LANGUAGE DISCLAIMER

This version of the joint report of the Management Boards of ZEAL Network SE and Lotto24 AG on the profit and loss transfer 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 original German version on the Company's website at www.zealnetworl.de/hv at www.bundesanzeiger.de.

JOINT REPORT

of the

Management Boards of

ZEAL NETWORK SE

and

LOTTO24 AG

on the profit and loss transfer agreement
between
ZEAL NETWORK SE and LOTTO24 AG

pursuant to § 293a AktG

October 9, 2024

TABLE OF CONTENTS

LIST OF ATTACHMENTS

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]*

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 profit and loss transfer agreement (the "**Profit and Loss Transfer 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 Profit and Loss Transfer 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 Profit and Loss Transfer 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 Profit and Loss Transfer Agreement and the Profit and Loss Transfer 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.

Key figures (in EUR million)	**2023**	**2022**	**2021**
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:

Other financial indicators	**2023**	**2022**	**2021**
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.

Key figures (in EUR million)	**2023**	**2022**	**2021**
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:

Other financial indicators	**2023**	**2022**	**2021**
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

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 profit and loss transfer agreement

1. No dependency report

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). Among other things, this eliminates additional expenditure in terms of time, personnel and costs.

2. Tax advantages

The implementation of a profit and loss transfer agreement between Lotto24 and ZEAL creates an advantageous tax structure.

The purpose of the Agreement is to establish a corporate and trade tax group between ZEAL and Lotto24. The conclusion of the (profit and loss transfer) Agreement is a mandatory prerequisite for such a fiscal unity in accordance with Section 14 (1) sentence 1 of the German Corporation Tax Act (Körperschaftsteuergesetz – "**KStG**") and Section 2 (2) sentence 2 of the German Trade Tax Act (Gewerbesteuergesetz – "**GewStG**"), meaning that the associated tax benefits can only be realized by concluding the Agreement.

The fiscal unity results in combined taxation for the purposes of corporate income tax and trade tax of ZEAL as the controlling company and Lotto24 as the controlled company. The consolidated tax group relationship for corporation and trade tax purposes enables Lotto24's income to be consolidated with ZEAL's profits and losses by combining the tax results on the balance sheet date and a timely transfer of profits and offsetting of losses. This prevents profits of one company from having to be taxed, while the other company may not incur tax-deductible losses or may only incur tax-deductible losses at a later date. This offsetting of profits and losses can reduce the overall tax burden.

In addition, certain double charges can be avoided through a tax group relationship. Intra-group financing and rental relationships are more advantageous within a consolidated tax group for trade tax purposes, as interest on debt and rental expenses are not included in the calculation of trade income within the consolidated tax group.

Furthermore, the direct offsetting of Lotto24's taxable income against ZEAL's taxable income results in a positive liquidity effect insofar as Lotto24's profit transfers are not subject to capital gains tax deduction including solidarity surcharge. If no profit and loss transfer agreement were to be concluded, a refund of the deducted taxes would in principle only arise in the context of ZEAL's corporation tax assessment after the tax return has been submitted, which would result in a liquidity disadvantage. In addition, the tax group avoids the taxation that would otherwise occur in the event of a profit distribution. This also applies in particular to so-called hidden profit distributions if, for example, services are invoiced between Lotto24 as the service provider and ZEAL at prices that the tax authorities consider to be excessive. Under current law, 5% of the profit distribution is subject to corporation and trade tax as a non-deductible operating expense at ZEAL level.

By establishing a consolidated tax group for corporate and trade tax purposes between ZEAL and Lotto24, an optimal structure is thus achieved for corporate and trade tax purposes. The aim is for the Profit and Loss Transfer Agreement to be entered in Lotto24's commercial register before the end of the 2024 calendar year, so that the consolidated tax group for income tax purposes will take effect retroactively as of January 1, 2024.

3. No alternatives

Apart from the Profit and Loss Transfer 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 Profit and Loss Transfer 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 Profit and Loss Transfer Agreement

The following is a summary of the individual provisions of the draft Profit and Loss Transfer Agreement attached as Annex 1.

1. Profit transfer (§ 1 of the Agreement)

Pursuant to § 1 para. (1) of the Agreement, Lotto24 is obliged to transfer its entire profit to ZEAL during the term of the Agreement. Subject to the formation or release of reserves in accordance with § 3 para. (2) of the Agreement, the maximum amount of profit transfer pursuant to Section 301 AktG, as amended, shall be transferred. This means that, in accordance with Section 301 sentence 1 AktG, as amended, the maximum amount to be transferred to ZEAL as profit is the net profit for the year without the profit transfer, less any loss carried forward from the previous year, the amount to be allocated to the statutory reserves in accordance with Section 300 AktG and the amount barred from distribution in accordance with Section 268 (8) HGB.

§ 1 para. (2) sentence 1 of the Agreement stipulates that Lotto24 may, with ZEAL's consent, transfer amounts from the net profit for the year to retained earnings (Section 272 (3) HGB) to the extent that this is permissible under commercial law and, with the exception of the statutory reserves, economically justified on the basis of prudent business judgment. In this case, the profit to be transferred is reduced accordingly. Pursuant to § 1 para. (2) sentence 2 of the Agreement, ZEAL may demand that other retained earnings formed during the term of the Agreement in accordance with Section 272 (3) HGB be released, insofar as legally permissible, and transferred as profit under the conditions of Section 301 AktG as amended.

§ 1 para. (2) sentence 3 of the Agreement clarifies that the transfer of amounts from the reversal of capital reserves (Section 272 (2) HGB) or from pre-contractual profit carryforwards or retained earnings within the meaning of Section 272 (3) HGB is excluded.

In accordance with § 1 para. (3) sentence 1 of the Agreement, the obligation to transfer profits applies for the first time for the entire fiscal year in which the Agreement becomes effective in accordance with § 4 para. (2) of the Agreement. If the Agreement is registered by December 31, 2024, the obligation therefore applies to any winnings from Lotto24's current fiscal year, which began on January 1, 2024.

According to § 1 para. (3) sentence 2 of the Agreement, the claim to profit transfer is due at the end of each fiscal year of Lotto24.

2. Assumption of losses (§ 2 of the Agreement)

§ 2 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 profit and loss transfer agreement. Pursuant to § 2 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 Profit and Loss Transfer 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 § 2 para. (2) 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.

3. Payments on account (§ 3 of the Agreement)

Pursuant to § 3 para. (1) of the Agreement, ZEAL may demand advance payments on the profit expected to be transferred by Lotto24, insofar as an advance distribution on the expected annual profit to the shareholders of Lotto24 would be permissible without the existence of the Agreement, there are no mandatory requirements to the contrary and the liquidity of Lotto24 permits such advance payments.

§ 3 para. (2) of the Agreement stipulates that Lotto24 may demand advance payments from ZEAL on the annual net loss expected to be offset, insofar as this is legally permissible and Lotto24 requires such advance payments in consideration of its liquidity on the basis of a reasonable commercial assessment.

According to § 3 para. (3) sentence 1 of the Agreement, the above-mentioned payments are non-interest-bearing. Accordingly, advance payments made during the year are to be credited against the profit to be transferred at the end of the fiscal year or the net loss for the year to be offset without additional interest. § 3 para. (3) sentence 3 of the Agreement stipulates that any overpayments made by Lotto24 shall be treated as interest-bearing loans granted by Lotto24 to ZEAL. Any overpayments by ZEAL shall be treated as interest-bearing loans granted by ZEAL to 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 Profit and Loss Transfer Agreement on November 15, 2024. The general meeting of Lotto24 shall resolve on the approval of the Profit and Loss Transfer Agreement immediately following the general meeting of ZEAL.

§ 4 para. (2) 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. 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. This provision makes use of the retroactive effect option under Section 14 (1) sentence 2 KStG. The retroactive application of the Agreement means that – if entered in the commercial register as planned – the consolidated tax group for corporation and trade tax purposes can already be achieved for Lotto24's fiscal year 2024.

The Agreement is concluded for an indefinite period (§ 4 para. (3) sentence 1 of the Agreement). In order to establish a corporate and trade tax group between ZEAL and Lotto24, the Agreement must be concluded for at least five years in accordance with Sections 14 (1) sentence 1 no. 3 KStG and 2 (2) sentence 2 GewStG. This is ensured by the provision in § 4 para. (3) sentence 3 of the Agreement, according to which ordinary termination of the Agreement is possible for the first time with effect from the end of a fiscal year of Lotto24 at the end of which the minimum tax term of currently five years after the beginning of the fiscal year for which the Agreement first takes effect is fulfilled. According to the current legal situation, the Agreement can therefore be terminated with due notice at the earliest on December 31, 2028.

§ 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, reasons that are recognized as important reasons that are not detrimental for tax purposes. Good cause that entitles both ZEAL and Lotto24 to terminate the Agreement 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).

In the event that the validity of the Agreement or its proper execution is not or not fully recognized for tax purposes, § 4 para. (6) of the Agreement stipulates that the minimum term of the Agreement shall not begin until the first day of the fiscal year of Lotto24 for which the conditions for tax recognition of its validity or its proper execution are met for the first time or for the first time again.

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 Profit and Loss Transfer 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 profit and loss transfer agreements. In accordance with § 5 para. (1) sentence 4 of the Agreement, the income tax requirements for the recognition of a tax group, in particular those of Sections 14 to 19 of the German Corporation Tax Act (Körperschaftsteuergesetz), as amended, must be observed when interpreting the Agreement.

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 Profit and Loss Transfer Agreement can only be amended with the approval of the general meeting of Lotto24. In addition, any amendment or addition to the Profit and Loss Transfer 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

Under and during this agreement, Lotto24 undertakes to transfer its entire profit to ZEAL. 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]