

ZEAL

EARNINGS CALL



FULL YEAR RESULTS 2024

26.3.2025

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GAMES

LOTTO
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Tipp24 **freiheit+**

 **Traumhaus**
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SUMMARY

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SUMMARY FY 2024

- Record number of new customers, billings, revenue and EBITDA
- More than a billion euros in lottery billings
- Strong increase in gross margin and revenue
- EBITDA almost doubled
- Squeeze-out at LOTTO24 successfully completed
- Dream house raffle successfully launched



WE SUCCESSFULLY ACHIEVED OUR STRATEGIC GOALS FOR 2024

Our Strategic Goals for 2024

Improve billings margin in lottery brokerage business

- Optimization of billings margin by increased share of high-margin products and expansion of service fees
- Measures are expected to increase billings margin for lotteries to more than 15% in H2 2024

Increase brand awareness, marketing efficiency, customer retention

- Continue successful brand campaigns for LOTTO24
- Increase marketing efficiency in brand and performance marketing
- Further improve customer retention through early engagement, higher subscription rates and expanded lottery club offerings

Grow Games business

- Increase number of available games on our platform
- Broaden type of games to include instant-win-games
- More proactive offering of games on platform

Launch new charity lottery

- Charity lotteries enable product innovation
- Attractive product margins, improved independence from high jackpots
- Launch will require investment in H2 2024 (marketing, product development, prizes, etc.)

Our Achievements in 2024

- Billings margin for lotteries improved to more than 15% in H2 on the back of a successfully implemented of the price increase in June 2024

- Mix of “campaign bursts” and “always on” for brand marketing continues to work well
- Highly successful customer acquisition during peak jackpots
- Increased billings share from lottery clubs and “play with friends” to 7.5% in 2024 (5.9% in 2023)

- As of 31 December 2024, 293 games were online, thereof 19 “instant-win-games” with lower RTP and higher appeal to our user base
- More proactive offering still hampered by relatively low number of available games with high appeal for lottery players and license restrictions on cross-selling

- Highly successful launch of Traumhausverlosung (“THV”)
- THV generated €12.7m in billings and €5.3m in revenue in 2024
- Highly complementary demographic profile (younger customer base, higher share of female players)

GUIDANCE 2024: ORIGINAL GUIDANCE SIGNIFICANTLY EXCEEDED

In €m	2024 ACTUAL (31.12.24)	2024 GUIDANCE III (December)	2024 GUIDANCE II (October)	2024 GUIDANCE I (March)
→ Revenue	188.2	175-185	158-168	140-150
→ EBITDA	61.9	55-59	42-46	38-42

- Revenue and EBITDA significantly above original guidance due to increased gross margin and exceptional jackpot development
- Marketing expenses of €56.9m higher than guided range of €40 - 45m due to increased investment during high jackpot phases
- Planned investment in the introduction of a new charity lottery successfully implemented
- Games contributed €10m in revenue

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BUSINESS UPDATE

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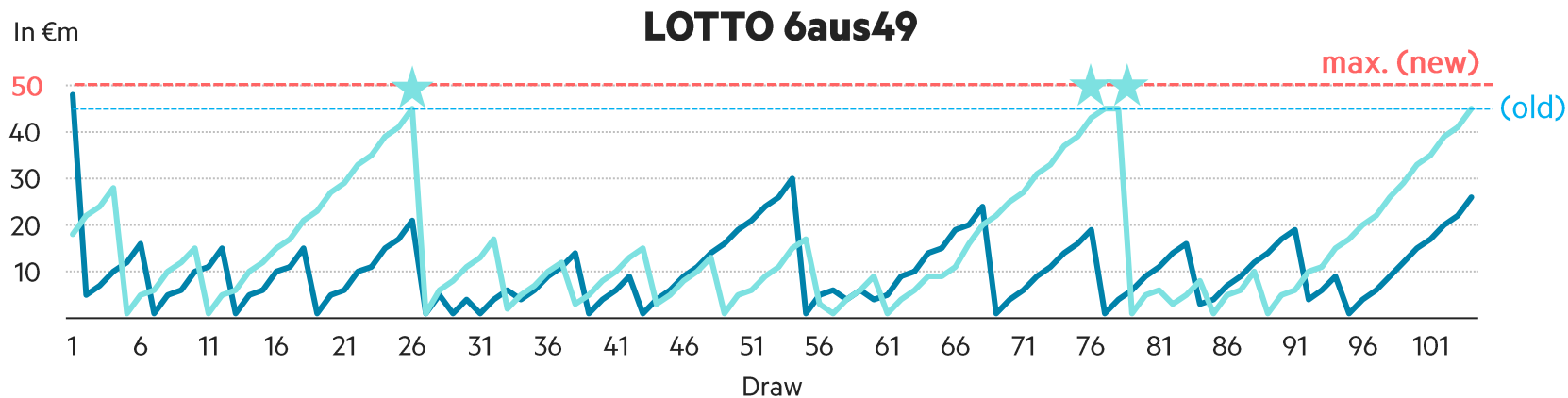
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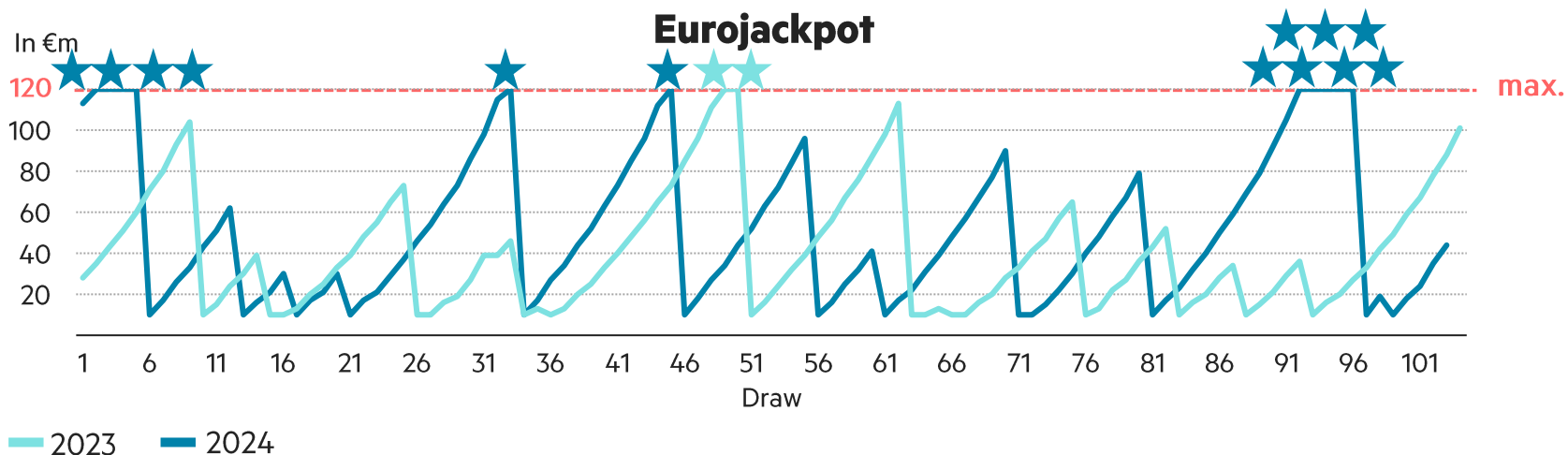
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EXCEPTIONAL JACKPOT ENVIRONMENT – 13 PEAKS IN FY 2024 VS. 5 PEAKS IN FY 2023



in €m	Average	Peak
FY '24	10	0
FY '23	15	3



in €m	Average	Peak
FY '24	53	13
FY '23	41	2

— 2023 — 2024

ZEAL INCOME STATEMENT FY '24 – CONDENSED

INCOME STATEMENT	FY '24 (in €k)	FY '23 (in €k)	CHANGE (in %)
REVENUE	188,198	116,050	+62.2
- Lotteries	168,332	105,652	+59.3
- Games	9,853	3,040	+224.1
TOTAL COSTS OF OPERATIONS	-129,437	-84,419	+53.3
Personnel expenses	-31,475	-22,555	+39.5
Other operating expenses	-98,041	-61,979	+58.2
Marketing expenses	-56,912	-36,016	+58.0
Direct operating expenses	-18,509	-12,011	+54.1
Indirect operating expenses	-22,620	-13,952	+62.1
EBITDA	61,858	32,905	+88.0
Amortisation and depreciation	-8,194	-9,256	-11.5
EBIT	53,664	23,649	+126.9
NET PROFIT AFTER TAX	59,441	13,721	+333.2

REVENUE

Revenue increased by 62% driven by billings growth of 28% and an increased billings margin

COST OF OPERATIONS

Personnel expenses:

Personnel expenses increased by 40% or €8.9m driven by increased provisions for short-term and long-term variable remuneration due to strong operating performance and share price appreciation (€2.6m), additional provisions for potential wage and sales tax liabilities from previous years (€1.6m) as well as by an 21% increase in FTE from 172 to 208, and salary increases

Marketing expenses:

Marketing expenses increased by 58% as the exceptionally good jackpot situation and high marketing efficiency was used to win new customers

Direct operating expenses:

Direct operating expenses increased by 54% driven by an increase in lottery billings, introduction of Games, a large number of KYC checks for new customers, an increased share of Paypal as payment method and bad debt charges

Indirect operating expenses:

Indirect operating expenses were up by 62%, mainly driven by increased costs for legal and consulting services, costs for external service providers and recruiting costs. We have also recognized a provision for expected legal costs of €2.2m in connection with the squeeze-out of the former minority shareholders of LOTTO24 AG. In addition, transaction costs were incurred for the first three house purchases made by our new social lottery "Traumhausverlosung"

EBITDA

EBITDA increased by 88% due to the strong increase in revenue

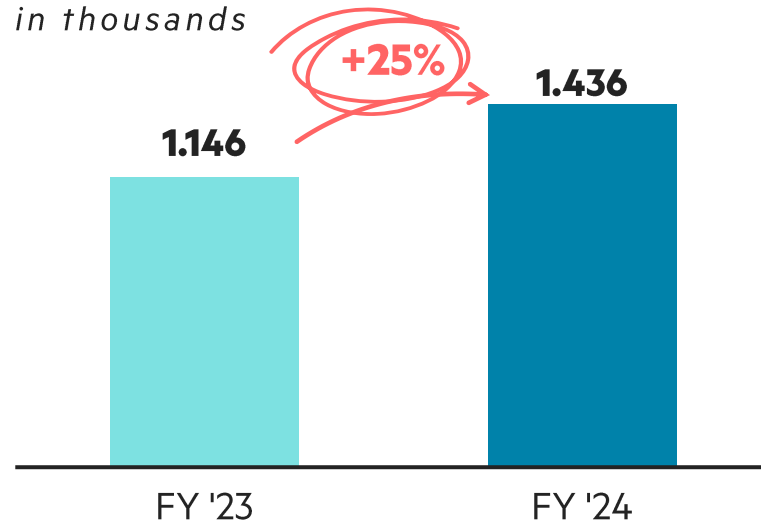
NET PROFIT AFTER TAX

Net profit rose by 333% to €59.4 million due to strong increase of EBITDA and the initial recognition of deferred tax assets of ZEAL Network SE

GROWTH OF LOTTERY BILLINGS DRIVEN BY GROWTH IN USER BASE AND HIGHER BILLINGS PER USER

MONTHLY ACTIVE USERS (MAU)

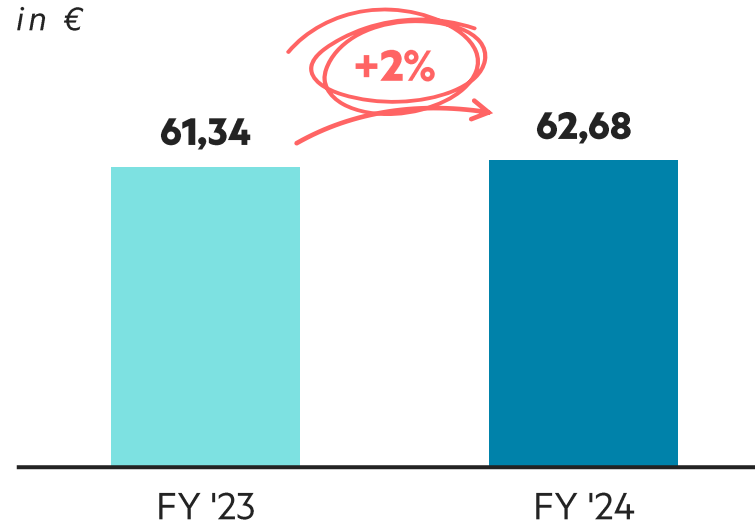
(Lotteries)
in thousands



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

AVERAGE BILLINGS PER USER, ABPU

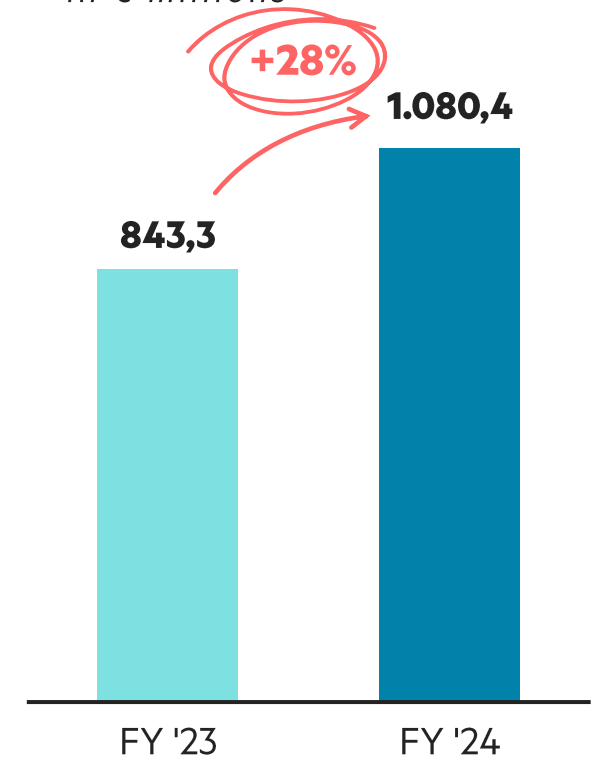
(Lotteries)
in €



Further increase at already high levels

BILLINGS

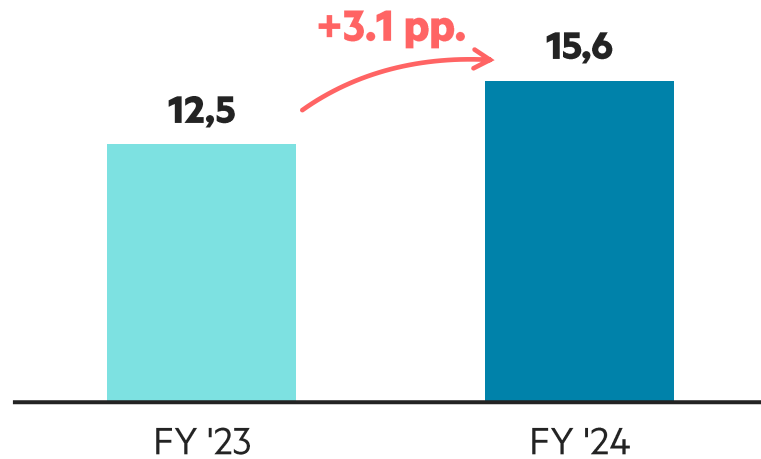
(Lotteries)
in € millions



GROSS MARGIN INCREASED SUBSTANTIALLY

GROSS MARGIN

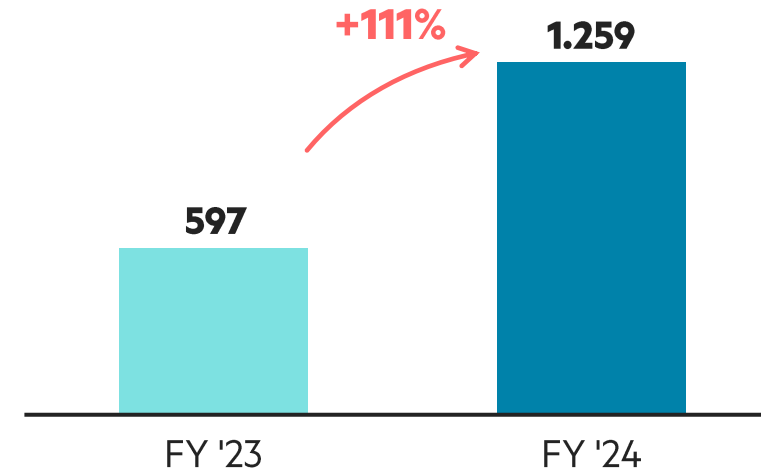
(Lotteries)
in %



Gross margin increased due to margin optimisation measures and a changed product mix

NEW REGISTERED CUSTOMERS

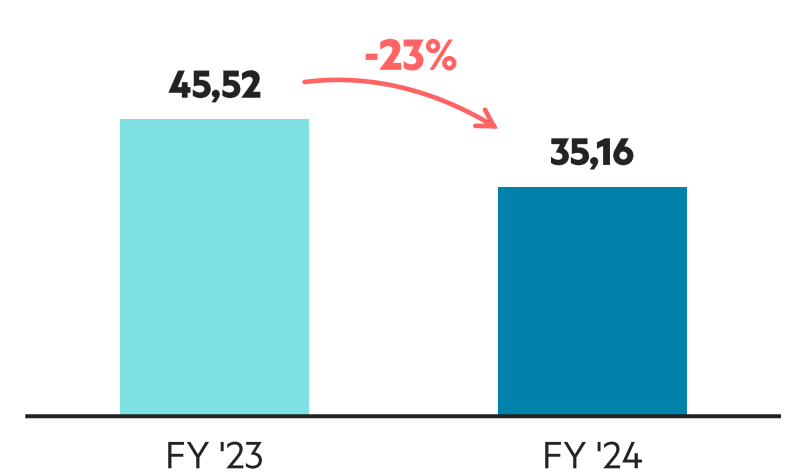
(Lotteries)
in thousands



Strong jackpot situation coupled with efficient marketing measures

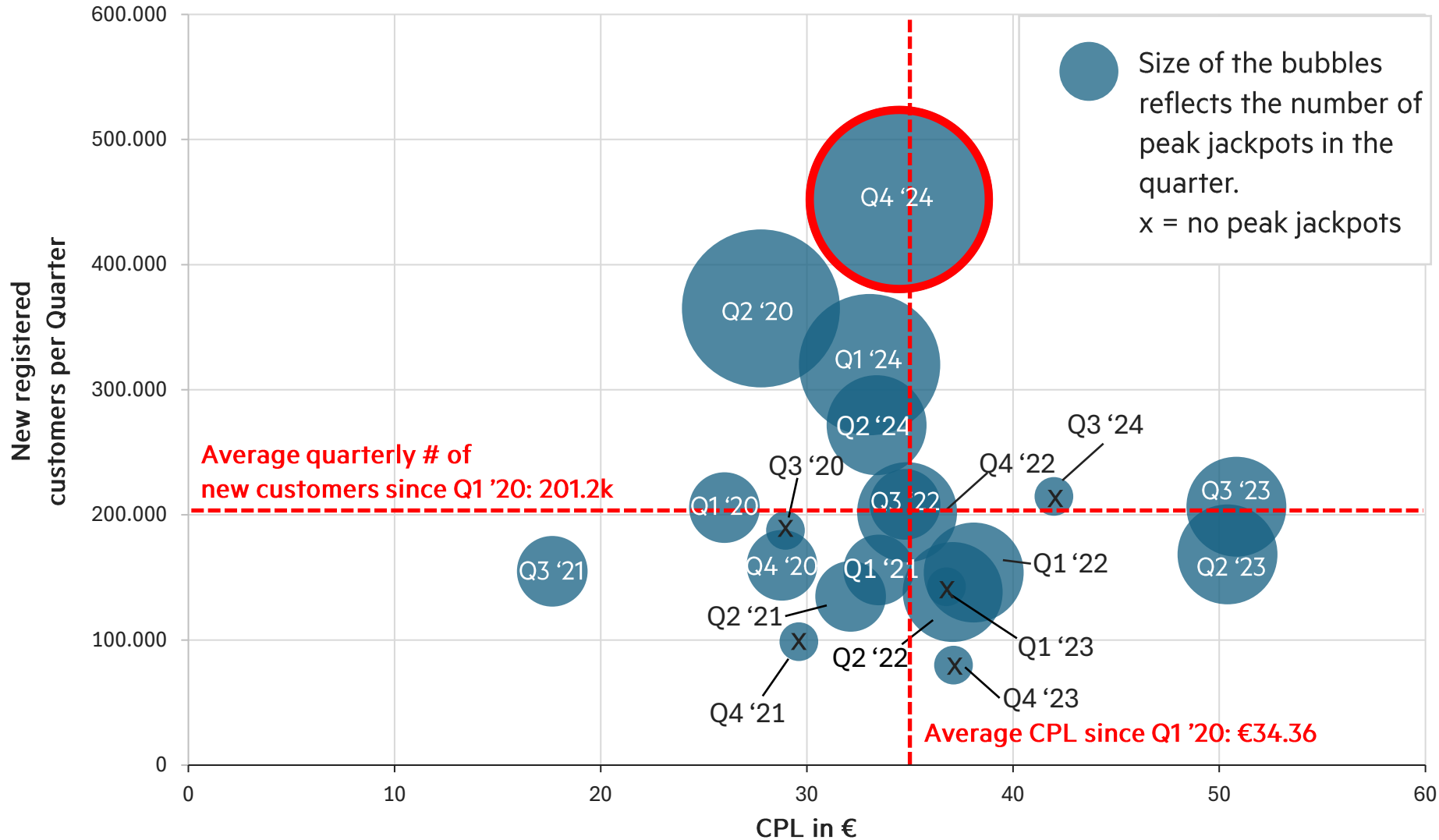
COST PER LEAD, CPL

(Lotteries)
in €



Good improvement of marketing efficiency across all channels

CONTINUED HIGH MARKETING EFFICIENCY: Q4 '24 SHOWED HIGHEST NUMBER OF NEW CUSTOMERS FOR A QUARTER



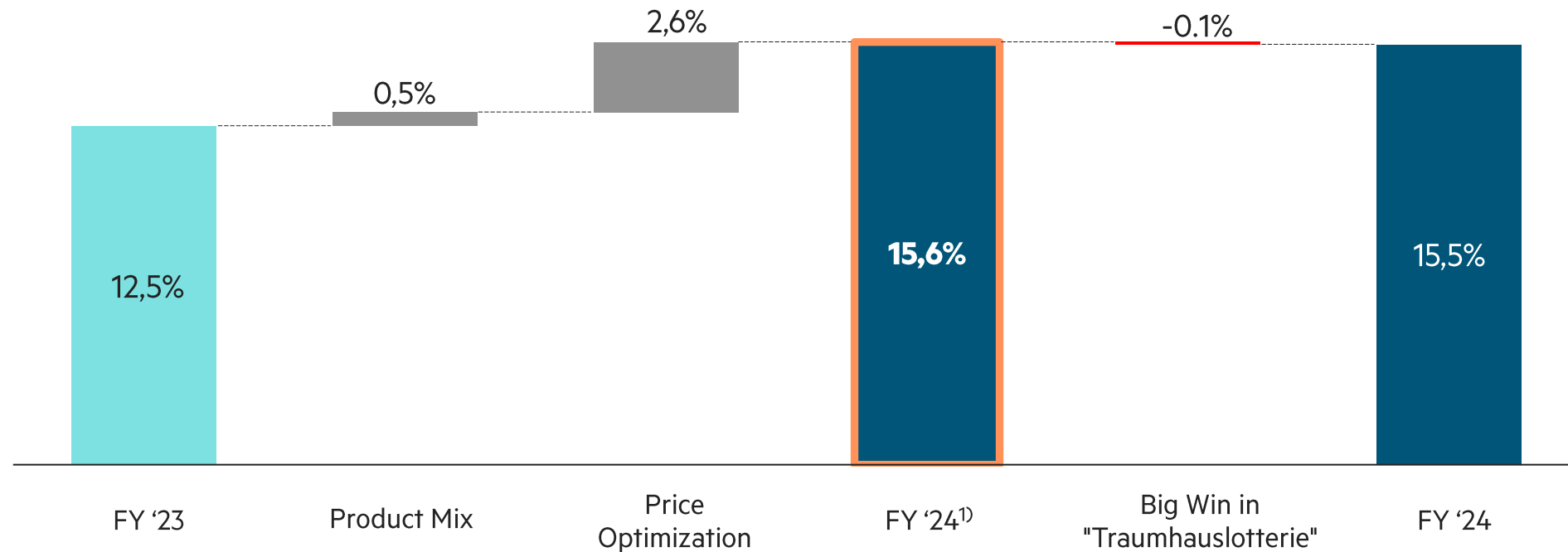
Q4 2024 Highlights

- Acquisition of more than 450K new customers, highest level for a quarter
- Ongoing investment into LOTTO24 brand (TV)
- Social media remains a very attractive performance marketing channel, also outside of peak jackpots
- D2C marketing for Traumhausverlosung and freiheit+ with both performance and brand marketing started
- Already seeing very good marketing efficiency for Traumhausverlosung

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

BILLINGS MARGIN: FY '23 VS. FY '24

(Lotteries)
in %

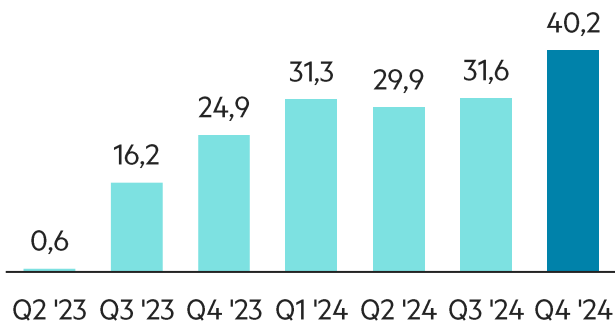


¹⁾ Excluding effects from big win at "Die Deutsche Traumhauslotterie"

GAMES BUSINESS MAKEING POSITIVE PROGRESS

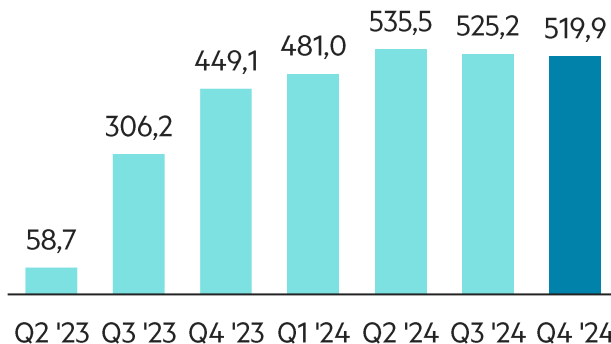
BILLINGS

in € millions



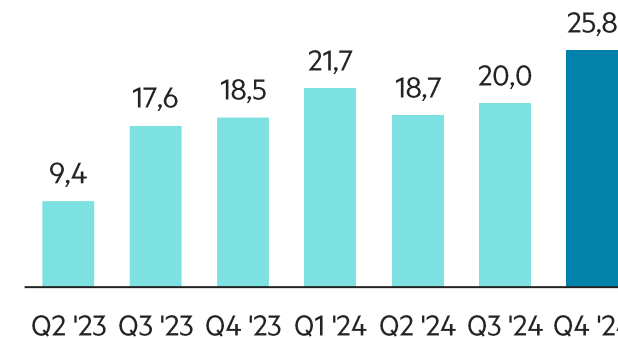
ABPU

in €



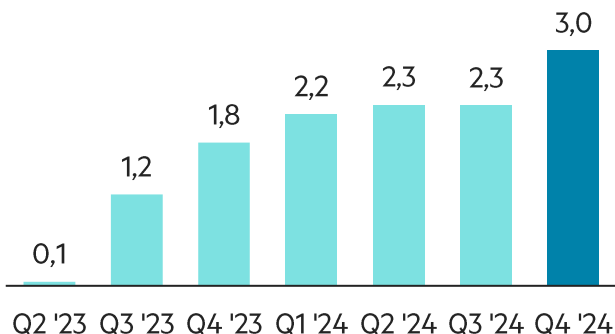
MAU

in k



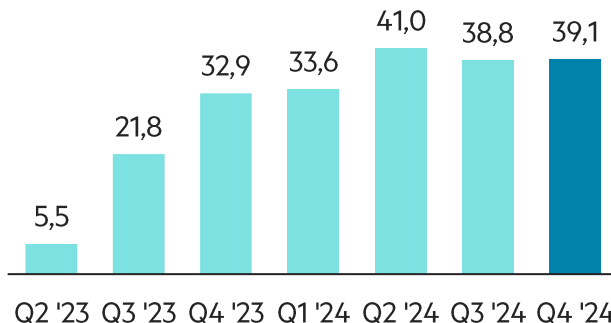
REVENUE

in € millions



ARPU

in €



- As of 31 December 2024, 293 games were online, thereof 19 “instant win games” with lower RTP
- We generated ~€10m in revenue with EBITDA margin of >40% for Games for 2025.

TRAUMHAUSVERLOSUNG – 2ND RAFFLE DONE



Product concept

- Just like a tombola, we raffle a real dreamhouse
- Guaranteed winner for each draw
- Every entry supports a charity project
- Houses are staged by Schöner Wohnen Kollektion

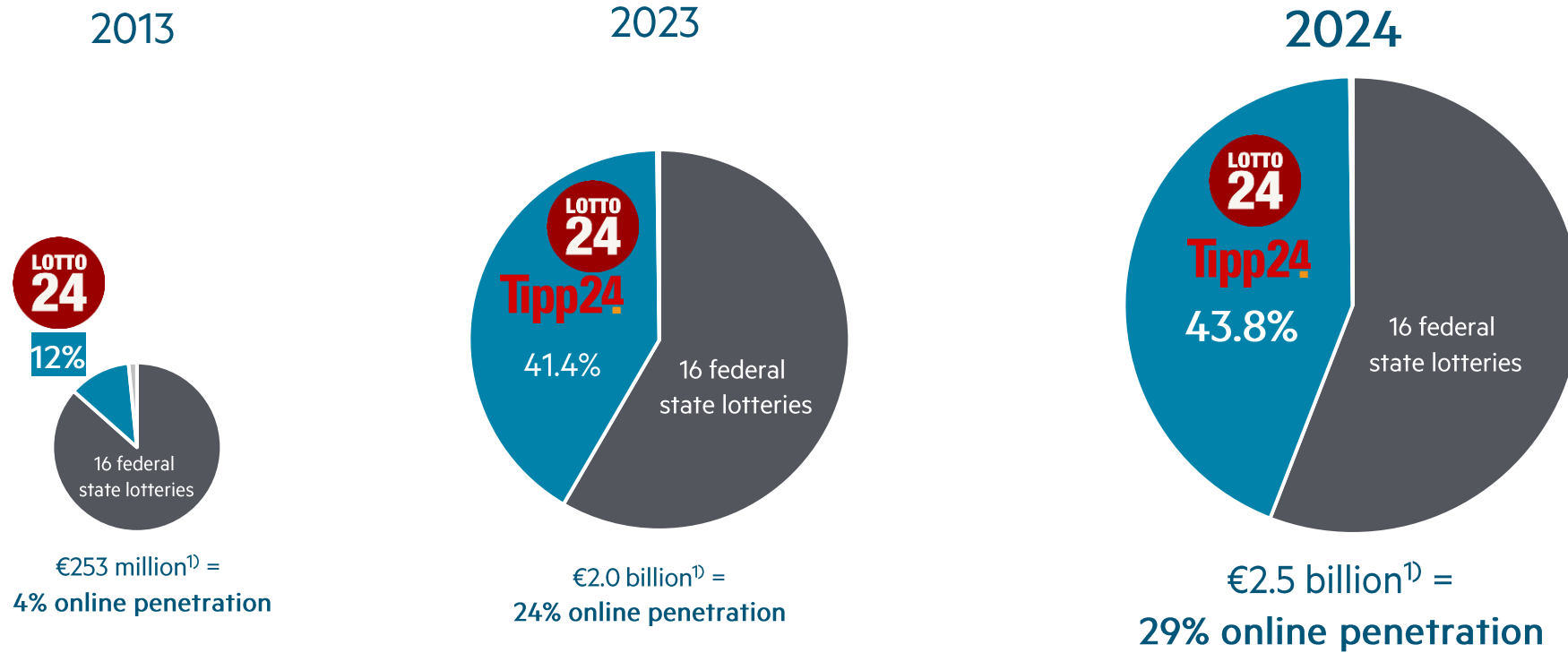
Second house draw

- Started 1 Nov. and finished on 28-Feb-2025
- All KPIs confirmed by the second house

Next draw

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

ZEAL CONTINUES TO INCREASE ITS MARKET SHARE IN THE GROWING GERMAN ONLINE LOTTERIES MARKET



¹⁾ Our own estimate, based on the information provided by the German Association of State Lottery Companies (Deutscher Lotto- und Totoblock, DLTB) in 2024 (from the DLTB report dated January 3, 2025, at <https://www.lottoindeutschland.de/presse/starkes-jahr-fuer-das-glueck-2024>). When calculating our market share, we also take into account the payments that our customers have made into our own products (social lotteries and games) instead of into the DLTB products we broker.

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BUSINESS OUTLOOK & GUIDANCE 2025

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OVERVIEW OF STRATEGIC FOCUS AREAS FOR 2025

Continue to improve acquisition performance & profitability of Lotto24 business

- Operational margin > 16% with potential upside in high jackpot phases
- Beat historic acquisition performance relative to jackpot situation
- Further improvement of customer acquisition in low jackpot phases

Successfully scale “Traumhausverlosung”

- At least 4 draws planned
- More than € 30m in Billings (≈250% YoY-growth)
- Investment in product & customer acquisition

Accelerate growth of Games business

- More than doubling our game portfolio and optimising website experience for our players
- ≈ € 14m in revenues (≈40% YoY-growth)

GUIDANCE 2025

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

¹⁾ Excluding exceptional costs

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

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DIVIDEND PROPOSAL

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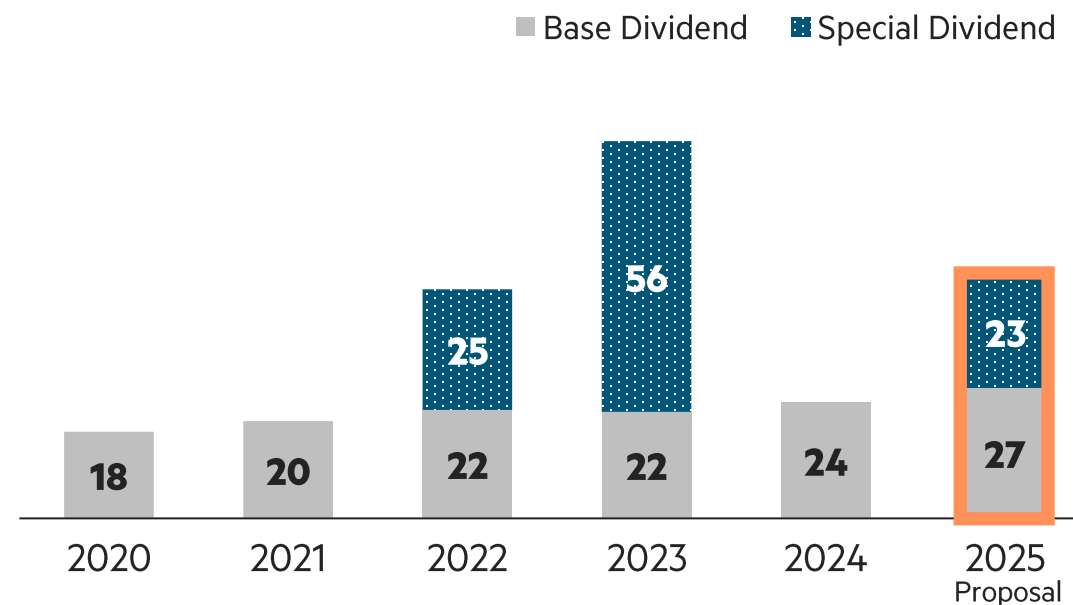
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DIVIDEND PROPOSAL 2025 AND DIVIDEND POLICY

Due to the positive result in 2024, the Management Board and Supervisory Board will propose to the Annual General Meeting on 21 May 2025 the payment of a dividend of **€ 2.40 per share**. Representing a total payout to shareholders of around €50.6 million (2024: €23.8 million). The dividend will consist of a basic dividend of €1.30 and a special dividend of €1.10.

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

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KEY TAKE-AWAYS

- ✗ Record numbers in new customer acquisition, revenue and EBITDA
- ↻ Strong revenue growth of 62% yoy
- ↻ Further improvement in gross margin to 15.6%
- ↻ EBITDA jumps to over €60 million
- ↻ Successful launch of the new charity lottery
- ↻ Further high dividend proposal



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ZEAL INSTANT GAMES

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A blue-tinted photograph of a man and a woman laughing together. The man is on the left, looking towards the woman on the right. The woman is laughing heartily, looking upwards. A smartphone is held in the foreground, partially obscuring the bottom right. The text 'Question Answer' is overlaid in white, with a red arrow pointing from 'Question' to 'Answer' and red exclamation marks above 'Question'.

Question Answer

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CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET IN €K

INCOME STATEMENT	FY 2024 (in €k)	FY 2023 (in €k)	CHANGE (in %)		BALANCE SHEET	31/12/24 (in €)	31/12/23 (in €)	CHANGE (in %)
Revenue	188,198	116,050	+62.2		Current assets	164,833	92,637	+77.9
Total costs of operations	-129,437	-84,419	+53.3		Non-current assets	292,700	302,016	-3.1
EBITDA	61,858	32,905	+88.0		ASSETS	457,533	394,653	+15.9
EBIT	53,664	23,649	+126.9		Current liabilities	91,288	57,997	+57.4
Profit before taxes	50,287	22,322	+125.3		Non-current liabilities	127,738	71,897	+77.7
Income taxes	9,153	-8,601	n.a.		Equity	238,508	264,758	-9.9
Net Profit	59,441	13,721	+333.2		EQUITY & LIABILITIES	457,533	394,653	+15.9

BUSINESS UNIT SEGMENT REPORTING AS OF 31/12/24 IN €K

	GERMANY	OTHER	TOTAL
Revenue	182,284	5,914	188,198
Other operating income	3,097	1	3,097
EBITDA	59,868	1,990	61,858
Depreciation/amortisation	-	-	-8,194
EBIT	-	-	53,664
Financial result	-	-	-3,185
Share of loss from associates			-192
EBT	-	-	50,287
Income tax	-	-	9,153
NET PROFIT/LOSS	-	-	59,441

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
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
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
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
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
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
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

KPIS (GAMES)

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

* Games business started in June 2023.

FINANCIAL CALENDAR 2025



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