

ZEAL

EARNINGS PRESENTATION FY 2022



Tipp24

ZEAL IBERIA

ZEAL INSTANT GAMES

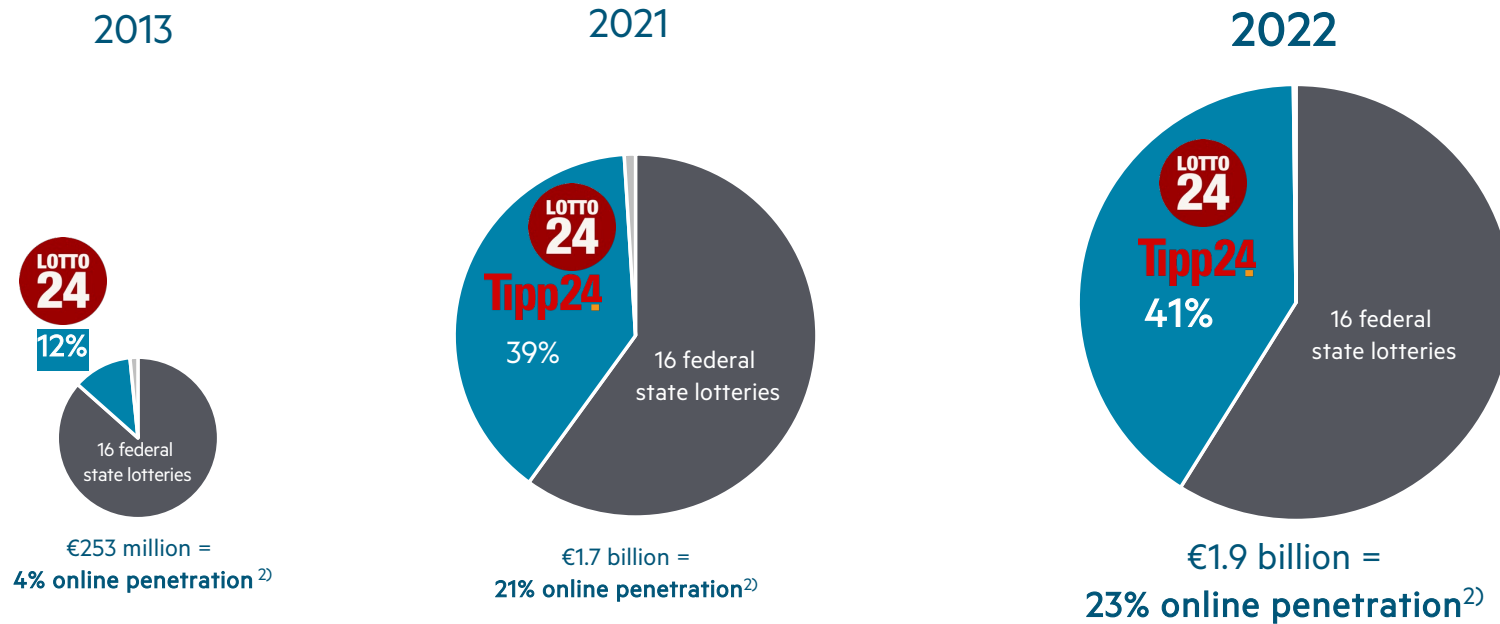
ZEAL VENTURES

SUMMARY: ZEAL DELIVERED ON GOALS IN FY 2022

- Ambitious growth objectives achieved in a challenging environment
- Online market share expanded to around 41%
- VAT case won, resulting in a high special dividend
- Continued business growth expected
- Broker licence extended until 2029
- Tight cost control resulted in strong EBITDA, 14% growth YoY



DUE TO HIGHLY EFFICIENT MARKETING ACTIVITIES, MARKET SHARE EXPANDED SIGNIFICANTLY IN 2022



¹⁾ According to information of the German Association of State Lottery Companies (»Deutscher Lotto- und Totoblock, DLTB«) and calculations of the German Lottery Association (»Deutscher Lottoverband, DLV«)

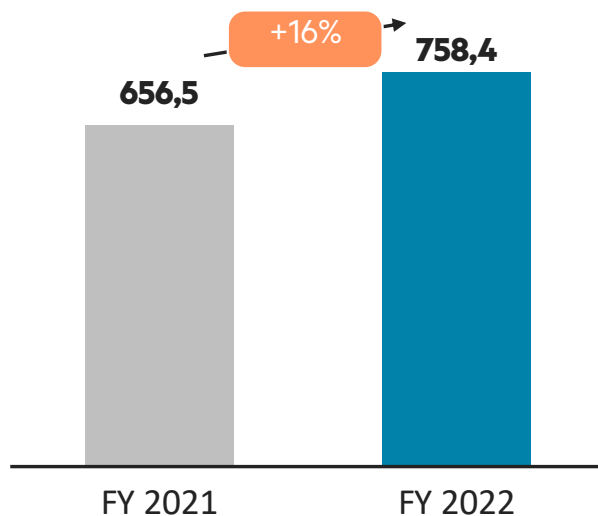
²⁾ Total sales of the DLTB lottery market: 2013: €7.0 billion/ 2021: €7.9 billion, 2022: €8.0 billion

CONDENSED INCOME STATEMENT FY 2022

INCOME STATEMENT	FY 2022(e) (in €m)	FY 2021 (in €m)	CHANGE (in %)	COMMENTS
REVENUE + Income from jackpot insurance	105.2	86.8	+21.2	REVENUE: Revenue and Income from jackpot insurance increased by 21% due to favourable product mix in combination with increased transaction volume
TOTAL COSTS OF OPERATIONS	-75.9	-60.2	+26.0	TOTAL COSTS OF OPERATIONS: Total costs of operations increased by 26% compared to previous year
Personnel expenses	-18.9	-19.0	-0.8	• Personnel expenses: Personnel expenses decreased slightly (161 vs 157 average FTE's) mainly as a result from the lower LTI provisions partly offset by the increase from cost inflation
Other operating expenses	-57.0	-41.1	+38.6	Marketing expenses: Higher jackpots (especially in Jul. and Nov.) were successfully capitalised with € 11m higher marketing investments, which in turn led to strong customer acquisition numbers
Marketing expenses	-34.1	-22.4	+52.6	Direct operating expenses: Increase of 11% in line with the 16% increase in billings
Direct operating expenses	-10.7	-9.6	+11.2	• Indirect operating expenses: Increase in indirect operating expenses of 33%, mainly due several special effects: 1) a one-off effect in the same period of the previous year (release of a provision of € 0.9m for a legal dispute), 2) an increase in consultancy costs of €1.0m, 3) an increase of €0.5m in travel, training and entertaining costs 4) and an increase in insurance costs by €0.4m
Indirect operating expenses	-12.2	-9.2	+32.8	
EBITDA	31.7	27.7	+14.1	EBITDA: EBITDA increased by 14% thanks to higher revenues despite higher total costs of operations (especially marketing expenses)

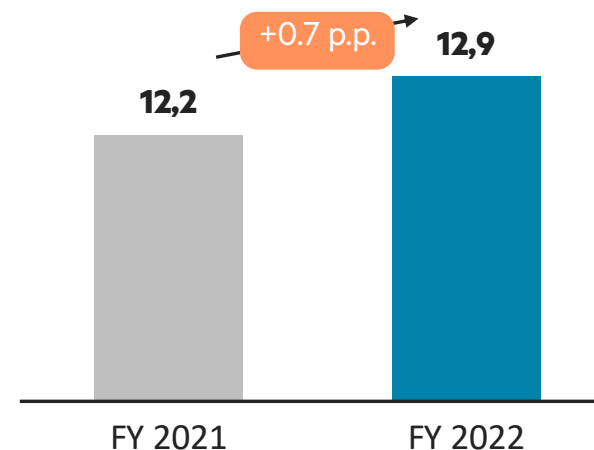
OTHER PERFORMANCE INDICATORS I

BILLINGS
in € million



16% Increase, in part thanks to better jackpot development

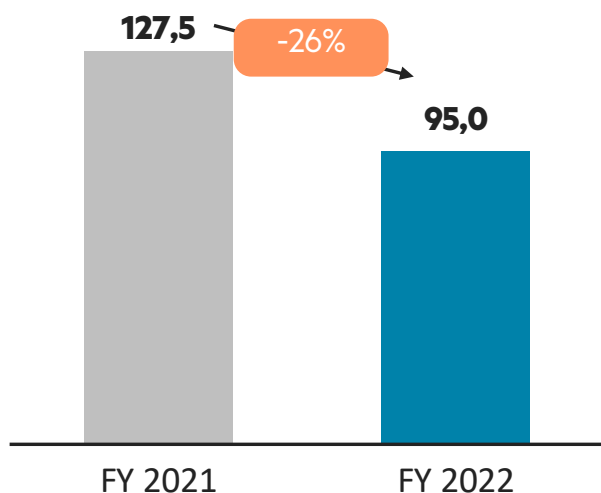
GROSS MARGIN
(GERMANY SEGMENT)
in %



Gross margin increased due to a more favorable product mix

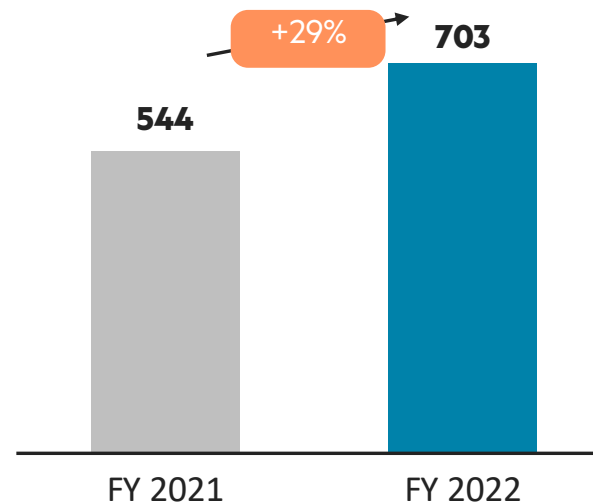
OTHER PERFORMANCE INDICATORS II

NET CASH
in € million



Net cash generation driven by operating profitability but impacted by dividend payment of €47m

NEW REGISTERED
CUSTOMERS
in thousand



Efficient acquisition, especially during high Jackpot phases, led to a significant increase in new customers

GUIDANCE 2023: RAMPING UP FOR THE NEXT PHASE OF GROWTH

In €m	2023 GUIDANCE	2022
Billings (Germany segment) ¹⁾	800-830	758.4
Revenue ²⁾	110-120	105.2
EBITDA ³⁾	30-35	31.7

- Guidance for FY 2023 based on a normalised jackpot situation
- ZEAL will make the necessary investments for future growth
- Increase of marketing expenses in FY 2023 in the range of €34-39m expected
- The guidance includes a low single-digit million impact for ‘Games’ business for both Revenue and EBITDA
- Expected mid-term revenue growth in low double-digit range (CAGR 2022-2027)

¹⁾ Based on an average jackpot development

²⁾ Including income from jackpot insurance;

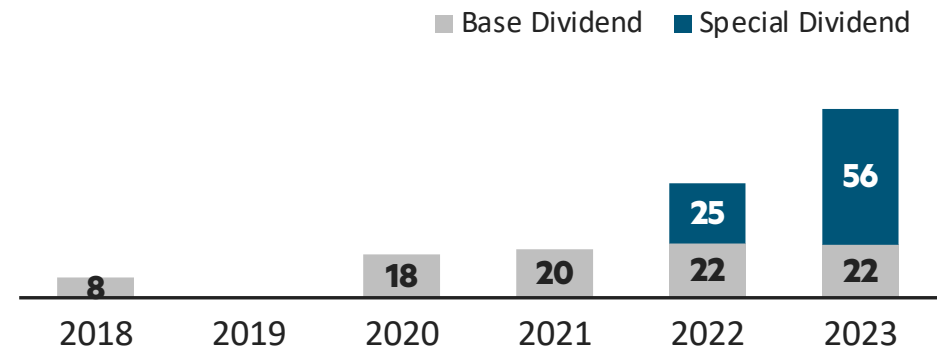
³⁾ Marketing expenses of €34m - €39m are expected

DIVIDEND

Based on the continuing positive liquidity situation in 2022 and the expected increase in future profitability, combined with the aim to further optimising the capital structure, we intend to return another large portion of cash to our shareholders

Proposal of a total amount of pay-out of € 78m (base dividend €1.00 per share + special dividend €2.60 per share) to the upcoming AGM on 9 May 2023

TOTAL PAY-OUT P.A. in € million



The payment of a further special dividend in 2023 is a next step towards optimising the company's capital structure.

FIVE REASONS TO INVEST IN ZEAL

- No. 1 in online lotteries in Germany
- Unique, cash generating business model
- Outstanding customer loyalty
- High growth opportunities in an underpenetrated market
- Attractive dividend proposal



