

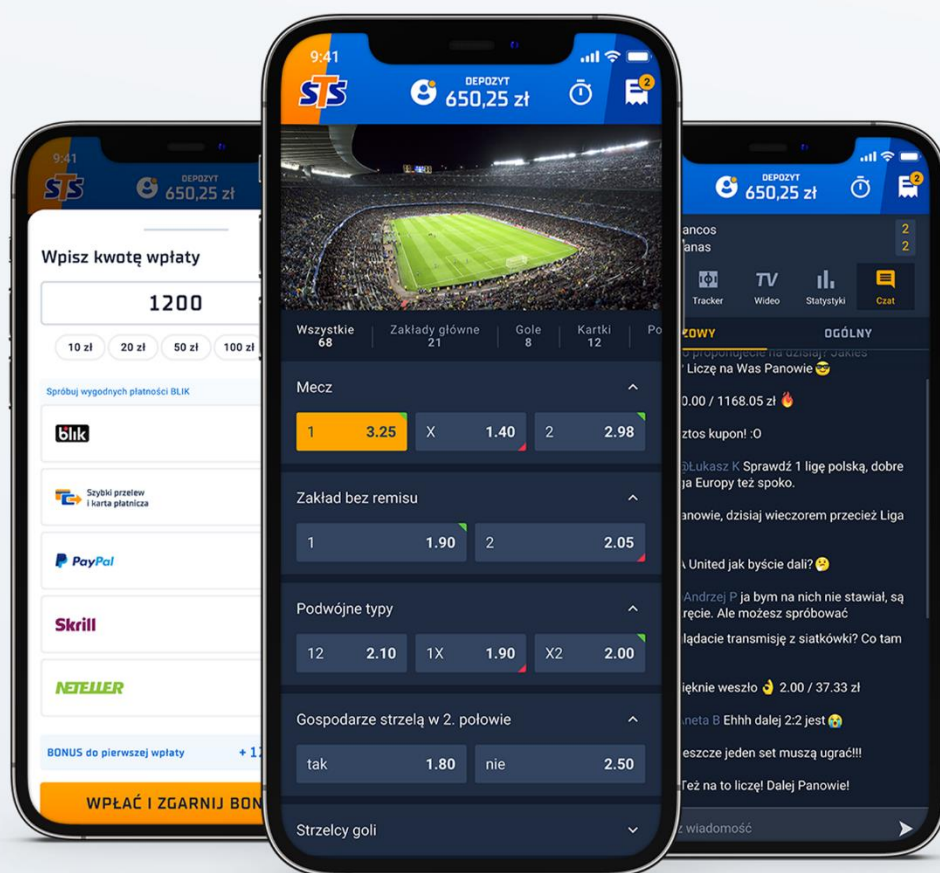


# Interim summary consolidated financial statements of the Group of Companies STS Holding Spółka Akcyjna

for the period ended March 31, 2022

Prepared according to the International Financial Reporting Standards approved by the European Union

Katowice, May 25, 2022



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# I. General information



## 1. Details of the Parent Entity

Name of the Reporting Entity or other identifying information: **STS Holding Spółka Akcyjna ( STS Holding S.A.)**

Seat of the entity: Katowice, ul. Porcelanowa 8 (postal code 40-246)

Legal form of the entity: Spółka Akcyjna [joint stock company]

State of registration: Poland

Registered office address of the entity: Katowice, ul. Porcelanowa 8

Principal place of business: Katowice, ul. Porcelanowa 8

Description of the nature and basic scope of activity: holding company

Name of the parent entity: **STS Holding S.A.**

The company STS Holding S.A. was established on March 10, 2021 by Vistra Shelf Companies sp. z o.o., under the business name of Vartomil Investments Spółka Akcyjna (hereinafter: Vartomil Investments S.A.). The company was based in Warsaw, ul. Towarowa 28, and was entered in the Register of Enterprises kept by the District Court for Katowice - Wschód in Katowice, 8th Commercial Division of the National Court Register, KRS number: 0000898108.

The Parent Entity was assigned REGON (National Business Registry Number) 388903879 and NIP (Tax Identification Number): 527-295-67-61.

The subject of the Company's activity is any profit-oriented economic activity conducted on its own account and as an agent, in particular activities of head office and holding companies, excluding financial holding companies, as specified in PKD 70.10.Z. [Polish Classification of Activities].

The company was listed on the regulated market on December 10, 2021.

The ultimate parent of the company is Mr Mateusz Juroszek.

## 2. Duration of the Group of Companies

The Parent Company STS Holding S.A. and other entities of the Group of Companies were established for an indefinite period.

## 3. Financial statements containing aggregate data

In the period from January 1, 2022 to March 31, 2022, the Company's enterprise did not include any internal organizational units that would prepare their separate financial statements, therefore the Parent Company did not prepare aggregate financial statements.

## 4. Description of activities of STS Holding S.A.

Founded in 1997, STS is the largest bookmaking company in Poland, which also operates on the international market.

The Group is licensed in the UK and Estonia, from which it offers services on several markets. The portfolio of the Group includes sports betting, Virtual Sports, online casino (excluding Poland), BetGames and a wide range of eSports.

The Group provides online services not only via the desktop website, but also through its mobile version, as well as dedicated Android and iOS applications and a network of approx. 400 retail betting shops across Poland. The Group is continuously improving its offering by, among others, providing more live bets and strengthening its leading position in the field of eSports. The Group has also created its own withdrawal system – STSpay – allowing quick transfers 24/7. The Group additionally owns Betsys – the company providing betting engine.

Thanks to effective 24/7 customer service, the Group can respond to increasing customer needs. Also, the Group offers live broadcasts of sports events via STS TV, also available to users of mobile devices. Every month, the Company broadcasts nearly 5,000 sports events, including, among others, football, tennis, volleyball, basketball and other sports.

The Group is actively involved in supporting Polish sport, being the largest private entity on the domestic sponsorship market. The Group is the official sponsor of the Polish National Football Team, the strategic sponsor of Lech Poznań, the main sponsor of Jagielonia Białystok and the official sponsor of Cracovia, Pogoń Szczecin, Górnik Łęczna, Zagłębie Lubin, Polish Volleyball League and other clubs and sports associations. The Group also supports eSports.

The company STS S.A. has modern betting outlets, which are located in every major city in Poland - there are over 400 of them in total throughout the country.

The Group has over 1,500 employees.

In February 2019, the Group started operating on European markets. Outside Poland, STS.BET Ltd in Malta is licensed in the UK and Estonia, from which it offers services on several markets. The group is the first Polish bookmaker to start operating abroad. In addition, the Group operates in the Czech Republic (Betsys s.r.o.) and Malta (STS Gaming Group Ltd and STS.bet Ltd). Additionally, the Group is looking at the Dutch market and is considering applying for a license to organize gambling games in this country. The Group remains focused on Poland, but it expects its international offering, including its online casino, to be a growing and important part of the Group's operations in the future. The company also does not rule out the interest in new directions of foreign expansion and the commercialization of the Betsys system in order to offer it to other bookmaking operators in Central and Eastern Europe, in the markets where the Group is not operating.

## 5. Periods presented

The interim summary consolidated financial statements were prepared as on March 31, 2022 and they cover a period of 3 months, i.e. from January 1, 2022 to March 31, 2022.

For the data presented in the interim summary consolidated statement of financial position and off-balance sheet items, comparable financial data as on December 31, 2021 and March 31, 2021 are presented.

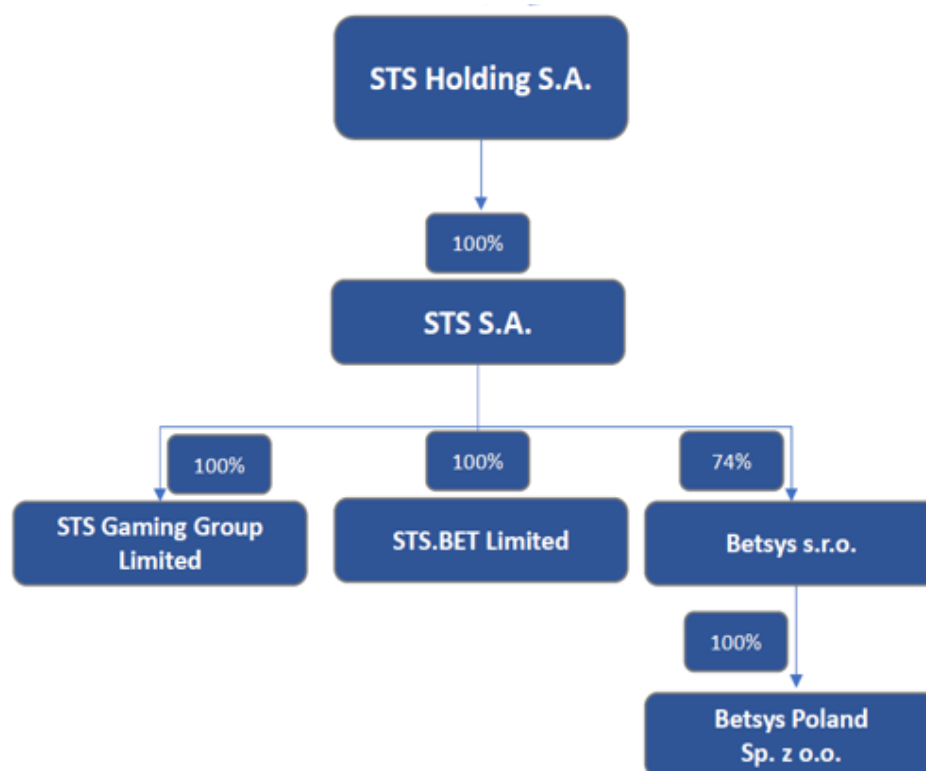
For the data presented in the interim summary consolidated statement of comprehensive income, the annual consolidated statement of changes in equity and the annual consolidated cash flow statement, comparable financial data for the period from January 1, 2021 to March 31, 2021 are presented.

## 6. Subsidiaries

The interim summary consolidated financial statements for the reporting year ended March 31, 2022 cover the following subsidiaries:

Name	Registered address	Registration data	Subject -	Share capital Share (PLN)	Percentage share in capital	Percentage share in voting rights
STS Spółka Akcyjna	Katowice, ul. Porcelanowa 8	National Court Register: 0000829716	Betting	4 486,000	100%	100%
STS Gaming Group Limited	Malta, Pieta, 177/179 Triq Marina	C 68747	Bookmaker service provider	48,039,452	100%	100%
STS BET Limited	Malta, Pieta, 177/179 Triq Marina	C 77195	Betting	16,925,697	100%	100%
BetSys s. r. o.	Czech Republic, Prague, Karlín, Karolinska 650/1	ICO: 26499606	Programming services	33 540	74%	74%
Betsys Poland sp. z o.o.	Katowice, ul. Porcelanowa 8	National Court Register: 0000693519	Programming services	5 000	74%	74%

## 7. Structure of the Group of Companies



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## 8. Business combination and loss of control

In the reporting period from January 1, 2022 to March 31, 2022, no business combination took place.

## 9. Composition of the governing bodies of the Parent Entity

As on March 31, 2022 and as on the date of preparation of the interim summary consolidated financial statements, the Management Board of the Parent Entity consists of the following persons:

Marcin Sylwester  
Walczyko  
Member of the Management  
Board

**Mateusz Zbigniew  
Juroszek**  
President of the Management  
Board

Zdzisław Jan  
Kostrubała  
Member of the Management  
Board

As on March 31, 2022 and as on the date of preparation of the consolidated financial statements, the Management Board of the Parent Entity consists of the following persons:

Maciej Fijak  
Chairman of the Supervisory  
Board

Zbigniew Eugeniusz  
Juroszek  
Vice-Chairman of the Super-  
visory Board, Member of the  
Audit Committee

Milena  
Olszewska-Miszuris  
Member of the Supervisory  
Board, Chairwoman of the  
Audit Committee

Elżbieta Spyra  
Member of the Supervisory  
Board, Member of the Audit  
Committee

Krzysztof Krawczyk  
Member of the Supervisory  
Board

In the period from January 1, 2022 to March 31, 2022, there were no changes in the composition of the Company's Management Board and Supervisory Board.



## 10. Going concern assumption

These interim summary consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable futures, i.e. in the period of at least 12 months after the balance sheet date.

Until the date of preparation of these interim summary consolidated financial statements for the period from January 1 to March 31, 2022, the Management Board of the Parent Company has not learned about any events that have been not included, but should have been, in the accounting records of the reporting period. At the same time, these interim summary consolidated financial statements do not include any material events relating to previous years.

The Group's operations to date have been affected, and may continue to be, by the COVID-19 coronavirus pandemic, which has continued since 2020. The COVID-19 pandemic has had a direct impact on the Group's operations, including the Group's main operating company, i.e. STS S.A. Due to the cancellation of numerous sports events from March to June 2020, and changes in traditional schedules there has been a corresponding significant decrease in sports betting in that period. In addition, due to COVID-19, STS S.A. decided to shut down its retail operations (stationary betting shops) between March 15, 2020 and May 3, 2020. At the same time, from March to June 2020, the Group noticed an increasing interest in online betting on eSports, BetGames and virtual sports. Since June 2020, the Group has noticed a permanent increase in online and offline betting.

Currently, a decrease is observed in the impact of COVID-19 on the current functioning of the society and the entire economy, which is reflected in the abolition of the pandemic state in Poland, in force from Q1 2022, as of May 16, 2022.

This is due to a reduction in the number of recorded infections, hospitalizations, and deaths due to coronavirus infection. Instead, a state of epidemiological emergency was introduced, and most of the restrictions and limitations were lifted earlier.

The Management Board of the Group perceives the current situation related to the outbreak of the coronavirus as a phenomenon that should not have a significant impact on the primary market in the long term and, as on the date of approval of these interim summary consolidated financial statements for publication, the Management Board believes that there are no circumstances that would indicate a threat to the continued operations of the companies included in the Group in the foreseeable future.

The Group's operations are and may be affected in the future by the armed conflict that commenced on a large scale between Russia and Ukraine. The war may have serious consequences for the Polish economy. The following factors may have a negative impact on the industry:

- an increase in the costs of fuel, gas and electricity
- rising inflation,
- weakening of the Polish zloty exchange rate,
- the possibility of further interest rate increases in order to contain the inflation rising due to the armed conflict.

All those factors may also affect the operations of the Company and the entire Group.

Currently, it is difficult to precisely estimate the impact of the war in Ukraine on the operations of the STS Holding S.A. Group; however, as at the date of approval of these interim summary consolidated financial statements, the Management Board has not identified any circumstances that would pose a threat to the Parent Company and the Group continuing as going concern. Due to the complexity of the situation and the possibility of many scenarios being realized, the development of the situation will be monitored by the Company on an ongoing basis.

## 11. Declaration of the Management Board

The Management Board of the Parent Entity declares that, to the best of its knowledge, these interim summary consolidated financial statements and comparative data have been prepared in accordance with the accounting principles applicable to the Group and give a true, clear and fair view of the property and financial position of the Group and its financial result.

These interim summary consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board approved by the European Union, under the Regulation on IFRS (European Commission 1606/2002), hereinafter referred to as "EU IFRS".

The interim summary consolidated financial statements have been prepared on the basis of the historical cost principle, except for the financial instruments and defined retirement benefit plans and incentive programs, measured at fair value.

The interim summary consolidated financial statements has been prepared on the assumption that the Group will continue as a going concern in the foreseeable future.

The interim summary consolidated financial statements of the Group of Companies cover the period of 3 months ended March 31, 2022 and were prepared in accordance with IAS 34 Interim Financial Reporting.

The interim summary consolidated financial statements do not contain all the information that is disclosed in the annual consolidated financial statements prepared in accordance with IFRS. These interim summary consolidated financial statements should be read together with the consolidated financial statements of the Group of Companies for 2021, approved for publication on 27 April 2021.

The reporting currency of these interim summary consolidated financial statements is Polish zloty, and all amounts are expressed in Polish zloty (unless indicated otherwise).

The Group did not disclose any forecasts of results for 2022 and the following years.

## **12. The approval of the interim summary consolidated financial statements for publication**

These interim summary consolidated financial statements were approved for publication by the Management Board of the Parent Entity on May 25, 2022.

## II. Interim summary consolidated statement of comprehensive income



Specification	Note	01.01.2022 – 31.03.2022	01.01.2021 – 31.03.2021
Betting revenue	9	142,265,308	124,591,643
Revenue from sales	9	15,504	163,486
Other operating revenue	9	324,848	1,046,283
Amortization and depreciation	10	5,794,612	5,829,249
Consumption of materials and energy	10	2,521,690	2,306,890
External services	10	45,217,800	40,400,786
Taxes and charges	10	37,539	102,500
Employee benefits	10	25,841,894	20,333,022
Other costs by type	10	270,882	553,512
Other operating expenses	10	1,506,564	2,157,476
<b>Profit (loss) on operating activities</b>		<b>61,414,679</b>	<b>54,117,977</b>
Financial revenues		1,082,053	3,498,829
Financial expenses		639,881	1,613,706
<b>Profit (loss) before tax</b>		<b>61,856,851</b>	<b>56,003,100</b>
Income tax	21	14,422,717	11,689,821
<b>Net profit (loss) from continuing operations</b>		<b>47,434,134</b>	<b>44,313,279</b>
Profit (loss) from discontinued operations			
<b>Net profit/loss</b>		<b>47,434,134</b>	<b>44,313,279</b>
Profit (loss) attributable to the shareholders of the parent entity	11	44,729,838	43,929,710
Net profit (loss) attributable to non-controlling interests		2,704,296	383,569
Other total income		-509,057	-576,861
Items not transferred to profit and loss			
Items transferred to profit or loss		-509,057	-576,861
- Foreign exchange differences on translation of foreign operations		-509,057	-576,861
<b>Comprehensive income</b>		<b>46,925,077</b>	<b>43,736,418</b>
Comprehensive income attributable to:			
- shareholders of the parent entity		44,220,781	43,352,849
- non-controlling entities		2,704,296	383,569
<b>Profit (loss) per share (in PLN)</b>			
Basic for the financial period	11	0.30	0.28
- From continuing operations		0.30	0.28
- From discontinued operations			
Diluted for the financial period	11	0.30	0.28
- From continuing operations		0.30	0.28
- From discontinued operations			

## III. Interim summary consolidated statement of financial position



ASSETS	Note	31.03.2022	31.03.2021	31.12.2021
<b>Non-current assets</b>		<b>106,950,053</b>	<b>99,411,654</b>	<b>102,993,291</b>
Tangible fixed assets	12	30,843,671	22,694,285	30,550,219
Intangible assets	14	12,621,856	8,313,820	7,788,015
Goodwill		11,515,210	11,515,210	11,515,210
Right-of-use assets	13	37,882,542	41,216,384	38,923,797
Deferred tax assets	21	752,644	129,177	851,205
Non-current prepayments and non-current accrued income		2,853,879	2,809,524	2,817,999
Other financial assets		10,480,251	12,733,254	10,546,846
<b>Current Assets</b>		<b>205,491,120</b>	<b>84,963,792</b>	<b>163,859,794</b>
Inventory		105,119	4,766	4,524
Trade and other receivables	15	19,163,889	10,668,395	16,404,261
Other financial assets	15	726,002	1,922,223	1,017,839
Cash and cash equivalents	15	185,496,110	72,368,408	146,433,170
<b>TOTAL ASSETS</b>		<b>312,441,173</b>	<b>184,375,446</b>	<b>266,853,085</b>

LIABILITIES	Note	31.03.2022	31.03.2021	31.12.2021
<b>Equity</b>		<b>151,093,815</b>	<b>17,396,450</b>	<b>105,401,310</b>
<b>Share capital of the parent entity</b>		<b>149,379,124</b>	<b>12,224,878</b>	<b>101,939,548</b>
Share capital	17	156,389,998	-	156,389,998
Other reserve capitals		5,905,334	-1,804,798	3,195,596
Retained earnings		-12,916,208	14,029,676	-57,646,046
<b>Non-controlling shareholders' capital</b>		<b>1,714,691</b>	<b>5,171,572</b>	<b>3,461,762</b>
<b>Long-term liabilities</b>		<b>21,429,098</b>	<b>27,515,409</b>	<b>23,155,144</b>
Right-of-use liabilities	13	20,904,220	27,080,908	22,630,266
Deferred income tax provisions	20	-	-	-
Provisions for pensions and similar benefits	20	524,878	434,501	524,878
<b>Current Liabilities</b>		<b>139,918,260</b>	<b>139,463,587</b>	<b>138,296,631</b>
Liabilities due to credits and loans		-	7,542,806	-
Right-of-use liabilities	13	18,015,990	15,140,231	17,373,996
Trade liabilities	15	12,246,958	20,936,379	16,236,637
Current income tax liabilities	15	4,064,395	3,216,659	2,923,292
Other liabilities	15	103,035,982	90,697,414	99,284,722
Provisions for pensions and similar benefits	20	2,292,807	1,844,310	2,292,807
Other provisions	20	262,128	85,788	185,177
<b>Total liabilities</b>		<b>161,347,358</b>	<b>166,978,996</b>	<b>161,451,775</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>312,441,173</b>	<b>184,375,446</b>	<b>266,853,085</b>

## IV. Interim summary consolidated statement of changes in equity



Specification	Share capital	Surplus of the issue price above the nominal value of shares	Other re-serve capitals	Retained earnings	Share capital of the parent entity	Non-controlling shareholders' capital	Total equity
<b>Equity as on Jan 1, 2022</b>	<b>156,389,998</b>		<b>3,195,596</b>	<b>-57,646,046</b>	<b>101,939,548</b>	<b>3,461,762</b>	<b>105,401,310</b>
Changes in accounting principles (policy)	-	-	-	-	-	-	-
Error adjustment	-	-	-	-	-	-	-
<b>Equity after adjustments</b>	<b>156,389,998</b>		<b>3,195,596</b>	<b>-57,646,046</b>	<b>101,939,548</b>	<b>3,461,762</b>	<b>105,401,310</b>
Increase in share capital		-	-	-			
Payment of dividends		-	-	-		-4,451,367	-4,451,367
Pricing of the incentive program		-	3,218,795	-	3,218,795		3,218,795
Reorganization of the STS Holding S.A. Group of Companies		-		-			
Net profit/loss for the accounting year		-	-	-			
Other comprehensive income		-	-509,057	-	-509,057		-509,057
Comprehensive income		-		44,729,838	44,729,838	2,704,296	47,434,134
<b>Sum of capital changes</b>			<b>2,709,738</b>	<b>44,729,838</b>	<b>47,439,576</b>	<b>-1,747,071</b>	<b>45,692,505</b>
<b>Equity as on March 31, 2022</b>	<b>156,389,998</b>		<b>5,905,334</b>	<b>12,916,208</b>	<b>149,379,124</b>	<b>1,714,691</b>	<b>151,093,815</b>

Specification	Share capital	Surplus of the issue price above the nominal value of shares	Other re-serve capitals	Retained earnings	Share capital of the parent entity	Non-controlling shareholders' capital	Total equity
<b>Equity as on Jan 1, 2021</b>	<b>2,496,000</b>		<b>662,063</b>	<b>90,986,206</b>	<b>94,144,269</b>	<b>4,788,003</b>	<b>98,932,272</b>
Changes in accounting principles (policy)	-	-	-	-	-	-	-
Error adjustment	-	-	-	-	-	-	-
<b>Equity after adjustments</b>	<b>2,496,000</b>		<b>662,063</b>	<b>90,986,206</b>	<b>94,144,269</b>	<b>4,788,003</b>	<b>98,932,272</b>
Increase in share capital		-	100,000		100,000		100,000
Payment of dividends		-	-	-125,338,840	-125,338,840		-125,338,840
Pricing of the incentive program		-	-	-	-		-
Reorganization of the STS Holding S.A. Group of Companies	-2,496,000	-	-1,990,000	-4,452,600	-33,400		-33,400
Net profit/loss for the accounting year		-	-				
Other comprehensive income		-	-576,861	-	-576,861		-576,861
Comprehensive income		-		43,929,710	43,929,710	383,569	44,313,279
<b>Sum of capital changes</b>	<b>-2,496,000</b>		<b>-2,466,861</b>	<b>76,956,530</b>	<b>-81,919,391</b>	<b>383,569</b>	<b>-81,535,822</b>
<b>Equity as on March 31, 2021</b>			<b>-1,804,798</b>	<b>14,029,676</b>	<b>12,224,878</b>	<b>5,171,572</b>	<b>17,396,450</b>



## V. Interim summary consolidated statement of cash flows



Specification	01.01.2022 – 31.03.2022	01.01.2021 – 31.03.2021
<b>Profit (loss) before tax</b>	<b>61,856,851</b>	<b>56,003,100</b>
<b>Total adjustments:</b>	<b>2,975,215</b>	<b>7,545,962</b>
Amortization and depreciation	5,794,612	5,829,249
Exchange gains/(losses)	-509,058	-529,114
Interest and profit sharing	283,517	194,514
Profit/(loss) on investment activity	358,432	-2,493,511
Change in provisions	76,952	-910,977
Change in the balance of inventories	-100,595	-194
Change in the balance trade and other receivables	-2,875,411	-908,330
Change in short-term liabilities, excluding credits and loans	-3,370,591	6,493,502
Change in payments and accruals	98,561	-129,177
Other adjustments	3,218,796	-
<b>Total: Cash from operating activities</b>	<b>64,832,066</b>	<b>63,549,062</b>
Income tax paid	-13,393,134	-15,323,677
<b>Net cash flows from operating activities</b>	<b>51,438,932</b>	<b>48,225,385</b>
<b>INVESTMENT ACTIVITIES</b>		
Disposal of intangible and legal assets and property, plant and equipment	79,902	37,500
Disposal of financial assets	-	144,033,314
Interests	-	34,041
Expenses of financial assets	-7,920,161	-53,413,473
<b>Net cash flows from investment activity</b>	<b>-7,840,259</b>	<b>105,191,382</b>
<b>FINANCIAL ACTIVITIES</b>		
Net inflow from insurance of shares and other equality instruments and contributions to capital	-	100,000
Credits and loans	-	807,210
Dividends paid	-	-125,338,840
Payment of liabilities arising from financial leases	-4,252,216	-4,678,499
Interest paid	-283,517	-240,329
Other revenue/financial expenditure	-	-350,172
<b>Net cash flows from financial activities</b>	<b>-4,535,733</b>	<b>-129,700,630</b>
Change in cash and cash equivalents before the effects of exchange rate differences	-	-
Foreign exchange gains / losses on the valuation of cash, cash equivalents and overdrafts	-	-
<b>Balance sheet change in cash:</b>	<b>39,062,940</b>	<b>23,716,137</b>
Cash opening balance	146,433,170	48,652,271
Cash at the end of the period (F + D), including:	185,496,110	72,368,408
- of limited disposability	9,332,107	9,293,037

In January 2020 funds in the account of the company STS S.A. in the amount of PLN 9.2 million were blocked and secured in connection with different pending criminal proceedings as funds potentially derived from the illegal activity of a person who was in the past a client of the Group and was indicted for money laundering. The company STS S.A. was not a party to the criminal proceedings against that person and could not directly challenge the blocking of its funds. In May 2021, the company STS S.A. filed a civil claim against the State Treasury for the release of the blocked and secured amounts. The relevant proceedings are pending and a ruling has yet to be issued.

The "other adjustments" item includes the amount recognized in payroll costs for the period from January 1, 2022 to March 31, 2022 on account of the incentive scheme.

## VI. Selected financial data converted into EUR

Selected financial data converted into EUR	PLN		EUR	
	01.01.2022-31.03.2022	01.01.2021-31.03.2021	01.01.2022-31.03.2022	01.01.2021-31.03.2021
Betting revenue	142,265,308	124,591,643	30,613,124	27,250,420
Other revenue from sales	15,504	163,486	3,336	35,757
Cost of products, services, goods, and materials sold	79,684,417	69,525,959	17,146,759	15,206,570
Profit/(loss) on operating activities	61,414,679	54,117,977	13,215,416	11,836,569
Profit/(Loss) before Tax	61,856,851	56,003,100	13,310,564	12,248,879
Net profit / (loss) attributable to the parent entity	44,729,838	43,929,710	9,625,116	9,608,213
Net cash flow from operating activities	51,438,932	48,225,385	11,068,801	10,547,754
Net cash flows from investment activity	-7,840,259	105,191,382	- 1,687,093	23,007,236
Net cash flows from financial activities	-4,535,733	-129,700,630	- 976,014	- 28,367,846
Total net cash flows	39,062,940	23,716,137	8,405,694	5,187,143
Number of shares in thousands	156,390	156,250	156,390	156,250
Profit/(loss) per share (in PLN/EUR)	0.30	0.28	0.06	0.06
Diluted profit/(loss) per share (in PLN/EUR)	0.30	0.28	0.06	0.06
Book value per share (in PLN/EUR)	0.97	0.11	0.21	0.02
Diluted book value per share (in PLN/EUR)	0.97	0.11	0.21	0.02

	PLN		EUR	
	01.01.2022-31.03.2022	01.01.2021-31.12.2021	01.01.2022-31.03.2022	01.01.2021-31.12.2021
Total assets	312,441,173	266,853,085	67,155,545	58,019,108
Liabilities and provisions for liabilities	161,347,358	161,451,775	34,679,712	35,102,791
Non-current liabilities	21,429,098	23,155,144	4,605,932	5,034,384
Current liabilities	139,918,260	138,296,631	30,073,780	30,068,407
Equity	151,093,815	105,401,310	32,475,833	22,916,317
Share capital	156,389,998	156,389,998	33,614,185	34,002,261

*The above financial data have been converted into EUR according to the following principles:*

The items of the interim consolidated statement of comprehensive income and the interim consolidated cash flow statement have been converted at the exchange rates being the arithmetic mean of the EUR average exchange rates announced by the National Bank of Poland, valid on the last day of each month in a given reporting period.

The rates were respectively: PLN/EUR 4.6472 from January 1 to March 31, 2022 and PLN/EUR 4.5721 from January 1 to March 31, 2021.

The items of assets and liabilities of the interim consolidated statement of financial position have been converted at the EUR exchange rates announced by the National Bank of Poland, applicable on the last day of the reporting period. The rates were, respectively: 4.6525 PLN/EUR as on March 31, 2022 and 4.5994 PLN/EUR as on December 31, 2021.

# VII. Additional information and notes concerning the interim summary consolidated financial statements

## 1. Summary of the accounting policy

These interim summary consolidated financial statements have been prepared in accordance with the accounting principles that were presented in the last consolidated financial statements of the Group for the year ended December 31, 2021, except for the changes described below resulting from the entry into force of new standards, interpretations and amendments to standards.

### *Amendments to IFRS 1, IFRS 9, examples for IFRS 16, IAS 41 under the Annual Improvements 2018 – 2020:*

IFRS 1: additional exemption with respect to determination of exchange differences due to consolidation;

IFRS 9: (1) in the 10% test performed to determine whether a modification should result in removal of a liability, only fees exchanged between the debtor and the creditor should be taken into account; (2) it was clarified that fees incurred are recognized in profit or loss if the liability is removed, and in the value of the liability if it is not removed;

IFRS 16: the issue of lessor's incentive in the form of assumption of fit-out costs incurred by the lessee, which raised doubts with respect to interpretation, was removed from example 13;

IAS 41: the prohibition to recognize tax flows in measurement of biological assets was deleted.

### *Amendment to IAS 16 "Tangible fixed assets"*

It was clarified that production carried out as part of pre-use testing of a tangible asset should be recognized as (1) inventory, in accordance with IAS 2, and (2) revenue, when the asset is sold.

### *Amendment to IAS 37 "Provisions, contingent liabilities and contingent assets"*

It was clarified that the costs of fulfilment of onerous contracts include incremental costs (e.g. labor costs) and an allocated part of other costs directly related to the cost of fulfilment, e.g. depreciation and amortization.

### *Amendment to IFRS 3 "Business combinations"*

References to definitions of liabilities found in the framework and to the definition of contingent liabilities found in IAS 37 were clarified.

The implementation of the above-mentioned standards and changes to the existing standards did not affect the Group's interim summary consolidated financial statements.

### *Earnings per share*

Basic net earnings per share for each period is determined as the quotient of the net profit for a given period and the weighted average number of shares outstanding in that period, and includes additional issues of shares registered in the National Court Register after the balance sheet date.

## 2. Judgments and estimations made

When preparing the interim summary consolidated financial statements, the Management Board of the Parent Company uses its judgment in making numerous estimates and assumptions that affect the applied accounting principles and the presented values of assets, liabilities, revenue and costs. The actually realized values may differ from those estimated by the Management Board.

Information concerning the estimates and assumptions that are significant for the interim summary consolidated financial statements is presented in the consolidated financial statements for 2021.

In these interim summary financial statements, as of January 1, 2022, the Group changed its estimate for the determination of the marginal discount rate used to discount cash flows resulting from new concluded lease agreements. The marginal interest rate that was used to discount cash flows resulting from new lease agreements concluded for an indefinite period was determined using the judgment of the Group's management that is based on easily observable loan rates with a payment profile similar to the lease. For this purpose, the management of the Group analyzed the possible interest rates on loans for financing the purchase of premises based on the offers collected from the banks cooperating with the Group. The analyzed loan offers had a payment profile similar to that of leasing. Given the above, the Management made a judgment by setting a marginal interest rate at 5%. That change did not have a significant impact on the financial data for the period covered by these interim consolidated financial statements.

## 3. Corrections of errors and changes in the accounting principles

There were no errors that require correction in the interim summary consolidated financial statements. The Group also did not make any changes to its accounting policy in relation to the principles applied in the annual report for 2021.

From January 1, 2022, Betsys s.r.o. began to capitalize the costs related to updating the software it produces, due to the fact that those costs can be reliably estimated and the Group will achieve economic benefits related to the use of new versions of software.

## 4. Information on operating segments, geographical areas and key customers

The Group identifies two primary operating segments of its business. These are:

- retail segment,
- the online betting segment.

With respect to the aforementioned components of the Group's activities:

- there is an involvement in business activities, which means that it is possible to gain revenue and incur costs,
- results of activities are regularly reviewed by the Parent's Management Board, which uses them to make decisions on resources allocated to a given segment and in assessment of segment performance,
- separate financial information is available.

Segments are identified on the basis of the service distribution channel criterion. Both segments involve betting on the outcome of sports events. In case of the retail segment, customers conclude bets through physical presence in a sales establishment. With respect to the online segment, customers conclude bets via a website.

Poland is the geographical area for both segments.

Operating segments were not combined in any way.

The Group does not identify as an operating segment its other revenue-generating activities due to their irrelevance for the overall business.

## 5. Revenue recognition

Recognition and measurement of revenue from the Group's core business, i.e. revenue from plants, are regulated by IFRS 9 Financial Instruments. Sports bets staked by the Company with a customer are derivative instruments that are recognized and measured using IAS 32 Financial Instruments: Presentation and IFRS 9 Financial Instruments. The amounts staked are classified as financial instruments measured at fair value through profit or loss.

Revenue from bets is recognized in the statement of comprehensive income on a net basis, i.e. amounts staked are reduced by the costs of paid out winnings and the gambling and lottery tax.

Revenue from the sale of other services (mainly services related to the organization of bookmaking) and revenue from the sale of goods and materials constitute revenue from contracts with customers within the scope of IFRS 15. The method of recognizing this revenue from sales in the Group's interim consolidated historical financial information, including both the value and the timing of revenue recognition, is set out in a five-step model that includes the following steps:

- identification of the customer contract,
- identification of performance obligations,
- determination of the transaction price,
- assigning the transaction price to performance obligations,
- recognition of revenue on or after the fulfillment of performance obligations.

## 6. Seasonality of operations

There is no seasonality in the area of the Group's operations.

## 7. Significant events and transactions

There were no such events in the period from January 1, 2022 to March 31, 2022.

## 8. Operating segments

The Group has distinguished operating segments based on sales channels. The segments shown correspond to internal reports regularly provided to key decision makers. The segments identified by the Group and their financial data are presented below.

Information on individual operating segments in the period from January 1 to March 31, 2022:

For the period from Jan 1, 2022 to Mar 31, 2022	Retail segment	Betting segment on-line	Values not assigned to segments	Total
<b>Segment's total revenue</b>	<b>29,417,451</b>	<b>113,010,669</b>	<b>177,540</b>	<b>142,605,660</b>
Revenue from external customers (from the sale of games and bets)	29,301,634	112,963,674	-	142,265,308
other sale	-	-	15,504	15,504
other operating revenue	115,817	46,995	162,036	324,848
<b>Operating expenses, including:</b>	<b>24,364,698</b>	<b>51,788,074</b>	<b>3,531,645</b>	<b>79,684,417</b>
<i>expenses by type</i>	20,734,290	49,624,565	3,530,950	73,889,805
<i>amortization and depreciation</i>	3,630,408	2,163,509	695	5,794,612
<b>Other operating costs</b>	<b>285,324</b>	<b>996,345</b>	<b>224,895</b>	<b>1,506,564</b>
<b>Segment's operating result</b>	<b>4,767,429</b>	<b>60,226,250</b>	<b>-3,579,000</b>	<b>61,414,679</b>
Financial revenues	-	-	1,082,053	1,082,053
Financial expenses	273,080	33,250	333,551	639,881
<b>Profit before tax</b>	<b>4,494,349</b>	<b>60,193,000</b>	<b>-2,830,498</b>	<b>61,856,851</b>
Income tax	-	14,422,717	-	14,422,717
<b>Net profit on continuing operations</b>	<b>4,494,349</b>	<b>45,770,283</b>	<b>-2,830,498</b>	<b>47,434,134</b>
<b>Segment assets as on March 31, 2022</b>	<b>41,559,701</b>	<b>31,367,522</b>	<b>239,513,950</b>	<b>312,441,173</b>
<b>Segment liabilities as on Mar 31, 2021</b>	<b>39,208,707</b>	<b>68,584,441</b>	<b>53,554,210</b>	<b>161,347,358</b>

Information on individual operating segments in the period from January 1 to March 31, 2021:

For the period from Jan 1, 2020 to Mar 31, 2020	Retail segment	On-line betting segment	Values not assigned to segments	Total
<b>Segment's total revenue</b>	<b>23,843,058</b>	<b>101,675,991</b>	<b>282,363</b>	<b>125,801,412</b>
Revenue from sales	23,709,041	100,882,602	-	124,591,643
Other sales	-	-	163,486	163,486
Other operating revenue	134,017	793,389	118,877	1,046,283
<b>Operating expenses, including:</b>	<b>22,145,140</b>	<b>47,380,819</b>	<b>-</b>	<b>69,525,959</b>
<i>expenses by type</i>	18,324,086	45,372,624	-	63,696,710
<i>amortization and depreciation</i>	3,821,054	2,008,195	-	5,829,249
<b>Other operating costs</b>	<b>174,227</b>	<b>1,940,354</b>	<b>42,895</b>	<b>2,157,476</b>
<b>Segment's operating result</b>	<b>1,523,691</b>	<b>52,354,818</b>	<b>239,468</b>	<b>54,117,977</b>
Financial revenues	-	-	3,498,829	3,498,829
Financial expenses	218,153	1,658	1,393,895	1,613,706
<b>Profit before tax</b>	<b>1,305,538</b>	<b>52,353,160</b>	<b>2,344,402</b>	<b>56,003,100</b>
Income tax	-	11,689,821	-	11,689,821
<b>Net profit on continuing operations</b>	<b>1,305,538</b>	<b>40,663,339</b>	<b>2,344,402</b>	<b>44,313,279</b>
<b>Segment assets as on March 31, 2021</b>	<b>46,178,381</b>	<b>17,730,029</b>	<b>120,467,036</b>	<b>184,375,446</b>
<b>Segment liabilities as on Mar 31, 2021</b>	<b>40,153,096</b>	<b>66,093,424</b>	<b>60,732,476</b>	<b>166,978,996</b>

## 9. Revenue

Specification of sales revenue and total revenue are as follows:

Specification	01.01.2022 – 31.03.2022	01.01.2021 – 31.03.2021
Continuing operations		
<b>Betting revenue, including:</b>	142,265,308	124,591,643
- value of amounts staked*	1,075,167,276	1,119,075,779
- value of winnings paid out	793,103,774	853,717,369
- bonuses provided to customers	16,175,774	13,311,727
- gambling and lottery tax	123,622,421	127,455,039
Revenue from sales of services	8,560	158,897
Revenue from sale of goods and materials	6,944	4,589
<b>Total revenue from sales</b>	<b>142,280,812</b>	<b>124,755,129</b>
Other operating revenue	324,848	1,046,283
Financial revenues	1,082,053	3,498,829
<b>Total revenues from continuing operations</b>	<b>143,687,713</b>	<b>129,300,241</b>
Revenue from discontinued operations	-	-
<b>Total revenue</b>	<b>143,687,713</b>	<b>129,300,241</b>

\* The value of amounts staked represents the customer contributions received for bets placed in a given reporting period, adjusted by amounts contributed by customers in the current period for bets concluded that have not been settled by the balance sheet date, as well as by amounts contributed in the previous period and settled in the current reporting period.

## 10. Cost of operating activities

The operating costs specification is as follows:

Specification	01.01.2022 – 31.03.2022	01.01.2021 – 31.03.2021
Amortization and depreciation	5,794,612	5,829,248
Personnel expenses	25,777,017	20,108,886
Marketing	18,966,269	12,641,507
Costs of organizing bookmaking services	12,552,846	12,311,552
IT expenses	4,306,623	6,246,914
Consent to the use of results	5,397,170	5,473,651
Administrative expenses	1,567,974	1,947,278
Property expenses	1,314,976	1,226,115
Utilities	1,708,423	1,600,289
Transport costs	638,303	883,807
Other	1,660,204	1,256,710
<b>Total</b>	<b>79,684,417</b>	<b>69,525,958</b>



## 11. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders (after deducting interest on redeemable preferred shares convertible into ordinary shares) by the weighted average number of ordinary shares outstanding during the period (adjusted for the effect of dilutive options and dilutive redeemable preferred stock convertible into common stock)

Calculation of profit per share - assumptions	01.01.2022 – 31.03.2022	01.01.2021 – 31.03.2021
Net profit on continuing operations	47,434,134	44,313,279
Loss on discontinued operations	-	-
Earnings per share attributable to ordinary shareholders used to calculate diluted earnings per share	47,434,134	44,313,279
Dilution effect - not applicable	-	-
The profit shown for the purpose of calculating the value of diluted earnings per share	47,434,134	44,313,279
Number of shares issued	01.01.2022 – 31.03.2022	01.01.2021 – 31.03.2021
Weighted average number of shares shown for the purpose of calculating the value of basic earnings per share in pcs.	156,389,998	156,249,998
Earnings per share	0.30	0.28
Adjusted weighted average number of ordinary shares used to calculate diluted earnings per share	156,389,998	156,249,998
Diluted earnings per share	0.30	0.28

## 12. Tangible fixed assets

Changes in the balance of tangible fixed assets are presented in the tables below:

Balance as on Mar 31, 2022:

Specification	Land	Buildings and structures	Plant and equipment	Means of transport	Other fixed assets	Fixed assets under construction	Total
<b>Gross carrying amount as on Jan 1, 2022</b>	<b>870,922</b>	<b>17,640,615</b>	<b>35,005,588</b>	<b>4,328,406</b>	<b>8,673,708</b>	<b>3,884,546</b>	<b>70,403,785</b>
Increases, due to:	-	1,971,084	1,197,733	705,245	389,191	2,536,684	6,799,938
- acquisition of fixed assets	-	1,964,117	1,372,514	702,589	380,209	2,536,684	6,956,113
- other	-	-	-	-	-	-	-
- currency translation profit (loss)	-	6,967	-174,781	2,656	8,982	-	-156,175
Decreases, due to:	-	-	-49,603	-175,500	-43,677	-2,837,379	-3,106,158
- disposal	-	-	-	-	-	-	-
- liquidation	-	-	-49,603	-175,500	-43,677	-	-268,780
- acceptance for fixed assets	-	-	-	-	-	-2,837,379	-2,837,379
<b>Gross carrying amount as on March 31, 2022</b>	<b>870,922</b>	<b>19,611,700</b>	<b>36,548,418</b>	<b>4,858,151</b>	<b>9,019,222</b>	<b>3,583,852</b>	<b>74,492,265</b>

Redemption as on January 1, 2022	-	-1,327,140	-29,384,999	-2,853,816	-7,641,980	-	-41,207,935
<b>Increases, due to:</b>	-	-173,992	-1,449,718	-272,455	-80,553	-	-1,202,205
- amortization and depreciation	-	-173,536	-798,258	-249,519	-73,161	-	-1,294,474
- other	-	-	-774,513	-	-	-	-774,513
- currency translation profit (loss)	-	-456	123,053	-22,936	-7,392	-	92,269
<b>Decreases, due to:</b>	-	-	46,437	175,500	43,677	-	265,614
- sale and liquidation	-	-	46,437	175,500	43,677	-	265,614
Redemption as on March 31, 2022	-	-1,501,132	-30,788,280	-2,950,771	-7,678,856	-	-42,919,039
Write-downs as on Jan 1, 2022	-	-	-	-	-	-	-
Write-downs as on Mar 31, 2022	-	-	-	-	-	-	-
Advance for tangible fixed assets under construction	-	-	-	-	-	1,208,150	1,208,150
<b>Net carrying amount as on March 31, 2022</b>	<b>870,922</b>	<b>18,110,568</b>	<b>5,365,438</b>	<b>1,907,380</b>	<b>1,340,366</b>	<b>4,792,002</b>	<b>32,386,675</b>
<b>Transfer of leased assets to right-of-use assets</b>				<b>-1,543,004</b>			<b>-1,543,004</b>
<b>Net carrying amount as on March 31, 2022 after the transfer</b>	<b>870,922</b>	<b>18,110,568</b>	<b>5,365,438</b>	<b>364,375</b>	<b>1,340,366</b>	<b>4,792,002</b>	<b>30,843,671</b>

#### Balance as on Dec 31, 2021:

Specification	Land	Buildings and structures	Plant and equipment	Means of transport	Other fixed assets	Fixed assets under construction	Total
<b>Gross carrying amount as on Jan 1, 2021</b>	<b>870,922</b>	<b>10,683,766</b>	<b>31,124,629</b>	<b>3,878,167</b>	<b>7,850,157</b>	<b>5,779,553</b>	<b>60,187,195</b>
<b>Increases, due to:</b>	-	6,956,849	4,677,724	502,439	1,021,420	9,856,278	23,014,710
- acquisition of fixed assets	-	6,948,304	4,753,824	83,685	1,021,663	9,844,944	22,652,420
- other	-	-	-	403,295	-	-	403,295
- currency translation profit (loss)	-	8,545	-76,701	15,459	-243	11,335	-41,005
<b>Decreases, due to:</b>	-	-	-796,765	-52,200	-197,868	-11,751,286	-12,798,119
- disposal	-	-	-	-	-	-	-
- liquidation	-	-	-796,765	-52,200	-197,868	-	-1,046,833
- acceptance for fixed assets	-	-	-	-	-	-11,751,286	-11,751,286
<b>Gross carrying amount as on December 31, 2021</b>	<b>870,922</b>	<b>17,640,615</b>	<b>35,005,588</b>	<b>4,328,406</b>	<b>8,673,708</b>	<b>3,884,546</b>	<b>70,403,785</b>
Redemption as on Jan 1, 2021	-	-724,415	-27,075,282	-1,891,153	-7,502,299	-	-37,193,450
<b>Increases, due to:</b>	-	-602,424	-3,071,544	-1,014,863	-311,147	-	-4,999,979
- amortization and depreciation	-	-601,926	-2,961,709	-994,856	-310,667	-	-4,869,158
- currency translation profit (loss)	-	-498	71,180	-20,007	-480	-	50,195
<b>Decreases, due to:</b>	-	-	761,828	52,200	171,466	-	985,494
- sale and liquidation	-	-	761,828	52,200	171,466	-	985,494
Redemption as on Dec 31, 2021	-	-1,327,140	-29,384,999	-2,853,816	-7,641,980	-	-41,207,935
Write-downs as on Jan 1, 2021	-	-	-	-	-	-34,826	-34,826
Write-downs as on Dec 31, 2021	-	-	-	-	-	-	-
Advance for tangible fixed assets under construction	-	-	-	-	-	2,449,910	2,449,910

Net carrying amount as on December 31, 2021	870,922	16,313,476	5,620,589	1,474,590	1,031,728	6,334,456	31,645,761
Transfer of leased assets to right-of-use assets	-	-17,017	-	-1,078,525	-	-	-1,095,542
Net carrying amount as on December 31, 2021 after the transfer	870,922	16,296,458	5,620,589	396,065	1,031,728	6,334,456	30,550,219

In the reporting period, there were no indications of impairment of tangible fixed assets.

In the reporting period, the Group did not activate borrowing costs. There were also no significant purchase and sale transactions regarding property, plant and equipment.

### 13. Right-of-use assets and liabilities

#### Right-of-use assets

Under finance lease agreements, the Group uses premises for the purposes of operating betting points, technical equipment and cars. The lease contracts were concluded for 2-5 years, depending on the lease contract (24-60 monthly installments).

At the end of the reporting period, the net value of the right-of-use assets was:

Specification	31.03.2022	31.12.2021
Technical equipment and machines	-	-
Means of transport	1,543,004	1,078,525
PWUG	592,803	595,408
Leased premises	35,746,735	37,249,864
<b>Total</b>	<b>37,882,542</b>	<b>38,923,797</b>

Technical equipment and machinery as well as means of transport are also a security for leasing liabilities. In connection with the lease agreements, the Group issued promissory notes as security.

#### Right-of-use liabilities

The Group uses finance lease by renting cars, technical equipment and machinery as well as commercial premises.

Financial lease data are presented in the tables below.

Specification	31.03.2022	31.12.2021
Payable within 1 year	18,015,990	17,373,996
Payable within over 1 year	20,904,220	22,630,266
<b>Total financial liabilities</b>	<b>38,920,210</b>	<b>40,004,262</b>

Specification	31.03.2022		31.12.2021	
	Minimum fees	Current value of the fees	Minimum fees	Current value of the fees
Within 1 year	18,332,242	18,015,990	17,845,041	17,373,996
In the period from 1 to 5 years	21,271,172	20,904,220	24,892,038	22,630,266
Over 5 years	-	-	-	-
<b>Total minimum lease payments</b>	<b>39,603,414</b>	<b>38,920,210</b>	<b>42,737,078</b>	<b>40,004,262</b>
Future interest expense (negative value)	-683,204	-	-2,732,816	-
<b>Current value of the lease fees, including:</b>	<b>38,920,210</b>	<b>38,920,210</b>	<b>40,004,262</b>	<b>40,004,262</b>
- short-term	18,015,990	18,015,990	17,373,996	17,373,996
- long-term	20,904,220	20,904,220	22,630,266	22,630,266

## 14. Intangible assets

Changes in intangible assets are presented in the tables below. Balance as on March 31, 2022.

Specification	IT platform to handle bookmaker transactions	Other intangible and legal assets	Intangible assets under construction	Total
Gross carrying amount as on Jan 1, 2022	8,499,227	3,144,853	249,180	11,893,260
Increases, due to:	-	5,164,867	9,628	5,174,495
- acquisition	-	5,164,867	9,628	5,174,495
Decreases, due to:	-	-	-	-
- adoption of WNIP for use	-	-	-	-
- liquidation or sale	-	-	-	-
<b>Gross carrying amount as on March 31, 2022</b>	<b>8,499,227</b>	<b>8,309,720</b>	<b>258,808</b>	<b>17,067,755</b>
Redemption as on January 1, 2022	-1,133,231	-2,971,143	-	-4,104,374
Increases, due to:	-212,481	-78,239	0	-290,720
- amortization and depreciation	-212,481	-78,239	0	-290,720
Decreases, due to:	-	-	-	-
- liquidation or sale	-	-	-	-
Redemption as on March 31, 2022	-1,345,711	-3,049,382	0	-4,395,093
- currency translation profit/(loss) on the financial statements of foreign entities	-	50,806	-	-
<b>Net carrying amount as on March 31, 2022</b>	<b>7,153,516</b>	<b>5,209,533</b>	<b>258,808</b>	<b>12,621,856</b>

From January 1, 2022, Betsys s.r.o. began to capitalize the costs related to updating the software it produces, due to the fact that those costs can be reliably estimated and the Group will achieve economic benefits related to the use of new versions of software.

Balance as on Dec 31, 2021:

Specification	IT platform to handle bookmaker transactions	Other intangible and legal assets	Intangible assets under construction	Total
Gross carrying amount as on Jan 1, 2021	8,499,227	3,246,315	-	11,745,542
Increases, due to:	-	121,936	364,525	486,461
- acquisition	-	121,936	364,525	486,461
Decreases, due to:	-	-223,398	-115,345	-338,743
- adoption of WNIP for use	-	-	-115,345	-115,345
- liquidation or sale	-	-223,398	-	-223,398
<b>Gross carrying amount as on December 31, 2021</b>	<b>8,499,227</b>	<b>3,144,853</b>	<b>249,180</b>	<b>11,893,260</b>
Redemption as on Jan 1, 2021	-283,308	-2,940,668	-	-3,223,976
Increases, due to:	-849,923	-253,873	-	-1,103,796
- amortization and depreciation	-849,923	-253,873	-	-1,103,796
Decreases, due to:	-	223,398	-	223,398
- liquidation or sale	-	223,398	-	223,398
Redemption as on Dec 31, 2021	-1,133,231	-2,971,143	-	-4,104,374
- currency translation profit/(loss) on the financial statements of foreign entities	-	-871	-	-871
<b>Net carrying amount as on December 31, 2021</b>	<b>7,365,996</b>	<b>172,839</b>	<b>249,180</b>	<b>7,788,015</b>

## 15. Fair value of financial instruments

The allocation of financial assets and financial liabilities to the categories of financial instruments listed in IFRS 9 is as follows:

Item	Instrument category under IFRS 9	Carrying value		Fair value	
		31.03.2022	31.12.2021	31.03.2022	31.12.2021
<b>Assets</b>					
<b>Non-current prepayments and non-current accrued income, including:</b>		<b>2,853,879</b>	<b>2,817,999</b>	<b>2,853,879</b>	<b>2,817,999</b>
- deposit receivables	AZK	1,872,588	1,858,713	1,872,588	1,858,713
Other long-term and short-term financial assets, including:		11,206,253	11,564,685	11,206,253	11,564,685
- investment fund participation units	AWF	4,093,027	4,159,622	4,093,027	4,159,622
- shares of a company listed on the WSE	AWF	726,002	1,017,839	726,002	1,017,839
- corporate bonds	AZK	6,387,224	6,387,224	6,387,224	6,387,224
<b>Trade receivables</b>	AZK	<b>2,193,488</b>	<b>1,604,779</b>	<b>2,193,488</b>	<b>1,604,779</b>
<b>Other (short-term) receivables, including:</b>		<b>16,970,401</b>	<b>14,799,482</b>	<b>16,970,401</b>	<b>14,799,482</b>
- tax receivables (other than financial instruments)		5,346,843	5,122,147	5,346,843	5,122,147
- other receivables	AZK	11,623,558	9,677,335	11,623,558	9,677,335
<b>Cash and cash equivalents, including:</b>	AZK	<b>185,496,110</b>	<b>146,433,170</b>	<b>185,496,110</b>	<b>146,433,170</b>
- deposits		81,469,729	31,616,873	81,469,729	31,616,873
<b>Liabilities</b>					

<b>Right-of-use liabilities (long- and short-term)</b>	ZZK	<b>38,920,210</b>	<b>40,004,262</b>	<b>38,920,210</b>	<b>40,004,262</b>
Other long-term liabilities		-	-	-	-
Credits and loans	ZZK	-	-	-	-
<b>Trade liabilities</b>	ZZK	<b>12,246,958</b>	<b>16,236,637</b>	<b>12,246,958</b>	<b>16,236,637</b>
<b>Other liabilities, including:</b>		<b>107,100,377</b>	<b>102,208,014</b>	<b>107,100,377</b>	<b>102,208,014</b>
- public law liabilities (other than financial instruments)		56,993,498	59,874,124	56,993,498	59,874,124
- liabilities to customers for deposits, bonuses and pending bets, including:	ZWF + ZZK	28,949,415	30,961,998	28,949,415	30,961,998
<i>liabilities due to pending bets</i>	ZWF	<i>2,480,096</i>	<i>1,908,250</i>	<i>2,480,096</i>	<i>1,908,250</i>
- payroll liabilities		4,962,460	4,683,056	4,962,460	4,683,056
- other liabilities	ZZK	16,195,004	6,688,836	16,195,004	6,688,836

Financial instrument categories under IFRS 9 (key to symbols):

- AZK - financial assets measured at amortized cost,
- AWF - financial assets measured at fair value through financial result,
- ZZK - Financial liabilities measured at amortized cost,
- ZWF - financial liabilities measured at fair value through financial result.

## 16. Write-downs of the value of assets

Change in the balance of write-downs on the value of trade receivables due to expected credit losses:

Specification	31.03.2022	31.12.2021
<b>Related entities</b>		
State of write-downs on trade receivables due to expected losses at the beginning of the period	-	-
<b>Increases</b>		
<b>Decreases</b>		
The balance of write-downs for the expected losses of trade receivables from related entities at the end of the period	-	-
<b>Other entities</b>		
State of write-downs on trade receivables due to expected losses at the beginning of the period	958,806	912,073
<b>Increases, including:</b>	<b>27,469</b>	<b>46,733</b>
- write-downs for overdue and disputed receivables	27,469	46,733
<b>Decreases, including:</b>	<b>-</b>	<b>-</b>
- reversal of write-downs in connection with the repayment of receivables	-	-
<b>State of write-downs on trade receivables due to expected losses from other entities at the end of the period</b>	<b>986,275</b>	<b>958,806</b>
<b>State of write-downs on trade receivables due to expected total losses at the end of the period</b>	<b>986,275</b>	<b>958,806</b>

#### Change in the balance of write-downs on the value of other receivables:

Specification	31.03.2022	31.12.2021
Related entities	-	-
Other entities	-	-
<b>Balance of write-downs on the value of other receivables at the beginning of the period</b>	<b>1,605,636</b>	<b>745,713</b>
Creation/termination of revaluation write-downs	-507,335	859,923
<b>Balance of write-downs on the value of other receivables at the end of the period</b>	<b>1,098,301</b>	<b>1,605,636</b>

#### Update of court cases as on March 31, 2022:

By the decision of the District Prosecutor's Office in Ostrów Wielkopolski of August 11, 2021 (later amended), file ref.: PO I Ds. 57.2021, the funds in one of STS S.A.'s bank accounts were blocked up to the amount of: PLN 6,008,115.09 in connection with the suspicion of committing a money laundering offence by one of the customers of STS S.A. staking amounts with STS S.A. The decision was implemented by blocking the funds accumulated on the account of STS S.A. at mBank S.A. (pursuant to Art. 86 sec. 10 in conjunction with sections 9 and 11 of the Act on counteracting money laundering and terrorist financing). The blockade was established for a period of 6 months, i.e. until February 11, 2022. The complaint of STS S.A. against the above-mentioned blockade was dismissed on November 8, 2021 by the Regional Court in Kalisz. The blockade of the account was then changed by the order of the District Prosecutor's Office in Ostrów Wielkopolski of November 3, 2021, which established security on the property of the suspect threatened to forfeit it to the State Treasury, of the financial benefit resulting from the crime or return to the victim of the financial benefit that the perpetrator obtained from the committed crime, through the seizure of property in the form of funds from the crime and accumulated on the above-mentioned a bank account kept for STS S.A. STS S.A. is neither a direct nor an indirect perpetrator of the act being the subject of the proceedings under file reference number PO I Ds. 57.2021, and therefore, according to the Management Board, taking such strict actions by the Public Prosecutor's Office in relation to STS S.A. is disproportionate and pointless. At the moment, it is difficult to determine the chances of STS to release the above-mentioned secured amount, as STS S.A. is not a party to the preparatory proceedings under which the blockade was established and then the property was secured. On May 31, 2022, the District Court in Kalisz will consider a complaint of STS S.A. against the Prosecutor's Office's decision concerning the security. Apart from the aforementioned appeal, until the customer's criminal case is legally resolved, STS S.A. is not entitled to any additional legal remedies allowing questioning of the Prosecutor's Office's decision concerning the security.

## 17. Share capital

The share capital structure by share series as on March 31, 2022 is as follows:

Series/issue of shares	Type of share preference	Type of restriction of rights to shares	Number of shares	Unit value	Value of series / issue at nominal value	Form of capital contributions
A	None	None	100,000	1	100 000.00	Cash
B	None	None	156,149,998	1	156,149,998.00	In-kind contribution
C	None	None	140,000	1	140,000.00	Cash
<b>Total</b>	<b>x</b>	<b>x</b>	<b>156,389,998</b>	<b>x</b>	<b>156,389,998.00</b>	<b>x</b>

The share capital structure by share series as on December 31, 2021 is as follows:

Series/issue of shares	Type of share preference	Type of restriction of rights to shares	Number of shares	Unit value	Value of series / issue at nominal value	Form of capital contributions
A	None	None	100,000	1	100 000.00	Cash
B	None	None	156,149,998	1	156,149,998.00	In-kind contribution
C	None	None	140,000	1	140,000.00	Cash
<b>Total</b>	<b>x</b>	<b>x</b>	<b>156,389,998</b>	<b>x</b>	<b>156,389,998.00</b>	<b>x</b>

The company STS Holding SA was established on March 10, 2021 by Vistra Shelf Companies sp. z o.o., under the business name of Vartomil Investments Spółka Akcyjna (hereinafter: Vartomil Investments S.A.). The company was based in Warsaw, ul. Towarowa 28, and was entered in the Register of Enterprises kept by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register under KRS number: 0000898108.

On June 10, 2021, the company's shares were acquired by the following companies: Betplay Capital sp. z o.o. (former: Betplay International sp. z o.o.), Juroszek Investments sp. z o.o. and MJ Investments sp. z o.o.

On September 10, 2021, the Extraordinary General Meeting of the Parent Company adopted Resolution No. 3 on increasing the Company's share capital by issuing series B shares for the existing shareholders of the Company. The share capital of the Company was increased by PLN 156,149,998.00 through the issue of 156,149,998 series B shares with a nominal value of PLN 1.00 per share and an issue price of PLN 19.1767091322446 per share. All shares were offered for subscription pursuant to Art. 431 para. 2 point 1 of the Commercial Companies Code, by way of a private subscription by the existing shareholders of STS Holding S.A. holding the company's shares as at the subscription rights date, in exchange for an in-kind contribution in the form of 112,150,000 series A and B registered shares of STS Spółka Akcyjna with its registered office in Katowice. The total value of the in-kind contribution was PLN 2,994,443,131.00.

The capital increase was registered by the Registry Court on November 4, 2021.

On October 21, 2021, the Extraordinary General Meeting of STS Holding S.A. adopted Resolution no. 5 on increasing the Company's share capital by way of issuing series C shares, depriving the existing shareholders of the company of all pre-emptive rights and registering the Company's shares in the depository of securities kept by the National Depository for Securities and applying for admission and introduction of series C shares to trading on the regulated market kept by the Warsaw Stock Exchange. The Company's share capital was increased by PLN 140,000.00 through the issue of 140,000 series C ordinary registered shares. The shares were acquired by Mr Zdzisław Kostrubała (member of the Company's Management Board) in the number of 70,000 shares, in exchange for a cash contribution of PLN 70,000.00, and Mr Marcin Walczysko (member of the Company's Management Board) in the number of 70,000 shares, in exchange for a cash contribution of PLN 70,000.00.

On November 23, 2021, the Polish Financial Supervision Authority approved the Offering Memorandum of STS Holding S.A. The process of offering and allocating series A and B shares to investors was completed on December 8, 2021. Series A, B and C shares have been listed on the Warsaw Stock Exchange since December 10, 2021 under the STH symbol (ISIN: PLSTSHL00012).



The share capital structure by shareholders holding more than 5% of votes at the General Meeting of Shareholders as on March 31, 2022 is as follows:

Shareholders	Number of shares	Nominal value of shares (PLN)	Participation in share capital (%)	Number of votes	Share in the total number of votes at the General Meeting of Shareholders (%)
Mateusz Juroszek and Zbigniew Juroszek, including:	109,545,002	PLN 109,545,002.00	70.05%	109,545,000	70.05%
<i>Juroszek Holding sp. Z o.o.</i>	52,713,314	PLN 52,713,314.00	33.71%	52,713,314	33.71%
<i>MJ Investments sp. z o.o.</i>	39,784,902	PLN 39,784,902.00	25.44%	39,784,902	25.44%
<i>Betplay Capital sp. z o.o.</i>	17,046,786	PLN 17,046,786.00	10.90%	17,046,786	10.90%
Norges Bank	10,145,400	PLN 10,145,400.00	6.49%	10,145,400	6.49%
Nationale Nederlanden Powszechne Towarzystwo Emerytalne S.A.	9,375,000	PLN 9,375,000.00	5.99%	9,375,000	5.99%
Others	27,324,596	PLN 27,324,596.00	17.47%	27,324,596	17.47%
<b>Total:</b>	<b>156,389,998</b>	<b>PLN 156,389,998.00</b>	<b>100.00 %</b>	<b>156,389,998</b>	<b>100.00 %</b>

The share capital structure by shareholders holding more than 5% of votes at the General Meeting of Shareholders as on December 31, 2021 is as follows:

Shareholders	Number of shares	Nominal value of shares (PLN)	Participation in share capital (%)	Number of votes	Share in the total number of votes at the General Meeting of Shareholders (%)
Mateusz Juroszek and Zbigniew Juroszek, including:	109,375,000	PLN 109,375,000.00	69.94%	109,375,000	69.94%
<i>Juroszek Holding sp. Z o.o.</i>	52,628,313	PLN 52,628,313.00	33.65%	52,628,313	33.65%
<i>MJ Investments sp. z o.o.</i>	39,699,901	PLN 39,699,901.00	25.39%	39,699,901	25.39%
<i>Betplay Capital sp. z o.o.</i>	17,046,786	PLN 17,046,786.00	10.90%	17,046,786	10.90%
Norges Bank	10,145,400	PLN 10,145,400.00	6.49%	10,145,400	6.49%
Nationale Nederlanden Powszechne Towarzystwo Emerytalne S.A.	9,375,000	PLN 9,375,000.00	5.99%	9,375,000	5.99%
Others	27,494,598	PLN 27,494,598.00	17.58%	27,494,598	17.58%
<b>Total:</b>	<b>156,389,998</b>	<b>PLN 156,389,998.00</b>	<b>100.00 %</b>	<b>156,389,998</b>	<b>100.00 %</b>

On May 5, 2022, the Management Board of the Parent Company adopted Resolution no. 3 on increasing the Company's share capital by way of issuing series D shares, depriving the existing shareholders of the Company of all pre-emptive rights and registering the Company's shares in the depository of securities kept by the National Depository for Securities and applying for admission and introduction of series D shares to trading on the regulated market kept by the Warsaw Stock Exchange [Giełda Papierów Wartościowych w Warszawie S.A.]. In connection with the launch of the "STS Holding S.A. Incentive Program" by the Company, the share capital of the Company was increased within the limits of the authorized capital by the amount of PLN 144,960.00, i.e. from PLN 156,389,998.00 to PLN 156,534,958.00.

The issue price of one share is PLN 1.00. The Management Board of STS Holding S.A. decided in the interest of the Company to deprive the Company's shareholders of the entire pre-emptive rights regarding all series D shares. In accordance with the requirements resulting from the Company's Articles of Association, the Supervisory Board adopted a resolution on granting consent to the exclusion of pre-emptive rights in full by the Management Board. All newly created series D shares are ordinary bearer shares and participate in the dividend starting from January 1, 2021.

## 18. Dividends

In the first quarter of 2022, neither the Parent Company nor its Subsidiaries paid any dividends. As on the date of approval of these summary consolidated financial statements, the Parent Company has not yet approved the financial statements for 2021 and has not declared the amount of the dividend to be paid.

On May 25, 2022, the Ordinary General Meeting of STS S.A. adopted Resolution No. 3 on the distribution of the net profit of STS S.A. for 2021 in the amount of PLN 153,325,065.00 less the advance payment for dividends in the amount of PLN 67,454,044.00 paid to the Shareholder of STS Holding S.A. The remaining amount of PLN 85,871,021 will be paid to the Shareholder as a dividend.

## 19. Guarantees and sureties granted as well as contingent liabilities

On May 27, 2021, an overdraft facility agreement was entered into by: mBank SA (Bank), and STS SA. and Betplay Capital sp. z o.o. (former Betplay International sp. z o.o.) (Borrowers).

The loan is secured with blank promissory notes issued by both borrowers.

On September 2, 2021, a multi-purpose overdraft limit agreement was concluded between: Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, and STS S.A. and Betplay Capital sp. z o.o. (former Betplay International sp. z o.o.) (Borrowers).

The borrowers may use the Loans until May 26, 2022 and May 31, 2022, respectively.

As on the balance sheet date, March 31, 2022, and as on the date of these consolidated financial statements, STS S.A. has not used the credit lines granted.

STS S.A. is a party to a aircraft lease agreement, with the parent company - Betplay Capital Sp. z o. o. (former Betplay International sp. z o. o. - BI) with its seat in Katowice as the lessee and mLeasing Sp. z o.o. as the lessor. It is a tripartite agreement where STS S.A. acts as a guarantor of blank promissory notes issued by BI to secure the agreement and STS S.A. will be jointly and severally liable if BI ceases to make lease payments under the contract with conditional assumption of rights and responsibilities. The total value of the leased assets is PLN 37 million, the monthly lease payment is PLN 520 thousand, lease period: 5 years.

On January 25, 2022, the Issuer's subsidiary, i.e. STS S.A., received the decision of GIIF on the imposition of an administrative penalty on STS S.A. in connection with the violation of certain provisions of the Act of March 1, 2018 on counteracting money laundering and financing terrorism ("AML Act"). According to the information obtained, GIIF, by decision of January 14, 2022, imposed an administrative penalty on STS S.A. in the amount of PLN 2,950,000.00.

In the opinion of the Issuer, the imposition of an administrative penalty by GIIF and the initiation of the proceedings in question was unjustified. In particular, the explanations presented by STS S.A., submitted both as part of the control and administrative proceedings, were not taken into consideration by GIIF. In the opinion of the Issuer's Management Board, STS S.A. complied with all procedures required by law, including the verification of players, reporting and compliance with other obligations under the AML Act. Therefore, STS S.A. appealed against the decision of GIIF and is going to use all the means of appeal it is entitled to, including an appeal to the administrative court.

In the Issuer's opinion, the administrative penalty imposed by GIIF will not have a significant impact on the financial situation of the Issuer's Group. At the present stage, the decision of GIIF is not final, and the penalty will be payable only from the date on which the decision to impose it becomes final.

Fines are typical administrative sanctions for non-compliance with regulatory obligations. However, one of the sanctions provided by the Polish Gambling Law for failure to comply with the obligations relating to the prevention of money laundering or terrorism financing is the withdrawal of the relevant licenses to conduct sports betting. Any sanctions imposed and/or regulatory measures applied may require the Group to expend significant capital or other resources, modify internal standards, procedures, systems or the Group's product offering, and may require the Group to modify or cease its operations, all of which could adversely affect the Group's business, performance, prospects, value, financial condition, and results of operations. In the Group's opinion, the probability of the materialization of this risk is medium.

## 20. Provisions

Specification	Provisions for retirement and pension gratuities	Provisions for unused holiday leaves
<b>Balance as on Jan 1, 2021</b>	<b>434,501</b>	<b>1,844,310</b>
Establishment/update of a provision	524,878	2,292,807
Costs of benefits paid (provision used)	-	
Provision release	-434,501	-1,844,310
<b>Balance as on Dec 31, 2021, including:</b>	<b>524,878</b>	<b>2,292,807</b>
- long-term	524,878	-
- short-term	-	2,292,807
<b>Balance as on Jan 1, 2022</b>	<b>524,878</b>	<b>2,292,807</b>
Establishment/update of a provision	-	
Costs of benefits paid (use of the reserve)	-	
Provision release	-	
<b>Balance as on Dec 31, 2022, including:</b>	<b>524,878</b>	<b>2,292,807</b>
- long-term	524,878	-
- short-term	-	2,292,807

Information on other provisions is presented in the tables below.

Specification	31.12.2021	31.12.2020
Other, including the provision for the audit of the financial statements		
- short-term	<b>262,128</b>	<b>185,177</b>

Change in the balance of provisions:

Specification	Other provisions - short-term
<b>Balance as on Jan 1, 2021</b>	<b>55,474</b>
Created during the financial year	348,757
Used	-43,050
Released	-176,004
<b>Balance as on Dec 31, 2021</b>	<b>185,177</b>
Created during the financial year	76,950
Used	-
Released	-
<b>Balance as on Jan 1, 2022</b>	<b>262,128</b>

## 21. Deferred tax

Deferred tax assets and provisions have been recognized in relation to the following assets and liabilities:

	01.01.2022 – 31.03.2022	01.01.2021 – 31.12.2021
<b>Deferred tax assets, including those created for:</b>	<b>10,350,133</b>	<b>8,414,052</b>
obligations towards Social Insurance Institution (ZUS)	376,947	354,706
provisions for employee benefits	535,253	535,253
liability due to unpaid winnings	226,071	198,383
right-of-use liabilities	7,347,296	5,388,907
valuation of receivables	284,630	304,861
unpaid wages	134,530	108,414
other	321,605	225,792
<b>provisions</b>	<b>966,677</b>	<b>1,142,405</b>
tax loss	157,124	155,331
<b>Deferred tax provisions</b>	<b>9,597,489</b>	<b>7,562,847</b>
right-of-use assets	7,148,518	5,195,554
valuation of investments in TFI units	-	16,608
differences between tax and balance sheet depreciation	65,296	144,275
other	1,763,651	1,729,348
coupons staked	620,024	<b>477,062</b>
<b>Net assets (provision) for deferred tax</b>	<b>752,644</b>	<b>851,205</b>

## 22. Transactions with related entities

The Parent Entity identified related parties in accordance with the principles of IAS 24.

The following entities were considered related entities:

- subsidiary entities:
  - STS S.A.
  - STS Gaming Group Ltd
  - STS BET Ltd.
  - Betsys s.r.o.
  - Betsys Poland spółka z ograniczoną odpowiedzialnością;
- members of the Supervisory Board:
  - Zbigniew Eugeniusz Juroszek
  - Maciej Fijak
  - Elżbieta Spyra
  - Milena Olszewska – Miszuris
  - Krzysztof Krawczyk
- key personnel members:
  - Mateusz Zbigniew Juroszek - President of the Management Board,
  - Marcin Sylwester Walczysko – Vice-President of the Management Board,
  - Zdzisław Jan Kostrubała – Member of the Management Board;

- other entities related to the persons mentioned in the points above:
  - Stowarzyszenie Pracodawców i Pracowników firm Bukmacherskich,
  - Sport Twoją Szansą,
  - Betplay Capital spółka z ograniczoną odpowiedzialnością,
  - MJ Investments spółka z ograniczoną odpowiedzialnością,
  - ZJ-Invest spółka z ograniczoną odpowiedzialnością,
  - ATAL Construction spółka z ograniczoną odpowiedzialnością,
  - ATAL Spółka Akcyjna,
  - Metan Energy P. Basista Spółka Jawna,
  - ATAL ART Invest spółka z ograniczoną odpowiedzialnością (former: ATAL Services spółka z ograniczoną odpowiedzialnością),
  - Juroszek Holding spółka z ograniczoną odpowiedzialnością (former: Juroszek Investments spółka z ograniczoną odpowiedzialnością),
  - ATAL - Nowe Polesie 2 spółka z ograniczoną odpowiedzialnością w likwidacji,
  - ZJ-Invest spółka z ograniczoną odpowiedzialnością spółka komandytowa,
  - JP Construct spółka z ograniczoną odpowiedzialnością spółka komandytowa,
  - Temisto 9 spółka z ograniczoną odpowiedzialnością,
  - Juroszek Catch Me spółka jawna,
  - JP Construct spółka z ograniczoną odpowiedzialnością w likwidacji,
  - Juroszek Apartments spółka jawna,
  - WM Advisory spółka z ograniczoną odpowiedzialnością,
  - ATAL Development GmbH,
  - Yestersen spółka z ograniczoną odpowiedzialnością.

All transactions with related entities were carried out on an market terms.

The overdue liabilities at the end of the period are interest-free and settled in cash or in a cashless manner, except for liabilities due to loans to which interest is accrued in accordance with the concluded contracts. Liabilities to related entities have not been covered by any granted or received guarantees. They are also not secured in any other forms. At the end of the financial period, i.e. March 31, 2022, the Group had no doubtful receivables from related parties. Transactions between the Parent Entity and its subsidiaries falling within the scope of these consolidated financial statements have been eliminated in the course of consolidation and are not shown in this note. Data on transactions with other related entities and information on unsettled balances are presented in the table.

Related party	Sales to related entities		Purchases from related entities	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Betplay Capital spółka z ograniczoną odpowiedzialnością	38,393	-	486	-
MJ Investments spółka z ograniczoną odpowiedzialnością	4,050	-	300	6,150
ZJ-Invest spółka z ograniczoną odpowiedzialnością,	1,721	267,100	-	146,298
ATAL Spółka Akcyjna	-	4,388	61	1,498
Juroszek Catch Me spółka jawna	270	-	-	-
Juroszek Apartments spółka jawna	-	-	681	-

Related party	Receivables from related entities		including overdue receivables		Liabilities to related entities		including overdue receivables	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Betplay Capital spółka z ograniczoną odpowiedzialnością	23,712	75	173	-	-	-	-	-
MJ Investments spółka z ograniczoną odpowiedzialnością	4,613	123	4,613	-	-	6,150	-	-
ZJ-Invest spółka z ograniczoną odpowiedzialnością,	-	-	-	-	3,396	-	3,396	-
ATAL Spółka Akcyjna	-	71	-	-	-	-	-	-

There were no transactions with the participation of key management personnel, except for the transaction of taking up shares in the increased share capital of the parent company. The transaction is described in detail in note 17 "Share capital".

## 23. Salaries of senior management and the Supervisory Board

Data regarding salaries of Members of the Management Board and Supervisory Board of the Parent Entity who have been identified as key management personnel in accordance with IAS 24 is presented below.

There were no long-term or post-employment benefits, and no benefits due to termination of employment.

In the period from Jan 1, 2022 to Mar 31, 2022, there were share-based payments to two members of the Parent Company's Management Board.

### Benefits paid to the Members of the Management Board

Specification	01.01.2022 – 31.03.2022	01.01.2021 - 31.12.2021
Remuneration of the Members of the Management Board of the parent company	216,245	888,033
Incentive program	-	3,580,000

### Benefits paid to the Members of the Supervisory Board

Specification	01.01.2022 – 31.03.2022	01.01.2021 - 31.12.2021
Remuneration of the Members of the Supervisory Board	81,000	19,161

## 24. Share-based payments

The STS Holding incentive program was adopted on the basis of two resolutions:

- Resolution No. 5 of the Extraordinary General Meeting of STS Holding SA of October 21, 2021 on the increase of the Company's share capital by issuing series C shares, depriving the existing shareholders of the Company of all pre-emptive rights. Pursuant to this resolution, the share capital of the Company was increased by the amount of PLN 140,000.00 through the issue of 140,000 ordinary registered series C shares with a nominal value of PLN 1.00 each, and with an issue price of PLN 1.00 per share. These shares were offered for private subscription by Mr Zdzisław Kostrubała (member of the Management Board) in the number of 70,000 series C shares in exchange for a cash contribution of PLN 70,000.00, and Mr Marcin Walczysko (member of the Management Board) in the number of 70,000 shares series C in exchange for a cash contribution of PLN 70,000.00. The capital increase was registered by the Registry Court on November 29, 2021. The Extraordinary General Meeting, having read the written opinion of the Management Board of the Company justifying the reasons for depriving the Company's shareholders of the pre-emptive rights and the proposed issue price for series C shares, decided in the interest of the Company to deprive the Company's shareholders of the entire pre-emptive rights regarding all series C shares;
- Resolution No. 4 of the Extraordinary General Meeting of STS Holding SA of October 29, 2021 on the introduction of an incentive program for key employees and associates of the STS Holding S.A. Group. The incentive program was established to introduce mechanisms in the Company that increase the value of the Company and its group of companies, and to further enable participation of key employees and associates in the expected increase in the value of the Group and to ensure their permanent bond with the Group. The incentive program will be implemented based on the Company's financial results achieved in individual financial years, starting from the financial year ending on December 31, 2021, to the financial year ending on December 31, 2023. In order to enable the implementation of the Incentive Program, it was decided to authorize the Management Board to use the authorization to increase the share capital as part of the authorized capital established in accordance with the conditions set out in the Articles of Association amended by Resolution No. 6 of the Extraordinary General Meeting of STS Holding SA of October 21, 2021 for the purpose of issuing shares in accordance with the provisions

of the Regulations. As part the the Incentive Program, the Management Board will be authorized to issue no more than 714,000 series D bearer shares of the Company.

On May 5, 2022, the Management Board of the Parent Company adopted Resolution no. 3 on increasing the Company's share capital by way of issuing series D shares, depriving the existing shareholders of the Company of all pre-emptive rights and registering the Company's shares in the depository of securities kept by the National Depository for Securities and applying for admission and introduction of series D shares to trading on the regulated market kept by the Warsaw Stock Exchange [Giełda Papierów Wartościowych w Warszawie S.A.]. In connection with the launch of the "STS Holding S.A. Incentive Program" by the Company, the share capital of the Company was increased within the limits of the authorized capital by the amount of PLN 144,960.00, i.e. from PLN 156,389,998.00 to PLN 156,534,958.00.

The issue price of one share is PLN 1.00. The Management Board of STS Holding S.A. decided in the interest of the Company to deprive the Company's shareholders of the entire pre-emptive rights regarding all series D shares. In accordance with the requirements resulting from the Company's Articles of Association, the Supervisory Board adopted a resolution on granting consent to the exclusion of pre-emptive rights in full by the Management Board. All newly created series D shares are ordinary bearer shares and participate in the dividend starting from January 1, 2021.

The expenses recognized as employee benefits related to the granted rights to acquire the Company's shares are presented in the table below:

	01.01-31.03.2022	10.03-31.12.2021
Total cost of a share-based payment settled in equity instruments - applies to the program for Members of the Management Board of STS Holding S.A.	3,218,759	3,917,102
Total cost of a share-based payment settled in cash	-	-
<b>Total - the cost of a share-based payment</b>	<b>3,218,759</b>	<b>3,917,102</b>

## 25. Discontinued operations

There were no discontinued operations in the periods covered by these historical financial information.

## 26. Significant events and transactions

### *Sports events in 2022*

In the third and fourth quarter of 2022, the company expects a positive effect primarily on operating results, resulting from the World Cup in Qatar and the participation of the Polish national team in it. The company hopes that the event will positively translate into the acquisition of new users, among other things, as was the case with major sports events in 2020, 2018 and 2016. In addition, the acquisition of new users and an attractive level of player retention in the STS Group should also positively translate into operational data recorded in the subsequent quarters of 2023.

### *The impact of the declaration of the Coronavirus (COVID-19) pandemic on the Group's current and future operations*

Since March 2020, the global markets have been exposed to severe disruption due to the COVID-19 pandemic. As a result of the pandemic, individual countries, including Poland, have taken extensive measures to limit the spread of the virus and its effects, such as introducing social, travel, and economic restrictions. In 2021, restrictive measures introduced by the governments were gradually relaxed mainly due to the growing percentage of the vaccinated population.

Currently, a decrease is observed in the impact of COVID-19 on the current functioning of the society and the entire economy, which is reflected in the abolition of the pandemic state in Poland, in force from Q1 2022, as of May 16, 2022.

This is due to a reduction in the number of recorded infections, hospitalizations, and deaths due to coronavirus infection. Instead, a state of epidemiological emergency was introduced, and most of the restrictions and limitations were lifted earlier.

The Management Board of the Group perceives the current situation related to the outbreak of the coronavirus as a phenomenon that should not have a significant impact on the primary market in the long term and, as on the date of approval of these interim summary consolidated financial statements for publication, the Management Board believes that there are no circumstances that would indicate a threat to the continued operations of the companies included in the Group in the foreseeable future.

The Management Board of the Parent Entity did not find any material uncertainty related to the going concern of the Group resulting from the COVID-19 pandemic. In making the assessment, the Management Board analyzed possible negative scenarios that may affect future cash flows, availability of financing, planned revenues and financial results.

### ***The impact of the war in Ukraine on the Group's operations***

The Group's operations are and may be affected in the future by the armed conflict that commenced on a large scale between Russia and Ukraine. The war may have serious consequences for the Polish economy.

Currently, it is difficult to precisely estimate the impact of the war in Ukraine on the Group's operations, however, as at the date of approval of these consolidated financial statements, the Management Board has not identified any circumstances that would pose a threat to the Group continuing as going concern.

Due to the complexity of the situation and the possibility of many scenarios being realized, the development of the situation will be monitored on an ongoing basis.

## **27. The list of the status of the issuer's shares held by the issuer's managing and supervising persons**

The ownership status of the shares of STS Holding S.A. held by members of the Management Board and Supervisory Board as on March 31, 2022 was as follows:

- Zdzisław Kostrubała (Member of the Management Board) held 70,000 shares,
- Marcin Walczysko (Member of the Management Board) held 70,000 shares,
- Mateusz Juroszek (President of the Management Board) held 39,784,902 shares through a wholly-controlled company MJ Investments sp. z o.o.,
- Zbigniew Juroszek (Vice-Chairman of the Supervisory Board) held 52,713,314 shares through a wholly-controlled company Juroszek Holding sp. z o.o.
- In addition, Mateusz Juroszek and Zbigniew Juroszek jointly, through Betplay Capital sp. z o.o, in which they hold shares, owned 17,046,786 shares.

## **28. Events after the balance sheet date**

On May 5, 2022, the Management Board of the Parent Company adopted Resolution no. 3 on increasing the Company's share capital by way of issuing series D shares, depriving the existing shareholders of the Company of all pre-emptive rights and registering the Company's shares in the depository of securities kept by the National Depository for Securities and applying for admission and introduction of series D shares to trading on the regulated market kept by the Warsaw Stock Exchange [Giełda Papierów Wartościowych w Warszawie S.A.]. In connection with the launch of the "STS Holding S.A. Incentive Program" by the Company, the share capital of the Company was increased within the limits of the authorized capital by the amount of PLN 144,960.00, i.e. from PLN 156,389,998.00 to PLN 156,534,958.00. The issue price of one share is PLN 1.00. The Management Board of STS Holding S.A. decided in the interest of the Company to deprive the Company's shareholders of the entire pre-emptive rights regarding all series D shares. In accordance with the requirements resulting from the Company's Articles of Association, the Supervisory Board adopted a resolution on granting consent to the exclusion of pre-emptive rights in full by the Management Board. All newly created series D shares are ordinary bearer shares and participate in the dividend starting from January 1, 2021.



## VIII. Interim summary financial statement of the parent entity STS Holding S.A.

### 1. Interim summary statement of financial position

<b>ASSETS</b>	<b>31.03.2022</b>	<b>31.12.2021</b>
<b>Non-current assets</b>		
Tangible fixed assets		
Intangible assets	258,808	249,180
Goodwill	-	-
Right-of-use assets	16,322	17,017
Deferred tax assets	7	7
Non-current prepayments and non-current accrued income	-	-
Other financial assets	2,997,981,029	2,994,762,233
<b>Current Assets</b>	<b>61,559,921</b>	<b>64,117,844</b>
Inventory	-	-
Trade and other receivables	799	-
Other financial assets		
Short-term prepayments and accruals	63,572	101
Cash and cash equivalents	61,495,550	64,117,743
<b>TOTAL ASSETS</b>	<b>3,059,816,087</b>	<b>3,059,146,281</b>
<b>LIABILITIES</b>	<b>31.03.2022</b>	<b>31.12.2021</b>
<b>Equity</b>	<b>3,059,603,036</b>	<b>3,056,696,333</b>
Share capital	156,389,998	156,389,998
Unregistered increase of share capital	-	-
Other capitals	2,838,293,133	2,838,293,133
Other capitals	7,135,898	3,917,102
Retained earnings carried forward from the previous years	58,096,100	-
Write-off on net profit during the financial year	-	-
Net profit (loss)	-312,093	58,096,100
Non-current liabilities	13,741	14,400
Right-of-use liabilities	13,741	14,400
Deferred income tax provisions	-	-
Provisions for pensions and similar benefits	-	-
Current liabilities	199,310	2,435,548
Liabilities due to credits and loans	-	-
Right-of-use liabilities	2,656	2,656
Trade liabilities	13,470	2,237,385
Current income tax liabilities	12	12
Other liabilities	51,843	89,149
Provisions for pensions and similar benefits	566	566
Other provisions	130,763	105,780
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,059,603,036</b>	<b>3,056,696,333</b>

## 2. Interim summary statement of comprehensive income

Specification	01.01.2022 – 31.03.2022	10.03.2021 – 31.03.2021
Revenue from holding activities:	-	-
Dividend revenue	-	-
Other operating revenue	-	-
Amortization and depreciation	695	-
Consumption of materials and energy	-	-
External services	202,697	-
Taxes and charges	-	-
Employee benefits	109,458	-
Other costs by type	-	-
Other operating expenses	-	-
<b>Profit (loss) on operating activities</b>	<b>-312,850</b>	-
Financial revenues	836	-
Financial expenses	79	-
<b>Profit (loss) before tax</b>	<b>-312,093</b>	-
Income tax	-	-
<b>Net profit (loss) from continuing operations</b>	<b>-312,093</b>	-
<b>Other total income</b>	-	-
<b>Comprehensive income</b>	<b>-312,093</b>	-

### Profit (loss) per share (in PLN)

Basic for the financial period	-	-
- From continuing operations	-	-
- From discontinued operations	-	-
Diluted for the financial period	-	-
- From continuing operations	-	-
- From discontinued operations	-	-

### 3. Interim summary statement of changes in equity

Specification	Share capital	Supplementary capital	Other capitals including the incentive program	Retained earnings carried forward from the previous years	Write-down on profit	Financial result for the current period	Equity
<b>Equity as on Jan 1, 2022</b>	156,389,998	2,838,293,133	3,917,102	58,096,100	-	-	3,056,696,333
<b>Changes in accounting principles (policy)</b>	-	-	-	-	-	-	-
<b>Error correction</b>	-	-	-	-	-	-	-
<b>Equity after adjustments</b>	156,389,998	2,838,293,133	3,917,102	58,096,100	-	-	3,056,696,333
Increase in share capital	-	-	-	-	-	-	-
Incentive program	-	-	3,218,796	-	-	-	3,218,796
Payment of dividends	-	-	-	-	-	-	-
Distribution of the net profit	-	-	-	-	-	-	-
Write-down on profit	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Net profit/loss for the accounting year	-	-	-	-	-	- 312,093	- 312,093
<b>Equity as on March 31, 2022</b>	156,389,998	2,838,293,133	7,135,898	58,096,100	-	-312,093	3,059,603,036

Specification	Share capital	Supplementary capital	Other capitals including the incentive program	Retained earnings carried forward from the previous years	Write-down on profit	Financial result for the current period	Equity
<b>Equity as on Mar 10, 2021</b>	-	-	-	-	-	-	-
<b>Changes in accounting principles (policy)</b>	-	-	-	-	-	-	-
<b>Error correction</b>	-	-	-	-	-	-	-
<b>Equity after adjustments</b>	-	-	-	-	-	-	-
Increase in share capital	-	-	100,000	-	-	-	100,000
Incentive program	-	-	-	-	-	-	-
Payment of dividends	-	-	-	-	-	-	-
Distribution of the net profit	-	-	-	-	-	-	-
Write-down on profit	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Net profit/loss for the accounting year	-	-	-	-	-	-	-
<b>Equity as on March 31, 2021</b>	-	-	100,000	-	-	-	100,000

## 4. Interim summary statement of cash flows

Specification	01.01.2022 – 31.03.2022	10.03.2021 – 31.03.2021
<b>Profit (loss) before tax</b>	<b>-312,093</b>	-
<b>Total adjustments:</b>	<b>-2,299,734</b>	-
Amortization and depreciation	695	-
Exchange gains/(losses)	0	-
Interest and profit sharing	79	-
Profit/(loss) on investment activity	-	-
Change in provisions	24,983	-
Change in the balance of inventories	0	-
Change in the balance trade and other receivables	-799	-
Change in short-term liabilities, excluding credits and loans	-2,261,221	-
Change in payments and accruals	-63,471	-
Other adjustments	-	-
<b>Total: Cash from operating activities</b>	<b>-2,611,827</b>	-
Income tax paid	-	-
<b>Net cash flows from operating activities</b>	<b>-2,611,827</b>	-
<b>INVESTMENT ACTIVITIES</b>		
Disposal of intangible and legal assets and property, plant and equipment	-	-
Dividends received	-	-
Interests	-	-
Repayment of loans granted	-	-
Purchase of intangible assets and tangible fixed assets	-	-
	-9,628	-
Expenses of financial assets - loans granted	-	-
Other investment expenses	-	-
<b>Net cash flows from investment activity</b>	<b>-9,628</b>	-
<b>FINANCIAL ACTIVITIES</b>		
Net inflows from issuance of shares	-	-
Credits and loans	-	-
Dividends paid	-	-
Repayment of credits and loans	-	-
Payment of liabilities arising from financial leases	-659	-
Interest paid	-79	-
Other revenue/financial expenditure	-	-
<b>Net cash flows from financial activities</b>	<b>-738</b>	-
<b>Total net cash flows</b>	<b>-2,622,193</b>	-
Change in cash and cash equivalents before the effects of exchange rate differences	-	-
<b>Balance sheet change in cash:</b>		
Cash opening balance	<b>64,117,743</b>	-
Cash at the end of the period (F + D), including: - of limited disposability	<b>61,495,550</b>	-

## 5. Selected financial data converted into EUR

Selected financial data converted into EUR	PLN		EUR	
	01.01.2022-31.03.2022	10.03.2021-31.03.2021	01.01.2022-31.03.2022	10.03.2021-31.03.2021
Dividend revenue	-	-	-	-
Cost of the activity	312,850	-	67,320	-
Profit/(loss) on operating activities	-312,850	-	67,320	-
Profit/(Loss) before Tax	-312,093	-	67,157	-
Net cash flow from operating activities	-2,611,827	-	562,022	-
Net cash flows from investment activity	-9,628	-	2,072	-
Net cash flows from financial activities	-738	-	-	-
Total net cash flows	-2,622,193	-	564,252	-
Number of shares in thousands	156,390	100	156,390	100
Profit/(loss) per share (in PLN/EUR)	-	-	-	-
Diluted profit/(loss) per share (in PLN/EUR)	-	-	-	-
Book value per share (in PLN/EUR)	19.56	-	4.25	-
Diluted book value per share (in PLN/EUR)	19.56	-	4.25	-

	PLN		EUR	
	01.01.2022-31.03.2022	10.03.2021-31.12.2021	01.01.2022-31.03.2022	10.03.2021-31.12.2021
Total assets	3,059,816,087	3,059,146,281	657,671,378	665,118,555
Liabilities and provisions for liabilities (excluding accruals)	213,051	2,449,948	45,793	532,667
Non-current liabilities	13,741	14,400	2,953	3,131
Current liabilities	199,310	2,435,548	42,839	529,536
Equity	3,059,603,036	3,056,696,333	657,625,585	664,585,888
Share capital	156,389,998	156,389,998	33,614,185	34,002,261

## IX. Approval for publication

The interim summary consolidated financial statements containing the interim summary financial statements of the parent entity - STS Holding S.A., prepared for the 3-month period ended March 31, 2022 (including comparative data) were approved for publication by the Management Board of the Parent Company on May 25, 2022.

Katowice, May 25, 2022:

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**Mateusz Jurosek**  
President of the Management Board of STS Holding S.A.

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**Zdzisław Kostrubała**  
Member of the Management Board of STS Holding S.A.

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**Marcin Walczysko**  
Member of the Management Board of STS Holding S.A.

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**Bożena Gwiazda**  
Chief Accountant of the Group