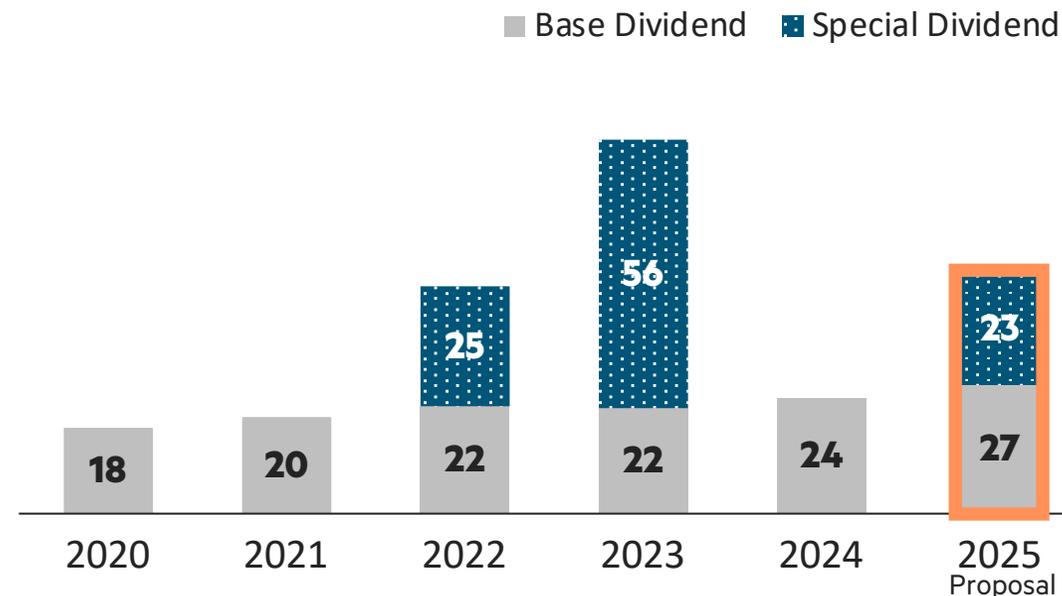
- Base Dividend: €1.30
- Special Dividend: €1.10

Dividend Timetable (expected)

- Ex-dividend Date: **22 May 2025**
- Record Date: **23 May 2025**
- Payment Date: **26 May 2025**

ZEAL intends to distribute a steadily increasing basic dividend to our shareholders in the coming years and, depending on the ZEAL Group's performance, further capital in the form of special dividends and/or as part of share repurchase programs.

TOTAL DIVIDEND PAY-OUT P.A.
in € million



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KEY TAKE-AWAYS

- ✂ Gross margin increased extensively to more than 17%
- ⚡ Customer base expanded despite weak jackpots
- ⚡ Strong revenue growth continued
- ⚡ EBITDA nearly doubled, with an EBITDA margin of over 34%



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A man with a beard and a woman are looking at a smartphone together. The man is on the left, looking at the phone with a surprised expression. The woman is on the right, looking up and laughing joyfully. The background is a blurred indoor setting. The text 'Question Answer' is overlaid in the center in a large, white, sans-serif font. There are small red decorative elements: three short lines above the 'Q' and a curved arrow pointing to the 'A'.

Question Answer

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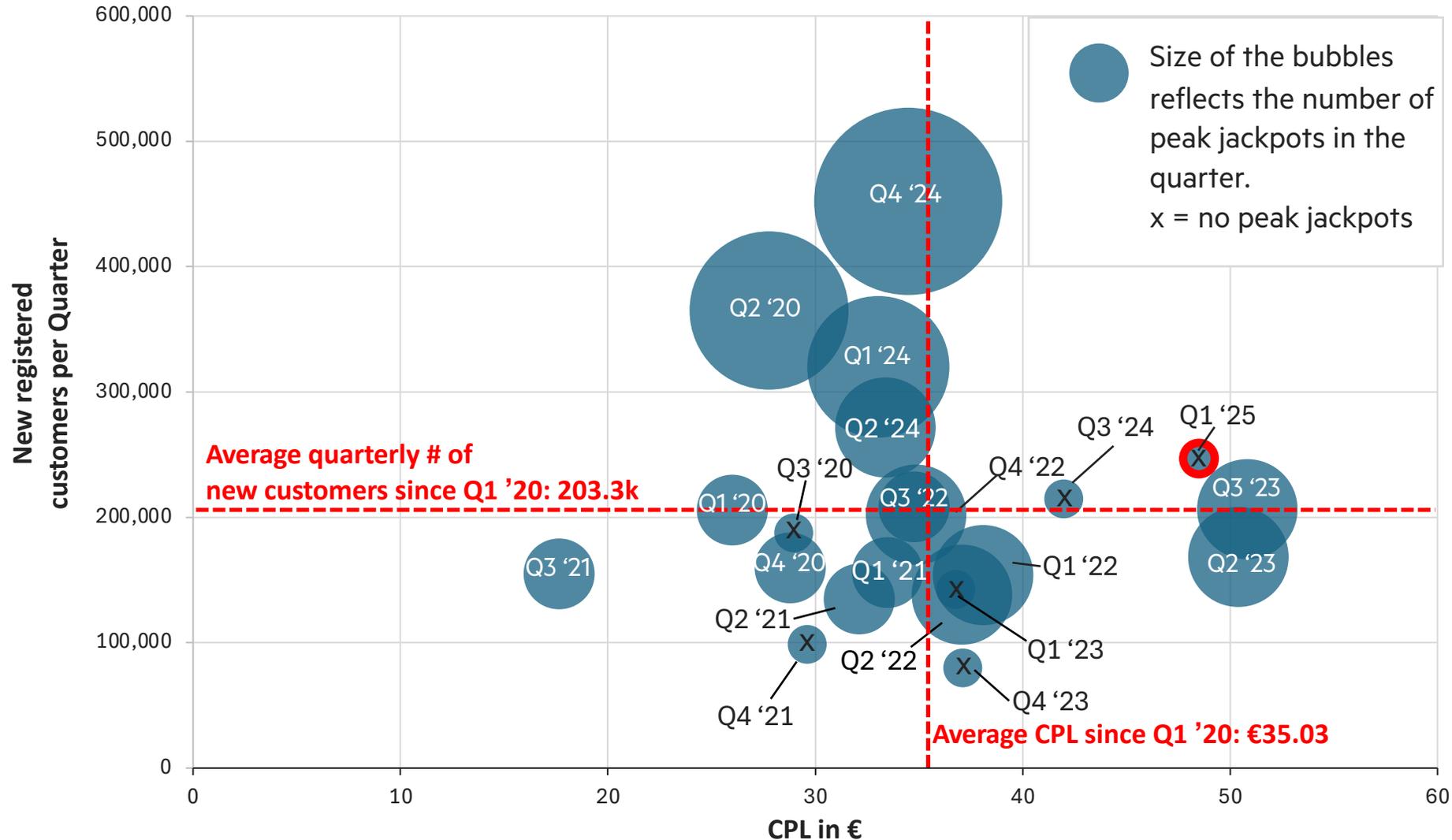
CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET IN €K

INCOME STATEMENT	Q1 2025 (in €k)	Q1 2024 (in €k)	CHANGE (in %)	BALANCE SHEET	31/03/25 (in €)	31/12/24 (in €)	CHANGE (in %)
 Revenue	51,131	36,100	+41.6				
Total costs of operations	-33,726	-27,137	+24.3				
EBITDA	17,732	9,405	+88.5	 ASSETS	450,638	457,533	-1.5
EBIT	15,601	7,537	+107.0	Current assets	160,625	164,833	-2.6
Profit before taxes	13,984	6,921	+102.1	Non-current assets	290,013	292,700	-0.9
Income taxes	-4151	14,164	n.a.	Current liabilities	78,910	91,288	-13.5
 Net Profit	9,833	21,085	-53.4	Non-current liabilities	123,887	127,738	-3.0
				Equity	247,832	238,508	+3.9
				EQUITY & LIABILITIES	450,638	457,533	-1.5

BUSINESS UNIT SEGMENT REPORTING AS OF 31/03/25 IN €K

	GERMANY	OTHER	TOTAL
Revenue	49,659	1,472	51,131
Other operating income	327	-	327
EBITDA	17,118	613	17,732
Depreciation/amortisation	-	-	-2,131
EBIT	-	-	15,601
Financial result	-	-	-1,345
Share of loss from associates			-272
EBT	-	-	13,984
Income tax	-	-	-4,151
NET PROFIT/LOSS	-	-	9,833

CONTINUED HIGH MARKETING EFFICIENCY: Q1 '25 SHOWED HIGHEST NUMBER OF NEW CUSTOMERS FOR A QUARTER WITH NO JACKPOTS



Q1 2025 Highlights

- Acquisition of 247K new customers in weak jackpot situation
- Ongoing investment into LOTTO24 brand (TV)
- Media prices increased
- Some new D2C marketing activity tests for social lotteries resulted in higher CPL in Q1 '25
- CPL for core brokerage businesses €41.10

KPIS (LOTTERIES)

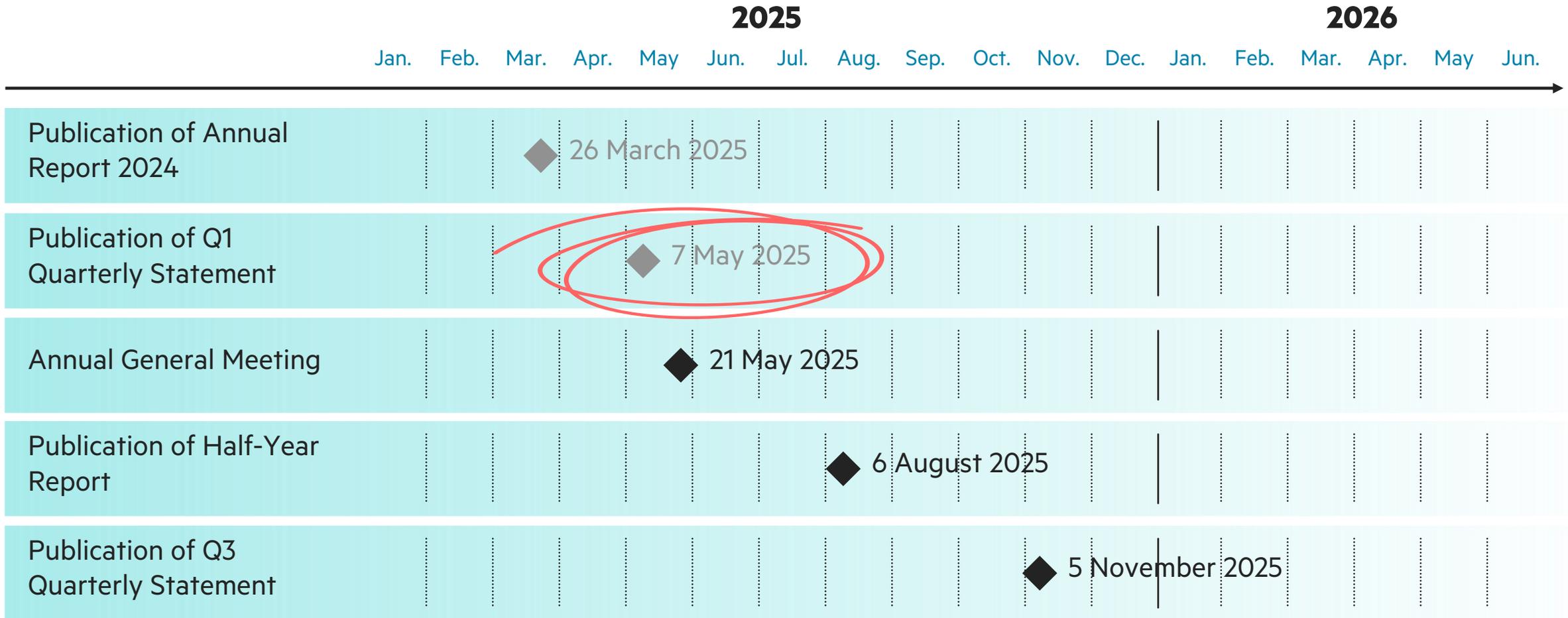
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21	Q1 '22	Q2 '22	Q3 '22	Q4 '22	Q1 '23	Q2 '23	Q3 '23	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	Q1 '25
Pay-in (in €m)	110.1	138.0	120.6	140.8	121.4	128.4	125.9	128.0	142.5	140.2	147.7	171.3	158.8	167.3	177.0	168.7	196.7	211.4	191.4	277.3	215.4
BILLINGS (in €m)	140.0	174.4	157.3	181.0	163.3	169.5	160.3	163.4	181.2	177.1	186.1	214.1	201.2	209.9	222.1	210.1	246.3	260.8	236.0	337.3	264.7
ABPU (in €)	49.46	54.48	54.90	61.30	56.36	58.40	54.40	58.00	58.31	58.18	58.90	60.73	60.99	61.42	60.73	62.31	61.59	63.34	58.95	65.92	58.57
ARPU (in €)	6.00	6.89	6.60	7.51	7.16	7.00	6.55	6.99	7.57	7.41	7.39	8.07	7.55	7.73	7.67	7,78	8.00	8.75	9.89	11.87	10.01
MAU (in k)	942	1,065	954	984	966	968	982	938	1,036	1,015	1,053	1,175	1,100	1,142	1,217	1,124	1,333	1,372	1,334	1,706	1,507
CPL (in €)	26.00	27.77	28.96	28.79	33.48	32.12	17.65	29.61	38.09	37.07	34.76	34.86	36.77	50.83	50.40	37.11	33.04	33.38	41.98	34.48	48.50

KPIS (GAMES)

	Q2 '23*	Q3 '23	Q4 '24	Q1 '24	Q2 '24	Q3 '24	Q4 '24	Q1 '25
Pay-in (in €m)	0.1	3.3	5.1	6.3	6.3	7.1	8.9	10.2
BILLINGS (in €m)	0.6	16.2	24.9	31.3	29.9	31.6	40.2	45.5
ABPU (in €)	58.74	306.14	449.1	480.98	535.52	525.2	519.94	586.70
ARPU (in €)	5.49	22.02	32.89	33.57	41.04	38.84	39.12	43.90
MAU (in k)	9	18	18	22	19	20	26	26

* Games business started in June 2023.

FINANCIAL CALENDAR 2025



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