

## **LANGUAGE DISCLAIMER**

This version of the joint report of the Management Boards of ZEAL Network SE and Lotto24 AG on the domination agreement is a translation of the German-language original and has been prepared for the convenience of English-speaking readers. The sole authoritative version of the joint report is available in its German-language original version on the Company's website at [www.zealnetwork.de/hv](http://www.zealnetwork.de/hv).

## **JOINT REPORT**

**of the**

**Management Boards of**

**ZEAL NETWORK SE**

**and**

**LOTTO24 AG**

**on the domination agreement**

**between**

**ZEAL NETWORK SE and LOTTO24 AG**

**pursuant to § 293a AktG**

**October 9, 2024**

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**LIST OF ATTACHMENTS**

Annex 1      Domination agreement between ZEAL Network SE and Lotto24 AG, final draft dated October 9, 2024 *[omitted for the purpose of this convenience translation]*

The Management Board of ZEAL Network SE, with registered office in Hamburg, registered in the Commercial Register of the Local Court of Hamburg under HRB 159581 ("**ZEAL**") and the Management Board of Lotto24 AG, with registered office in Hamburg, registered in the Commercial Register of the Local Court of Hamburg under HRB 123037 ("**Lotto24**") jointly submit the following report (the "**Contract Report**" or the "**Report**") on the intended domination agreement (the "**Domination Agreement**" or the "**Agreement**") between ZEAL as the controlling company and Lotto24 as the controlled company (ZEAL and Lotto24 together also the "**Parties**") in accordance with Section 293a of the German Stock Corporation Act ("**AktG**").

## **I. Introduction**

ZEAL and Lotto24, a direct wholly-owned subsidiary of ZEAL, agreed today, October 9, 2024, on the Agreement underlying this contract report and attached to this report as Annex 1 (the "**Draft Agreement**").

The Domination Agreement is to be concluded following the approval of ZEAL's general meeting, which is scheduled for November 15, 2024. It must be in writing (see Section 293 (3) AktG). To be effective, the Agreement also requires the approval of the general meeting of Lotto24 (Section 293 (1) and (2) AktG). The approval resolution of the general meeting of Lotto24 is to be passed immediately following the general meeting of ZEAL on November 15, 2024. The approval resolutions must be passed with a majority of at least three quarters of the share capital represented at the time of the resolution.

The Domination Agreement becomes effective in accordance with Section 294 (2) AktG upon entry of its existence in the commercial register at the registered office of Lotto24.

In this report, the conclusion of the Domination Agreement and the Domination Agreement are explained and justified in detail from a legal and economic perspective.

## **II. The contracting parties**

### **1. Lotto24 AG**

#### 1.1 Company history and shareholder development

##### 1.1.1 *Company history of Lotto24 AG*

The company was founded on August 13, 2010 under the name "Tipp24 Deutschland GmbH". On April 27, 2012, the shareholders' meeting resolved to change the company's legal form to that of a stock corporation. The change of legal form became effective upon entry in the commercial register on May 16, 2012. Since then, the company has traded as Lotto24 AG. Lotto24 went public on July 3, 2012.

##### 1.1.2 *Takeover offer and delisting tender offer*

On January 31, 2019, ZEAL submitted a voluntary public takeover offer for all shares in Lotto24. Following the completion of the takeover offer in May 2019, ZEAL held a total of approx. 93.04% of

the shares in Lotto24. On August 16, 2021, ZEAL submitted a public delisting tender offer to the shareholders of Lotto24 to acquire all shares in Lotto24 not directly held by ZEAL. At the end of September 13, 2021, trading in Lotto24 shares on the regulated market of the Frankfurt Stock Exchange was terminated. Following the completion of the delisting tender offer on September 23, 2021, ZEAL held a total of 1,527,520 shares in Lotto24 (approx. 94.86% of the share capital and voting rights).

### 1.1.3 *Further acquisitions and squeeze-out of minority shareholders of Lotto24 AG*

ZEAL acquired a further 9,498 shares in Lotto24 (approx. 0.59% of the share capital and voting rights) through share purchase agreements concluded on March 20, 2024 and thus held 1,537,018 shares in Lotto24 (approx. 95.45% of the share capital and voting rights) after completion. By letter dated March 26, 2024, ZEAL submitted a formal request to the Management Board of Lotto24 pursuant to Section 327a (1) sentence 1 AktG that the general meeting of Lotto24 resolve to transfer the shares of the minority shareholders of Lotto24 to ZEAL in return for appropriate cash compensation. In a letter dated July 10, 2024, it specified this request and stated the cash compensation it had determined. The annual general meeting of Lotto24 then resolved on August 27, 2024 to transfer the shares of the minority shareholders to the main shareholder ZEAL in exchange for the cash compensation it had determined (so-called squeeze-out under stock corporation law). The squeeze-out became effective on October 8, 2024 upon entry in Lotto24's commercial register. Since then, Lotto24 has been a 100%-owned subsidiary of ZEAL.

### 1.2 Registered office, corporate purpose and fiscal year of Lotto24 AG

Lotto24 is a stock corporation under German law with registered office in Hamburg, registered in the Commercial Register of the Hamburg District Court under HRB 123037. Lotto24's business address is: Straßenbahnring 11, 20251 Hamburg.

The object of Lotto24 is the development, provision and distribution of products and services in the field of electronic media, in particular the Internet-based brokerage of participation in lotteries. The company is entitled to undertake all measures and transactions that appear necessary or useful for the achievement and realization of the object. To this end, it may in particular establish branches in Germany and abroad as well as found, acquire or participate in companies, sell interests in companies or conclude company agreements.

The fiscal year of the company is the calendar year.

### 1.3 Bodies and representation of Lotto24 AG

The Management Board of Lotto24 currently consists of two members, namely Andrea Behrendt and Carsten Muth. The Management Board members Andrea Behrendt and Carsten Muth each have individual power of representation.

The Supervisory Board of Lotto24 consists of six members, all of whom are appointed by the shareholders. The current members of the Supervisory Board are: Jens Schumann (Chairman), Dr.

Otto Lose (Deputy Chairman), Sebastian Blohm, Thorsten Hehl, Dr. Stefan Mäger and Dr. Andreas Meyer-Landrut.

#### 1.4 Capital and shareholders of Lotto24 AG

##### 1.4.1 *Share capital and shareholders*

The share capital of Lotto24 amounts to EUR 1,610,326.00 and is divided into 1,610,326 registered shares with a notional interest in the share capital of EUR 1.00 each. ZEAL is the sole shareholder of Lotto24.

##### 1.4.2 *Authorized capital*

The Management Board of Lotto24 has not made use of the Authorized Capital 2020, which expired on June 3, 2024 in accordance with Section 4 (2) of Lotto24's Articles of Association. At the time of signing this report, Lotto24 has also not issued any bonds with conversion or option rights or any bonds with conversion or option obligations.

#### 1.5 Employees and co-determination

As at December 31, 2023, Lotto24 had 130 employees (full-time equivalents; not including members of the Management Board, students and temporary staff).

Lotto24 is not subject to the provisions of the German Co-Determination Act or the One-Third Participation Act. Lotto24 does not have a works council.

#### 1.6 Structure and business activities of Lotto24 AG

Lotto24 is the leading online provider of lottery products (lotto24.de, tipp24.de). Lotto24 brokers tickets from customers to the lottery organizers and receives a commission for this. The lottery winnings or, in the case of social lotteries, the majority of the lottery winnings are borne by the lottery organizers. Within the scope of online lottery brokerage, Lotto24 offers its customers participation in the lottery products LOTTO 6aus49, Spiel 77, Super 6, Eurojackpot, GlücksSpirale, Keno, lottery syndicates, instant lotteries and Deutsche Fernsehlotterie, among others, whereby Lotto24 acts on behalf of the players and concludes lottery contracts with the respective lottery organizer on their behalf. Lotto24 also offers the online social lotteries freiheit+ and Traumhausverlosung in cooperation with ZEAL. Furthermore, Lotto24 has been offering games, i.e. virtual slot machines as defined by the Interstate Treaty on Gambling, on its web portals (LOTTO24, Tipp24) since June 2023.

Lotto24 has no subsidiaries.

#### 1.7 Business development and earnings situation of Lotto24 AG

1.7.1 *Key data for the 2021, 2022 and 2023 fiscal years*

The following table provides an overview of the key financial data of Lotto24 for the fiscal years 2021, 2022 and 2023. The financial information is taken from the audited individual financial statements of Lotto24 for the fiscal years ended December 31, 2021, 2022 and 2023, which were prepared in accordance with the provisions of the German Commercial Code ("**HGB**") and the German Stock Corporation Act ("**AktG**"). Unless otherwise stated, all figures have been rounded.

<b>Key figures (in EUR million)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Revenue	155.0	104.2	87.3
EBITDA	33.0	25.6	24.0
Net income for the year	22.0	16.9	15.5
Fixed assets	6.1	6.1	0.6
Current assets	69.3	57.1	70.6
Balance sheet total	77.7	71.8	84.6
Equity	32.9	38.2	45.5
Liabilities	40.2	25.0	32.5

Lotto24 also reports on the following other financial indicators:

<b>Other financial indicators</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Transaction volume (in EUR million)	885.0	758.4	656.5
Gross margin, lotteries (in %)	12.5	12.9	12.2
CPL (cost per lead) (in EUR)	45.52	35.97	27.94
ABPU (average billings per user per month), lotteries (in EUR)	61.34	59.09	56.77

1.7.2 *Outlook for the 2024 fiscal year*

In fiscal year 2024, Lotto24 plans to further expand its market leadership in Germany as an online provider of lottery products, accelerate the growth of its newly launched games offering and introduce new products in the area of social lotteries. Depending on the general conditions, Lotto24 expects – assuming an average jackpot development – that revenues according to HGB will range



between EUR 267 million and EUR 277 million in the fiscal year 2024. As to EBITDA, Lotto24 anticipates a range of EUR 40 million to EUR 45 million.

## **2. ZEAL Network SE**

### **2.1 Registered office, corporate purpose and fiscal year**

ZEAL is a European Company (Societas Europaea) with registered office in Hamburg and is entered in the Commercial Register of the Hamburg District Court under HRB 159581. The business address of ZEAL is: Straßenbahnring 11, 20251 Hamburg, Germany.

The corporate purpose of ZEAL as defined in the Articles of Association is the activity of a management holding company, i.e. the grouping of companies under uniform management, their consulting and the provision of other services and business management tasks for companies that are particularly active in the development, provision and distribution of products and services in the field of electronic media, in particular the Internet-based brokerage of participation in lotteries. The company is entitled to undertake all measures and transactions that appear necessary or useful to achieve and realize this purpose. In particular, it may set up branches in Germany and abroad and establish, acquire or participate in companies, sell interests in companies or conclude company agreements.

ZEAL's fiscal year is the calendar year.

### **2.2 Capital and stock exchange trading of ZEAL Network SE**

ZEAL's share capital currently amounts to EUR 22,396,070.00. It is divided into 22,396,070 no-par value registered shares. The Management Board of ZEAL is currently not authorized to issue new shares. In particular, ZEAL has neither authorized nor conditional capital.

By resolution of the general meeting on June 30, 2022, the Management Board of ZEAL was authorized in accordance with Section 71 para. 1 no. 8 AktG to acquire treasury shares up to a pro rata amount of 10% of the company's share capital existing at the time of the resolution or – if this value is lower – at the time the authorization is exercised. At no time may the acquired shares together with other shares held by ZEAL or attributable to it in accordance with Sections 71a et seq. of the German Stock Corporation Act (AktG) exceed 10% of the share capital. The authorization is valid until June 29, 2027. ZEAL holds 733,851 treasury shares at the time of signing this report.

ZEAL shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard) under ISIN DE000ZEAL241.

### **2.3 Shareholder structure of ZEAL Network SE**

According to the voting rights notifications and additional information that ZEAL has received from shareholders, the largest shareholders of ZEAL are the Günther Group with 35.17% of the shares and voting rights, Working Capital with 20.15% of the shares and voting rights, Marc Peters with 4.46% of the shares and voting rights and Jens Schumann with 3.58% of the shares and voting rights. ZEAL

holds 733,851 treasury shares. This corresponds to around 3.28% of the shares. The remaining ZEAL shares are in free float.

#### 2.4 Executive bodies and representation of ZEAL Network SE

The Management Board of ZEAL consists of the following members: Dr. Helmut Becker, Sebastian Bielski and Paul Dingwitz. Dr. Helmut Becker, Sebastian Bielski and Paul Dingwitz each have individual power of representation.

In accordance with the Articles of Association, the Supervisory Board of ZEAL consists of six members, all of whom are appointed by the shareholders. The current members of the Supervisory Board are: Peter Steiner (Chairman), Oliver Jaster (Deputy Chairman), Kenneth Chan, Thorsten Hehl and Jens Schumann.

#### 2.5 Employees and co-determination

As at December 31, 2023, the ZEAL Group had 172 employees (full-time equivalents; not including students and temporary staff). This figure includes the corresponding 130 employees of Lotto24 as at the same reporting date (see section 1.5).

ZEAL is not subject to the regulations on corporate co-determination under the German Co-Determination Act or the One-Third Participation Act. ZEAL does not have a works council.

#### 2.6 Business activities of ZEAL Network SE

ZEAL is the parent company of an e-commerce group of companies that offers its customers online lottery experiences. It is the leading German online provider of lottery products. The ZEAL Group currently operates in two segments: Germany and Other.

The main segment of the ZEAL Group is the Germany segment, which comprises the Group's domestic business: online lottery brokerage, the organization of social lotteries and the organization of games. In this segment, the ZEAL Group brokers lottery products via the Internet (lotto24.de, tipp24.de) and receives brokerage commissions from the lottery organizers. The lottery winnings or, in the case of social lotteries, the majority of the lottery winnings are borne by the lottery organizers.

As part of its online lottery brokerage services, the ZEAL Group offers its customers participation in the lottery products LOTTO 6aus49, Spiel 77, Super 6, Eurojackpot, GlücksSpirale, Keno, lottery syndicates, instant lotteries and Deutsche Fernsehlotterie, among others, whereby the ZEAL Group acts on behalf of the players and concludes lottery contracts with the respective lottery organizer on their behalf. The ZEAL Group also offers the online social lotteries freiheit+ and Traumhausverlosung. Furthermore, the ZEAL Group has been offering games, i.e. virtual slot machines within the meaning of the State Treaty on Gambling, on its portals (LOTTO24, Tipp24) since June 2023.

The Other segment comprises the remaining areas of the ZEAL Group's business, including online lottery operations in Spain for the national organization for the blind, ONCE, and investments in new lottery-related start-ups under ZEAL Ventures.

## 2.7 Business development and earnings situation of the ZEAL Group

### 2.7.1 Key data for the 2021, 2022 and 2023 fiscal years

The following table provides an overview of the key figures for the ZEAL Group for the 2021, 2022 and 2023 fiscal years. The financial information is taken from ZEAL's audited consolidated financial statements for the fiscal years ending December 31, 2021, 2022 and 2023, which were prepared in accordance with the International Financial Reporting Standards (IFRS) and the supplementary provisions of Section 315e (1) of the German Commercial Code (HGB). Unless otherwise stated, all figures have been rounded.

<b>Key figures (in EUR million)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Sales revenue	116.1	105.2	83.3
EBITDA	32.9	31.7	27.7
EBIT	23.6	22.9	19.0
Profit for the period	13.7	16.6	11.4
Non-current assets	302.0	320.2	327.1
Current assets	92.6	139.5	176.3
Balance sheet total	394.7	459.7	503.4
Equity capital	264.8	334.0	384.9
Current liabilities	58.0	44.6	48.7
Non-current liabilities	71.9	81.1	69.8

ZEAL also reports on the following other financial indicators:

<b>Other financial indicators</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Transaction volume (in EUR million)	885.0	758.4	656.5
Gross margin, lotteries (in %)	12.5	12.9	12.2
CPL (cost per lead), Germany segment (in EUR)	45.52	35.97	27.94

ABPU (average billings per user per month), lotteries (in EUR)	61.34	59.09	56.77
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### 2.7.2 Business development in the fiscal year 2024

In the first half of 2024, revenue increased by 40% to EUR 76.8 million (same period of the previous year: EUR 54.8 million). The ZEAL Group's significant revenue growth in the first half of the year is primarily attributable to the strong performance of the lottery business. Here, the transaction volume increased by 23% to EUR 507.1 million (same period of the previous year: EUR 411.7 million), while sales from lotteries rose by 33% to EUR 68.0 million (same period of the previous year: EUR 51.2 million). The ZEAL Group was also able to improve the gross margin in the lottery business to 13.4% (same period in the previous year: 12.5%) thanks to a change in the product mix and further margin optimizations.

At EUR 20.1 million, EBITDA was 46% higher than in the previous year as a result of the significant revenue growth and improved cost efficiency compared to the previous year (same period of the previous year: EUR 13.8 million). Net income for the period rose to EUR 36.9 million due to the first-time recognition of expected tax benefits from the utilization of existing tax loss carryforwards in connection with the squeeze-out at Lotto24 (prior-year period: EUR 5.6 million). Earnings per share amounted to EUR 1.68 (same period of the previous year: EUR 0.24).

For the fiscal year 2024, ZEAL plans to further expand its market leadership as an online provider of lottery products, accelerate the growth of the newly launched games offering and introduce new products in the area of social lotteries. Depending on the general conditions, ZEAL expects revenue to be in the range of EUR 140 million to EUR 150 million and EBITDA to be in the range of EUR 38 million to EUR 42 million in fiscal year 2024, assuming an average jackpot development.

## III. Reasons for concluding a domination agreement

### 1. Simplification of the Group structure and more efficient integration into the ZEAL Group

The conclusion of the Domination Agreement enables efficient and complete legal and operational integration of Lotto24 into the ZEAL Group and thus uniform planning and efficient implementation of a uniform strategy throughout the Group. The Domination Agreement ensures the uniform management of Lotto24, among other things through ZEAL's right to issue instructions to Lotto24.

To date, Lotto24 and ZEAL have been part of a de facto group. In a de facto group, the Management Board of Lotto24, as the dependent company, is responsible for managing Lotto24, whereby it is obliged to act exclusively in the interests of the dependent company. Although the Management Board of the dependent company has the discretion to implement suggestions made by the controlling company if they are in the interests of the dependent company, it is not obliged to do so. The Management Board may only implement measures that are disadvantageous to the dependent company if the disadvantage can be quantified and is fully compensated for by the end of the same fiscal year in accordance with Section 311 (1) and (2) AktG. Short-term negative effects can be offset

by long-term positive effects. Whether and to what extent the positive effects will occur, however, is often subject to considerable uncertainty. Legal transactions in the de facto group must otherwise be concluded on the same terms as they would be concluded on the market between independent third parties (arm's length principle). Compliance with these arm's length principles can necessitate time-consuming and cost-intensive valuations and thus significantly complicate legal transactions between Lotto24 and the other ZEAL Group companies.

Furthermore, the Management Board of Lotto24 is currently obliged to prepare an annual dependent company report in accordance with Section 312 AktG on relationships with affiliated companies. This report must list all legal transactions of Lotto24 with other companies of the ZEAL Group as well as all legal transactions and measures that Lotto24 has undertaken or refrained from undertaking at the instigation of or in the interests of ZEAL or another company of the ZEAL Group. In the case of legal transactions, performance and consideration must be stated; in the case of measures, the reasons for the measure and its advantages and disadvantages for Lotto24 must be stated. In the case of compensation for disadvantages, details must be given of how the compensation was actually paid during the fiscal year or to which advantages the company was granted a legal claim. The dependent company report must be audited by Lotto24's auditor.

The obligation to prepare and audit the dependent company report does not apply if there is a domination agreement or a profit and loss transfer agreement (see Section 316 AktG).

The conclusion of a domination agreement eliminates the obligation to comply with the rules of the de facto group and thus, among other things, eliminates additional time and personnel expenses in connection with the conclusion of legal transactions between ZEAL Group companies and Lotto24. Following the termination of the de facto group, intragroup legal transactions and intragroup restructuring measures can therefore be carried out much more efficiently and quickly.

## **2. Tax advantages**

The implementation of a domination agreement between Lotto24 and ZEAL creates an advantageous tax structure.

The conclusion of a domination agreement in accordance with Section 291 AktG serves to maintain organizational integration as a prerequisite for a VAT group. The prerequisite for such a VAT group is the so-called organizational integration of the controlled company into the controlling company. This can be achieved, among other things, through a personal identity in the management bodies of the companies. However, organizational integration can also be achieved by concluding and implementing a domination agreement. The Agreement is intended to ensure that the VAT group exists even if the management bodies of ZEAL and Lotto24 are not identical. The Domination Agreement to be concluded is therefore an efficient means of ensuring the VAT group.

## **3. No alternatives**

Apart from the Domination Agreement, no economically reasonable alternatives are apparent with which the above-mentioned advantages could be achieved in the same way while retaining Lotto24.

The associated advantages can only be realized by concluding the Domination Agreement between ZEAL and Lotto24. The summarized assessment of the Agreement shows that it is advantageous for both ZEAL and Lotto24.

#### **IV. Explanation of the Domination Agreement**

The following is a summary of the individual provisions of the draft Domination Agreement attached as Annex 1.

##### **1. Management (§ 1 of the Agreement)**

§ 1 of the Agreement contains the constitutive provision for a domination agreement, according to which Lotto24, as a dependent company, places the management of its company under the control of ZEAL as the controlling company. Accordingly, ZEAL is entitled to issue general and individual instructions to the Management Board of Lotto24 regarding the management of the company (§ 1 para. (1) sentences 2 and 3 of the Agreement).

This right to issue instructions does not change the fact that Lotto24 remains a legally independent company with its own executive bodies. The Management Board of Lotto24 therefore continues to be responsible for the management and representation of Lotto24. Insofar as no instructions are issued, the Management Board of Lotto24 can and must manage Lotto24 on its own responsibility.

The scope of the right to issue instructions is primarily based on Section 308 AktG. Pursuant to §1 para. (1) sentence 4 of the Agreement and Section 308 (2) sentence 1 AktG, the Management Board of Lotto24 is obliged to follow legally permissible instructions. Pursuant to Section 308 (1) sentence 2 AktG, instructions may also be issued that are detrimental to Lotto24 if they serve the interests of ZEAL as the controlling company or the companies affiliated with it and Lotto24. The Management Board of Lotto24 is not entitled to refuse to follow an instruction unless the instruction obviously does not serve the interests of ZEAL or the companies affiliated with it and Lotto24 (Section 308 (2) sentence 2 AktG). The same applies to inadmissible instructions, e.g. instructions whose compliance would violate mandatory statutory provisions or provisions of Lotto24's Articles of Association. Instructions whose compliance would jeopardize the existence of Lotto24 are inadmissible in any case. § 1 para. (2) of the Agreement also clarifies, in accordance with Section 299 AktG, that instructions to amend, maintain or terminate the Domination Agreement may also not be issued.

ZEAL's right to issue instructions exists only vis-à-vis the Management Board of Lotto24, but not vis-à-vis the Supervisory Board, the general meeting or employees of Lotto24. If the Management Board of Lotto24 is instructed to carry out a transaction that requires the approval of the Supervisory Board of Lotto24 and the Supervisory Board of Lotto24 does not agree or does not give its approval within a reasonable period of time, the approval of the Supervisory Board of Lotto24 may be replaced by a repetition of the instruction in accordance with Section 308 (3) AktG. The consent of the Supervisory Board of ZEAL is required for the repetition of the instruction (Section 308 para. 3 sentence 2, 2nd half-sentence AktG). The participation rights of the general meeting of Lotto24 are also not affected by the Domination Agreement.

Pursuant to § 1 para. (3) of the Agreement, instructions must be issued in text form within the meaning of Section 126b of the German Civil Code (“**BGB**”) (e.g. e-mail or fax).

ZEAL's right to issue instructions and Lotto24's corresponding consequential obligation pursuant to § 1 of the Agreement shall be subject to § 294 (2) AktG, § 4 (2) sentence 1 of the Agreement from the point in time at which the Agreement becomes effective by registration of its existence in the commercial register of Lotto24's registered office (see also section IV.4. below).

## **2. Right to information (§ 2 of the Agreement)**

§ 2 of the Agreement stipulates ZEAL's right to information and inspection as well as Lotto24's duty to provide information.

Pursuant to § 2 para. (1) of the Agreement, ZEAL is entitled to inspect all business documents of Lotto24 at any time. In addition, the Management Board of Lotto24 is obliged to provide ZEAL with all requested information on all legal, business or organizational matters of Lotto24 at any time in accordance with § 2 para. (2) of the Agreement.

§ 2 para. (3) obliges the Management Board of Lotto24 to report to ZEAL on business developments, in particular on significant business transactions, on an ongoing basis.

The right to information regulated in § 2 of the Agreement is intended to enable ZEAL to exercise its management power and its right to issue instructions to Lotto24 on the basis of appropriate information. Accordingly, ZEAL is granted an unrestricted right of inspection, which is supplemented by an ongoing duty of information of the Management Board of Lotto24 that exists independently of this. This is intended to enable ZEAL to exercise its management and instruction powers in the best interests of the Group in full knowledge of all information.

ZEAL's right to information and inspection as well as Lotto24's duty to provide information pursuant to § 2 of the Agreement shall only exist pursuant to § 294 (2) AktG, § 4 para. (2) sentence 1 of the Agreement from the time at which the Agreement becomes effective by entry of its existence in the commercial register at Lotto24's registered office (see also section IV.4. below).

## **3. Assumption of losses (§ 3 of the Agreement)**

§ 3 para. (1) of the Agreement governs the loss assumption obligation of the other party to the Agreement, in this case ZEAL, as is mandatory for a domination agreement. Pursuant to § 3 para. (1) of the Agreement, ZEAL is obliged to assume losses from Lotto24 in accordance with Section 302 AktG, as amended. According to Section 302 (1) AktG as currently in force, any net loss for the year “otherwise” incurred during the term of the Agreement, i.e. disregarding the obligation to assume losses, must be offset, unless the net loss for the year is offset by withdrawing amounts from other retained earnings (Section 272 (3) sentence 2 HGB) that were allocated to them during the term of the Agreement.

The obligation to assume losses ensures that the balance sheet equity of Lotto24 at the time the Domination Agreement comes into effect is not reduced during the term of the Agreement. It serves to safeguard the financial interests of Lotto24 and its creditors during the term of the Agreement.

Pursuant to § 3 para. (2) sentence 1 of the Agreement, the obligation to assume losses applies for the first time for the entire fiscal year in which the Agreement becomes effective pursuant to § 4 para. (2) of the Agreement. If the Agreement is registered by December 31, 2024, the obligation therefore applies to any loss from the current fiscal year of Lotto24, which began on January 1, 2024.

According to § 3 para. (2) sentence 2 of the Agreement, the claim to loss assumption is due at the end of each fiscal year of Lotto24.

#### **4. Effective date, duration and termination (§ 4 of the Agreement)**

In accordance with the statutory approval requirements pursuant to Section 293 (1) and (2) AktG, § 4 para. (1) of the Agreement stipulates that the Agreement requires the approval of the general meeting of ZEAL and the general meeting of Lotto24 in order to be effective.

The general meeting of ZEAL is to pass a resolution on the approval of the Domination Agreement on November 15, 2024. The general meeting of Lotto24 shall resolve on the approval of the Domination Agreement immediately following the general meeting of ZEAL.

§ 4 para. (2) sentence 1 of the Agreement also stipulates, in accordance with the statutory provisions of Section 294 (2) AktG, that the Agreement only becomes effective upon entry of its existence in the commercial register at Lotto24's registered office. In respect of the obligation to assume losses pursuant to § 3 of the Agreement, the Agreement shall apply from the beginning of the fiscal year of Lotto24 in which the entry in the commercial register of Lotto24 is made, i.e. if this entry is made by December 31, 2024, retroactively from January 1, 2024 and, if the entry is made after December 31, 2024, from January 1, 2025.

The Agreement is concluded for an indefinite period (§ 4 para. (3) sentence 1 of the Agreement) and can be terminated by either party with three months' notice to the end of a fiscal year of Lotto24.

§ 4 para. (4) sentence 1 of the Agreement clarifies that the right to terminate without notice for good cause remains unaffected (see section 297 (1) sentence 1 AktG). Good cause includes, in particular, the sale or transfer of the majority of shares or voting rights in Lotto24 by ZEAL or the merger, demerger or liquidation of Lotto24 or ZEAL.

The written form requirement for termination stipulated in § 4 para. (5) of the Agreement corresponds to the statutory regulation (see Section 297 (3) AktG).

#### **5. Final provisions (§ 5 of the Agreement)**

§ 5 para. (1) of the Agreement (so-called severability clause) is intended to ensure that the essential content of the Domination Agreement is maintained if, contrary to expectations, individual



provisions of the Agreement should prove to be wholly or partially invalid, unenforceable or incomplete. This is a provision typically contained in domination agreements.

In accordance with § 5 para. (2) of the Agreement, amendments or additions to the Agreement must be made in writing to be effective. This also applies to the written form clause itself. Otherwise, Section 295 AktG applies, which stipulates in particular that the Domination Agreement can only be amended with the approval of the general meeting of Lotto24. In addition, any amendment or addition to the Domination Agreement also requires the approval of ZEAL's general meeting in order to become effective (Section 295 (1) sentence 2 in conjunction with Section 293 (2) AktG), and the amendment or addition only becomes effective upon entry in the commercial register at Lotto24's registered office (Section 295 (1) sentence 2 in conjunction with Section 294 (2) AktG).

Finally, § 5 para. (3) of the Agreement stipulates that Hamburg is the exclusive place of jurisdiction, insofar as this is legally permissible.

#### **V. No determinations pursuant to Sections 304, 305 AktG, no review of the Agreement**

Apart from ZEAL, there are no other shareholders in Lotto24. Consequently, the Agreement does not require the determination of an appropriate compensation or settlement in accordance with Sections 304 and 305 AktG. A valuation of the companies involved to determine an appropriate compensation and settlement was therefore not required. Accordingly, the Agreement does not contain any provisions to this effect. The obligation to have the Agreement audited by a court-appointed auditor (Section 293b (1) last half-sentence AktG) also does not apply.

#### **VI. Consequences for the shareholders of ZEAL Network SE**

The Agreement gives ZEAL the right to issue instructions to the Management Board of Lotto24. On the other hand, ZEAL is obliged to compensate Lotto24 for any net loss for the year that would otherwise arise during the term of the Agreement. There are no further particular effects on the shareholders of ZEAL, in particular because ZEAL is not obliged to pay any compensation or settlement in accordance with Sections 304 and 305 AktG.

Hamburg, October 9, 2024

**ZEAL Network SE**

[signature]

Name: Dr. Helmut Becker

Position: Director

[signature]

Name: Sebastian Bielski

Position: Director

[signature]

Name: Paul Dingwitz

Position: Director

Hamburg, October 9, 2024

**Lotto24 AG**

[signature]

Name: Andrea Behrendt

Position: Director

[signature]

Name: Carsten Muth

Position: Director

**Annex 1**

**Profit and loss transfer agreement between ZEAL Network SE and Lotto24 AG,  
final draft dated October 9, 2024**

*[omitted for the purpose of this convenience translation]*