

# DEFINING THE FUTURE OF LOTTERY



**1 JANUARY –  
30 SEPTEMBER 2023**  
QUARTERLY STATEMENT



**ZEAL**

**ZEAL Network SE** is the leading German online broker for state lotteries and other licensed lottery and gaming products. Our aim is to innovate and drive change in the lottery sector while further expanding our online market leadership.

#### OUR MISSION

## **To define the future of lottery!**

As a technology company, we constantly strive to enrich our offerings with new innovations. To achieve this, we leverage our many years of experience in the e-commerce sector, our lottery expertise and our knowledge of our customers' wishes, aims and gaming behaviour.

#### OUR GOAL

## **We let people dream. We make a contribution to society**

Our work enables people to dream big. And with every lottery ticket sold, we are helping society by supporting good causes via our charity lotteries or via our customers playing the state-run lotteries.

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# Q1-3 2023 AT A GLANCE

**€ 86.0m**

**REVENUE, TOTAL**  
(Q1-3 2022: €74.5m) +16%

**518k**

**NEW REGISTERED CUSTOMERS**  
Germany segment  
(Q1-3 2022: 501k) +3%

**€46.81**

**COST PER LEAD, CPL**  
Germany segment  
(Q1-3 2022: €36.42) +29%

**€ 23.2m**

**EBITDA**  
(Q1-3 2022: €22.0m) +5%

## Growth initiatives bring success



- Further strong business volume growth
- Increased profitability despite rise in marketing expenses
- Game offerings expanded in third quarter

## Lotteries

**€503.1m**

**CUSTOMER PAYMENTS FOR LOTTERIES**  
(Q 1-3 2022: €430.4m) +17%

**€633,2m**

**BILLINGS FROM LOTTERIES**  
(Q 1-3 2022: €544.4m) +16%

**€79.4m**

**REVENUE FROM LOTTERIES**  
(Q 1-3 2022: €69.4m) +14%

**15.8%**

**CUSTOMER PAYMENTS MARGIN, LOTTERIES**  
(Q 1-3 2022: 16.1%) -0.3pp

**12.5%**

**GROSS MARGIN, LOTTERIES**  
(Q 1-3 2022: 12.8%) -0.2pp

**€7.65**

**AVERAGE REVENUE FROM LOTTERIES**  
Per active lottery customer per month  
(Q 1-3 2022: €7.46) +3%

## Games

**€3.4m**

**CUSTOMER PAYMENTS FOR GAMES**  
(Q 1-3 2022: nil)

**€16.7m**

**BILLINGS FROM GAMES**  
(Q 1-3 2022: nil)

**€1.2m**

**REVENUE FROM GAMES**  
(Q 1-3 2022: nil)

**35.3%**

**CUSTOMER PAYMENTS MARGIN, GAMES**  
(Q 1-3 2022: nil)

**7.3%**

**GROSS MARGIN, GAMES**  
(Q 1-3 2022: nil)

**€19.52**

**AVERAGE REVENUE FROM GAMES**  
Per active lottery customer per month  
(Q 1-3 2022: nil)

**Due to the launch of our games business at the end of June 2023**, we now report the financial measurements and indicators presented above separately according to 'lotteries' and 'games'. Further explanations can be found in the 'Key performance indicators' section of this Quarterly Statement on pages 9 and 10.

# BUSINESS REVIEW

## DEAR SHAREHOLDERS,

In the third quarter of 2023, we successfully maintained the strong growth momentum of the first six months and once again improved our profitability.

The jackpot environment in the first nine months of 2023 was similar to that of the previous year. The maximum 'Eurojackpot' amount of €120 million was reached for two consecutive draws in the first nine months of the year (2022: maximum 'Eurojackpot' amount only reached once) and – as in the same period last year – the 'Eurojackpot' exceeded €100 million two further times. In the case of the 'LOTTO 6aus49' lottery, the maximum jackpot amount of €45 million was reached for three draws and there was only one mandatory payout – compared to four maximum jackpots and two mandatory payouts in the same period last year. As in the previous year, we used the high jackpot phases in particular to acquire new customers.

In the course of these high jackpot phases, we were able to make our customers particularly happy: in the third quarter, the highest jackpots of both lotteries were won by LOTTO24 players. In early August, a 36-year-old LOTTO24 customer in Hamburg was delighted to win the top 'Eurojackpot' prize of €117 million. And following the 'LOTTO 6aus49' draw on 30 September, 13 members of a LOTTO24 lottery club shared half of the €45 million mandatory payout.

Although the jackpot situation was largely similar to that of the previous year, we were able to raise billings from lotteries by €88.8 million, or 16.3%, to €633.2 million<sup>1</sup> in the first nine months of this year (2022: €544.4 million). At €79.4 million, revenue from lotteries rose by €10.0 million, or 14.4%, compared to the previous year (2022: €69.4 million). Due to a changed brand and product mix, our gross margin from lotteries of 12.5%<sup>2</sup> was slightly down on the previous year by 0.2 percentage points (2022: 12.8%). Moreover, our range of virtual slot machine games ('games') – only launched in June 2023 – made an initial contribution of €1.2 million. Total revenue at Group level amounted to €86.0 million (2022: €74.5 million).

In line with our marketing strategy, we stepped up our marketing measures during the high jackpot phases. As a result, we gained 518 thousand new customers in the first nine months of 2023 (2022: 501 thousand) and thus invested in our future revenue growth. The general increase in media costs, more intensive online advertising by our competitors and an expansion of our brand marketing activities (especially via more TV advertising) resulted in a year-on-year increase in cost per lead (CPL): it amounted to €46.81 for the first nine months of 2023 (2022: €36.42). We already observed a positive impact of this increased brand marketing on our brand awareness levels in Q3 2023. All in all, marketing expenses rose by €6.6 million to €30.7 million (2022: €24.1 million). This was the main reason for the overall increase in other operating expenses to €48.8 million (2022: €40.6 million). Due to the hiring of additional staff, personnel expenses rose by €1.3 million to €15.2 million (2022: €13.9 million). Despite the strong increase in marketing expenses, EBITDA of €23.2 million was above the prior-year level (2022: €22.0 million). EBIT also increased to €16.6 million (2022: €15.5 million). Due to a €1.1 million decrease in the financial result and a €2.2 million increase in the tax expense, net profit declined to €10.1 million (2022: €12.1 million).

Probably the most significant highlight of the year so far was the launch of our games offering. After a long wait and intensive preparations, our subsidiary LOTTO24 AG has been permitted to offer games on its portals (LOTTO24, Tipp24) for the first time since the licence was granted in April 2023. We already entered the market with a small initial portfolio in June. In the third quarter, we expanded our games offering: we now offer 28 different games and have received approval for 22 further games, which we will be gradually rolling out on our portals over the coming weeks. Moreover, we plan to continue the significant expansion of our games offerings. In addition to expanding our current range of virtual slot machine games by launching further games in this category, we are working on broadening and diversifying our existing games portfolio. We are in close contact with the relevant regulatory body on this matter, but cannot foresee at present if and when games in further categories will be approved.

There have also been changes to the ZEAL Management Board: the Supervisory Board appointed Sebastian Bielski as Chief Financial Officer as of 1 October. Mr Bielski is responsible for Finance, Investor Relations and all ESG topics. He succeeds Jonas Mattsson, who has decided not to extend his mandate beyond the current term. Mr Bielski has more than ten years of experience in senior roles at high-growth, consumer-facing internet companies, as well as eight years of experience in investment banking and private equity. We would like to take this opportunity to express our sincere thanks to Mr Mattsson for his outstanding contribution and longstanding commitment to ZEAL.

Our guidance for billings, revenue and EBITDA remains unchanged: assuming an average jackpot development, we anticipate billings from lotteries (excluding games) in the range of €800 million to €830 million for the Germany segment. Moreover, we continue to expect revenue to be in the range of €110 million to €120 million in the fiscal year 2023. EBITDA is expected to be in the range of €30 million to €35 million. Compared to the previous year, we plan to invest significantly more in the acquisition of new customers and anticipate marketing expenses of €34 million to €39 million. In the fiscal year 2023, we still aim to extend our position as the leading online provider of lottery products and to launch new products, including further games as described above.

Hamburg, 8 November 2023

The Management Board



Helmut Becker  
Chief Executive Officer



Sebastian Bielski  
Chief Financial Officer



Paul Dingwitz  
Chief Technology Officer



Sönke Martens  
Chief Marketing  
and Sales Officer

<sup>1</sup> For contractual reasons, the billings of our ONCE business in Spain are not included in this total.

<sup>2</sup> As the Spanish ONCE business is not included in billings but only in revenue, our margin trend is better reflected by the Germany segment than at Group level.

# RESULTS OF OPERATIONS AND FINANCIAL POSITION

Income statement	Q1-3 2023	Q1-3 2022	Change in %
in € thousand			
Revenue	86,012	74,451	16%
thereof from lotteries	79,418	69,420	14%
thereof from games	1,216	-	-
Other operating income	1,083	2,115	-49%
Personnel expenses	-15,195	-13,935	9%
Other operating expenses	-48,796	-40,632	20%
Marketing expenses	-30,691	-24,096	27%
Direct operating expenses	-8,570	-7,697	11%
Indirect operating expenses	-9,535	-8,839	8%
Exchange rate differences	63	-7	
<b>EBITDA</b>	<b>23,168</b>	<b>21,993</b>	<b>5%</b>
Amortisation and depreciation	-6,530	-6,518	0%
<b>EBIT</b>	<b>16,637</b>	<b>15,475</b>	<b>8%</b>
Financial result	-979	133	
Share of loss from associates	-27	-122	-78%
<b>Net profit before taxes</b>	<b>15,632</b>	<b>15,485</b>	<b>1%</b>
Income taxes	-5,538	-3,343	66%
<b>Net profit</b>	<b>10,093</b>	<b>12,142</b>	<b>-17%</b>
Attributable to			
Shareholders of the parent company	9,557	11,681	-18%
Non-controlling interest	536	461	16%
Earnings per share for profit attributable to shareholders of the parent company			
Basic and diluted earnings per share (€/share)	0.44	0.52	-15%
<b>Other financial KPIs and other indicators</b>			
Customer payments for lotteries (€ thousand)	503,141	430,442	17%
Billings from lotteries (€ thousand)	633,202	544,372	16%
Customer payments margin, lotteries (%)	15.8	16.1	-0.3 pp
Gross margin, lotteries (%)	12.5	12.8	-0.2 pp
MAU (thousand), lotteries	1,153	1,034	12%
ABPU (€), lotteries	61.02	58.47	4%
ARPU (€), lotteries	7.65	7.46	3%
Customer payments for games (€ thousand)	3,440	-	-
Billings from games (€ thousand)	16,744	-	-

	Q1-3 2023	Q1-3 2022	Change in %
in € thousand			
Customer payments margin, games (%)	35.3	-	-
Gross margin, games (%)	7.3	-	-
MAU (thousand), games	16	-	-
ARPU (€), games	19.52	-	-
Number of new registered customers (thousand), Germany segment	518	501	3%
CPL (€), Germany segment	46.81	36.42	29%

## REVENUE

In the first nine months of 2023, revenue increased by 16% (€11,561 thousand) to €86,012 thousand. At €79,418 thousand, revenue from lotteries rose by 14% (€9,998 thousand) due to the strong growth in billings from lotteries (by 16%). The launch of virtual slot machine games ('games') in late June 2023 resulted in additional revenue of €1,216 thousand (2022: nil).

## PERSONNEL EXPENSES

In the period ending 30 September 2023, personnel expenses rose by 9% (€1,260 thousand). This increase is mainly attributable to the rise in the average number of employees (FTEs, excluding students and temporary staff) from 159 to 170 (7%). This resulted from the hiring of additional staff to support our growth and the launch of new products (such as games).

## OTHER OPERATING INCOME

The decline in other operating income of €1,031 thousand is primarily due to the derecognition of inactive customer account balances of €1,200 thousand from the former Ventura24 business in Spain in the previous year.

## OTHER OPERATING EXPENSES

Other operating expenses rose by 20% (€8,164 thousand) in the first nine months of 2023:

- **Marketing expenses** increased by 27% (€6,595 thousand). This development is due to the fact that we further intensified our marketing measures, especially in high jackpot phases such as June and September of this year, and expanded our investments in brand building, especially through increased TV advertising.
- **Direct operating expenses** increased by 11% (€873 thousand). This increase is below that of billings (16%) due to one-off costs in the previous year in connection with the realignment of lottery clubs.

- **Indirect operating expenses** rose by 8% (€695 thousand).

This development is mainly due to an increase in costs for external services in connection with the technical implementation of various strategic projects for our client ONCE in Spain (€304 thousand), as well as for legal advice (€223 thousand) and software (€157 thousand). In addition, we formed a further provision of €151 thousand for tax proceedings regarding the Austrian gambling duty in order to take account of increased interest rates for payment suspension. By contrast, we saved €341 thousand in insurance premiums for our charity lotteries.

## EBITDA

Despite the strong increase in marketing expenses, our revenue growth led to an increase in EBITDA of 5% (€1,175 thousand) in the first three quarters of 2023.

## FINANCIAL RESULT

In the first nine months of 2023, the financial result decreased by €1,111 thousand compared to the same period last year. The main reason for the decline was an increase in interest costs on a bank loan due to the drawdown of €20,000 thousand since the fourth quarter of 2022, as well as the increased base interest rates on this loan.

## INCOME TAXES

Despite the fact that net profit before taxes was virtually unchanged at €15,632 thousand (2022: €15,485 thousand), income taxes rose by €2,195 thousand from €3,343 thousand to €5,538 thousand. As a result, the tax rate also increased from 21.6% in the previous year to 35.4% this year. The main reasons for this development are one-off internal offsetting effects in the first nine months of 2022, which led to an imputed reduction in the Group's income tax burden. This effect was offset by the end of 2023 and the base tax rate for the Group is 32.28%. The significantly higher tax burden this year was also the main driver for the year-on-year decline in net profit.

## KEY PERFORMANCE INDICATORS

We have introduced new indicators in order to steer and explain the development of our games business. We have also adjusted our existing key performance indicators (KPIs) to ensure the relevance and comparability of the respective figures for our lottery and games businesses.

### Key financial performance indicators

The key financial performance indicators which we use to steer the Group and whose values we aim to improve are:

- **Billings from lotteries:** amounts used by customers to participate in the lotteries we offer. In addition to the payments received from customers, this figure also includes stakes from winnings. Billings are influenced by the scope and attractiveness of our product portfolio, the efficiency of our customer retention measures and the amount of (mainly smaller) winnings which our customers use as stakes.
- **Billings from games:** amounts used by customers to play the games we offer. In addition to the payments received from customers, this figure also includes stakes from winnings. Billings are influenced by the scope and attractiveness of our games portfolio, the efficiency of our customer retention measures and the amount of winnings which our customers use as stakes.
- **Revenue:**
  - Commission from the state lottery companies and other organisers for the stakes brokered by us and processing fees for gaming orders placed by our customers.
  - Additional/service fees that we charge for brokered gaming orders.
  - Stakes for games after deduction of virtual slots tax and distributed winnings.
  - Fees for the running of charity lotteries.
  - Fees for other services.
- **EBITDA:** earnings before the financial result, interest, taxes, depreciation and amortisation. This increase is below that of billings (16%) due to one-off costs in the previous year in connection with the realignment of lottery clubs.

### Other financial performance indicators

We also report the following other financial performance indicators:

- **Customer payments for lotteries:** payments received from customers and credited to their customer account with us in order to participate in the lotteries we offer. Customer payments are influenced by the scope and attractiveness of our product portfolio as well as by the efficiency of our customer retention measures.
- **Customer payments for games:** payments received from customers and credited to their customer account with us in order to play the games we offer. Customer payments are influenced by the scope and attractiveness of our games portfolio as well as by the efficiency of our customer retention measures.
- **Lottery gross margin:** ratio of lottery revenue (excluding intercompany cost allocation) plus reimbursements from insurance to compensate for jackpot winnings to lottery billings.
- **Games gross margin:** ratio of games revenue to games billings.
- **Customer payments margin for lotteries:** ratio of lottery revenue (excluding intercompany cost allocation) plus reimbursements from insurance to compensate for jackpot winnings to customer payments received for lotteries.
- **Customer payments margin for games:** ratio of games revenue to customer payments received for games.
- **CPL (cost per lead):** acquisition costs per new registered customer which we use to monitor the efficiency of our marketing efforts (the number of new registered customers is defined as part of the key non-financial performance indicators). These acquisition costs do not include costs for marketing exploration measures, customer relationship management (CRM), customer service etc.
- **ABPU/ARPU (average billings/revenue per user per month):** key figure for average billings/average revenue per customer, in other words the average net billings (billings net of discount and redeemed vouchers)/average revenue received from each active customer in a given month. It is calculated by dividing monthly net billings/monthly net revenue by monthly average active users and measures our ability to increase the loyalty and value of our customers.

### Key non-financial performance Indicators

In addition to our key financial performance indicators, we also use certain non-financial KPIs to help steer the business:

- **Number of new registered customers:** customers who have successfully completed the registration process on our apps and websites. This number is disclosed after adjustment for duplicate registrations and de-registrations.
- **MAU (monthly average active users):** key figure for the average number of active users per month, in other words the number of customers who have either purchased a ticket or participated in a draw in a given month (including free bets); this figure provides a measure of our ability to retain and attract new customers.

### Development of key performance indicators

As a result of our marketing activities, we were able to gain a total of 518 thousand new registered customers in the first nine months of 2023 – a total of 17 thousand more than in the same period last year. A more intensive competitive environment for online advertising, an increase in media costs across the sector and an expansion of our brand marketing activities (especially via more TV advertising) led to a year-on-year increase in cost per lead (CPL): it amounted to €46.81 in the first nine months of 2023 (2022: €36.42). We already observed a positive impact of this increased brand marketing on our brand awareness levels in Q3 2023.

Billings in our online brokerage business grew strongly by 16% (€88,830 thousand) in the first nine months of 2023. This increase was driven by the growth of our customer base and the successful exploitation of high jackpot phases, especially the 'Eurojackpot' in June and 'LOTTO 6aus49' in September. Due to a slight change in the product mix, the gross margin from lotteries was 12.5% – and thus 0.2 percentage points below the prior-year figure (2022: 12.8%). However, our strong growth enabled us to increase revenue from lotteries by 14% (€9,910 thousand). The customer payments margin for lotteries, i.e. the ratio of lottery revenue to payments received from customers for participating in lotteries, amounted to 15.8% (2022: 16.1%).

The average number of our active lottery users per month (MAU) and average monthly lottery billings per user (ABPU) in the Germany segment increased to 1,153 thousand and €61.02 respectively in the first nine months of 2023 (2022: 1,034 thousand and €58.47). ARPU (average monthly lottery revenue per active customer) amounted to €7.65 in the first nine months (2022: €7.46).

Since the launch of our new games offering at the end of June 2023, we have received related payments of €3,440 thousand, resulting in billings of €16,744 thousand and revenue of €1,216 thousand. The customer payments margin for games was thus 35.3% while our games gross margin was 7.3%. The significantly higher customer payments margin for games of 35.3% compared to the customer payments margin for lotteries (15.8%) and the significantly lower games gross margin of 7.3% compared to the lottery gross margin (12.5%) resulted from the different mechanism of lotteries compared to the virtual slot machine games we have offered so far. Our virtual slot machine games have an average return-to-player of 88%: in other words around 88% of all stakes are paid out to players in the form of winnings. Players often use these winnings to play more games. By contrast, the return-to-player for the most popular lotteries 'Eurojackpot' and 'LOTTO 6aus49' is only 50% with players mainly using all or part of their winnings in the lower prize categories to buy further lottery tickets. This results in a billings to customer payments ratio of 487% for our games, which is significantly higher than the billings to customer payments ratio of 126% for our lotteries. Consequently, a significantly larger share of customer payments (35.3%) remains with us as revenue, whereas in the case of our lottery business only 15.8% of customer payments remain with us as revenue. The games business therefore has the potential to significantly increase our overall profitability in the long term. An average of 16 thousand customers played our games each month and we achieved an average ARPU of €19.52 from these users – significantly higher than the ARPU of €7.65 for our lottery customers.

## ANALYSIS OF THE GROUP'S OPERATING SEGMENTS

<b>Segment reporting 'Germany'</b>	<b>Q 1-3 2023</b>	Q 1-3 2022
in € thousand		
Revenue	82,095	70,976
Other operating income	1,083	811
Personnel expenses	-14,298	-12,550
Other operating expenses and exchange rate differences	-46,853	-39,102
<b>EBITDA</b>	<b>22,028</b>	<b>20,134</b>

In the first nine months of 2023, revenue in the Germany segment rose in total by 16% (€11,119 thousand). The strong growth in billings led to an increase in revenue from lotteries of 14% (€9,998 thousand). The launch of our games at the end of June 2023 resulted in additional revenue of €1,216 thousand (2022: nil). Due mainly to intensive marketing activities, other operating expenses (including exchange rate differences) rose by 20% (€7,751 thousand). The disproportionately strong increase in personnel

expenses in the Germany segment (14%), compared to personnel expenses for the Group as a whole (9%), is mainly due to the reassignment of employees from divisions belonging to the Other segment. Despite these factors, we were still able to achieve a year-on-year increase in EBITDA of 9% (€1,894 thousand).

<b>Segment reporting 'Other'</b>	<b>Q 1-3 2023</b>	Q 1-3 2022
in € thousand		
Revenue	3,917	3,476
Other operating income	0	1,304
Personnel expenses	-896	-1,385
Other operating expenses and exchange rate differences	-1,880	-1,536
<b>EBITDA</b>	<b>1,140</b>	<b>1,859</b>

In the first nine months of 2023, we continued to expand our business in Spain and succeeded in raising revenue in the Other segment by 13% (€441 thousand). The decrease in EBITDA of 39% (€719 thousand) is primarily attributable to the derecognition of inactive customer account balances of €1,200 thousand from the former Ventura24 business in Spain in the previous year. The decline in personnel expenses of €488 thousand (35%) is mainly due to the reassignment of employees to divisions belonging to the Germany segment.

## CASH FLOW

	Q1-3 2023	Q1-3 2022
in € thousand		
Main cash flows		
Cash inflow from operating activities	16,473	16,272
Cash inflow/outflow from investing activities	55,962	-873
Cash outflow from financing activities	-83,227	-49,885
Other changes in available funds	27	-29
<b>Total change in available funds</b>	<b>-10,766</b>	<b>-34,515</b>
Available funds at the beginning of the period	61,209	90,100
Available funds at the end of the period	50,443	55,586

In the first nine months of 2023, available funds fell by €10,766 thousand. This development is mainly due to the following factors:

- Positive EBITDA of €23,168 thousand.
- Increase in net current assets from operating activities of €4,304 thousand, mainly due to higher receivables from gaming operations after the draws in late September 2023.
- Refund from the Hannover-Nord tax authority of the advance payment made in 2020 and the related interest amounting in total to €56,344 thousand.
- Dividend payments of €79,374 thousand, of which €77,966 thousand by ZEAL Network SE and €1,408 thousand by LOTTO24 AG to non-controlling shareholders.
- Redemption of loans amounting to €2,881 thousand.

# SELECTED FINANCIAL INFORMATION

## Interim consolidated statement of financial position

	30 September 2023	31 December 2022
<b>ASSETS</b> in € thousand		
<b>Non-current assets</b>		
Property, plant and equipment	1,234	1,155
Right-of-use assets	2,542	2,661
Goodwill	158,585	158,585
Intangible assets	122,552	128,350
Deferred tax assets	2,602	6,948
Interest-bearing bond	5,000	5,000
Other investments	15,446	15,424
Shares in associated companies	1,275	675
Receivables from finance lease	542	1,399
<b>Total non-current assets</b>	<b>309,779</b>	<b>320,197</b>
<b>Current assets</b>		
Income tax receivables	118	118
Trade receivables	2,642	1,433
Receivables from finance lease	1,277	894
Prepaid expenses	1,471	1,454
Other financial assets	24,870	17,694
Other assets	613	56,736
Cash and cash equivalents	50,443	61,209
<b>Total current assets</b>	<b>81,436</b>	<b>139,538</b>
<b>ASSETS</b>	<b>391,215</b>	<b>459,736</b>

	<b>30 September 2023</b>	31 December 2022
<b>EQUITY &amp; LIABILITIES</b> in € thousand		
<b>Non-current liabilities</b>		
Deferred tax liabilities	44,756	46,314
Interest-bearing loans	17,556	22,938
Other financial liabilities	4,721	4,272
Provisions	4,158	3,983
Lease liabilities	2,704	3,630
<b>Total non-current liabilities</b>	<b>73,894</b>	<b>81,137</b>
<b>Current liabilities</b>		
Trade payables	4,801	3,792
Interest-bearing loans	7,175	4,675
Other financial liabilities	25,748	21,786
Other liabilities	5,671	6,904
Income tax liabilities	7,343	5,810
Provisions	26	104
Lease liabilities	1,629	1,492
<b>Total current liabilities</b>	<b>52,393</b>	<b>44,562</b>
<b>Equity</b>		
Subscribed capital	22,396	22,396
Capital reserves	223,397	279,952
Treasury shares	-21,067	-21,250
Other reserves	11,088	11,066
Retained earnings	23,898	35,785
<b>Equity attributable to shareholders of the parent company</b>	<b>259,712</b>	<b>327,950</b>
Non-controlling interest	5,215	6,087
<b>Total equity</b>	<b>264,928</b>	<b>334,037</b>
<b>EQUITY &amp; LIABILITIES</b>	<b>391,215</b>	<b>459,736</b>

## Interim consolidated statement of cash flows

	Q1-3 2023	Q1-3 2022
in € thousand		
Net profit before tax	15,632	15,485
<b>Adjustments for</b>		
Amortisation/depreciation	6,095	5,984
Depreciation of right-of-use assets	435	534
Share of loss from associates	27	122
Impairment reversal of associates	-	-411
Interest income from finance leases and gains from the disposal of right-of-use assets	-61	-111
Other income from financial activities	-129	-568
Expenses from financial activities – from lease liabilities	136	174
Other expenses from financial activities	1,118	221
Translation differences	-48	17
Other non-cash income/expenses	-196	97
<b>Changes in</b>		
Trade receivables	-1,209	-230
Prepaid expenses	-17	180
Other financial assets <sup>1</sup>	-7,139	15,647
Other assets <sup>2</sup>	-222	-168
Trade payables	1,010	-1,038
Other financial liabilities	4,407	-15,421
Other liabilities	-1,229	-1,968
Provisions	96	-715
Interest received	128	-
Interest paid	-1,269	-221
Income taxes paid	-1,090	-1,337
<b>Net cash inflow from operating activities</b>	<b>16,473</b>	<b>16,272</b>

	<b>Q1-3 2023</b>	Q1-3 2022
in € thousand		
<b>Cash flow from investing activities</b>		
Receipt from a refund of advance tax payments	56,344	-
Receipts from the repayment portion of subleases (finance lease)	545	841
Payments for the acquisition of intangible assets	-32	-548
Payments for the acquisition of property, plant and equipment	-345	-801
Payments for the acquisition of associated companies	-627	-365
Dividends received	77	-
<b>Net cash inflow/outflow from investing activities</b>	<b>55,962</b>	<b>-873</b>
<b>Cash flow from financing activities</b>		
Payments for the repayment portion of lease liabilities	-1,092	-1,786
Receipts from the sale of treasury shares	120	114
Payments for the redemption of loans	-2,881	-
Dividend payments	-79,374	-48,213
<b>Net cash outflow from financing activities</b>	<b>-83,227</b>	<b>-49,885</b>
Net increase/decrease in cash and cash equivalents	-10,793	-34,486
Exchange rate-related changes in cash and cash equivalents	27	-29
Available funds at the beginning of the period	61,209	90,100
<b>Available funds at the end of the period</b>	<b>50,443</b>	<b>55,586</b>
<b>Composition of available funds</b>		
<b>Cash and cash equivalents according to the statement of financial position at the end of the period</b>	<b>50,443</b>	<b>55,586</b>

<sup>1</sup> Excluding interest-bearing bond and securities.

<sup>2</sup> Excluding the refund of advance payments from the Hannover-Nord tax authority amounting to €56,344 thousand, presented as a cash inflow from investing activities.

## Basis of reporting

This Quarterly Statement pursuant to Section 53 of the Exchange Rules of the Frankfurt Stock Exchange covers the period from 1 January to 30 September 2023. The date of the Interim Consolidated Statement of Financial Position is 30 September 2023. This Quarterly Statement is not an interim report pursuant to IAS 34 nor does it constitute financial statements pursuant to IAS 1. The Quarterly Statement has not been subjected to an auditor's review nor has it been audited according to section 317 of the German Commercial Code (HGB). This Quarterly Statement should be read in conjunction with the Annual Report 2022 and the additional information about the Company contained therein. You can find the Annual Report 2022 on our website at [zealnetwork.de](http://zealnetwork.de). The accounting policies and valuation principles applied in this Quarterly Statement are based on those used in the Consolidated Financial Statements for the fiscal year 2022.

## Note

Unless otherwise stated, the time periods '2022' or 'Q1-3 2022' indicated throughout the Quarterly Statement refer to the comparative prior-year period (in other words the first nine months of 2022).

## Financial Calendar

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**20 March 2024**

Publication of Annual Report 2023

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