

2022 Operating results

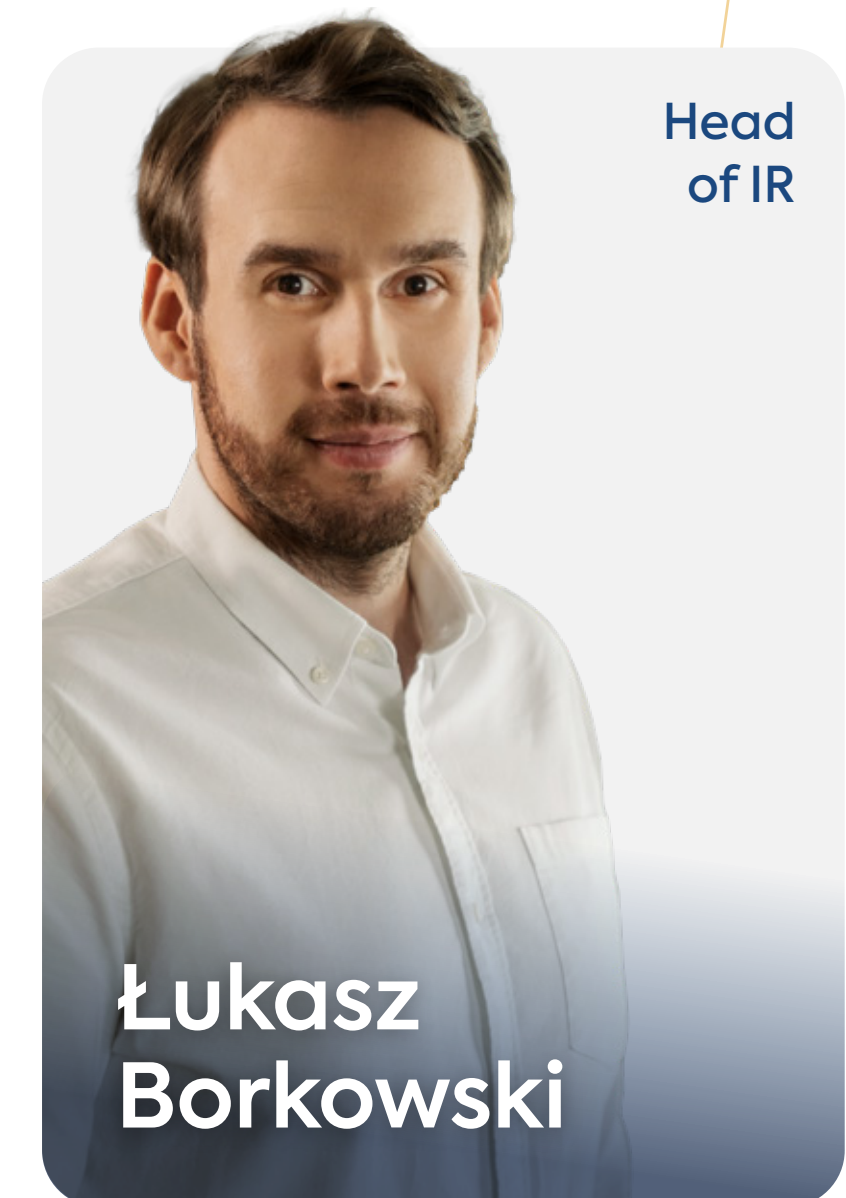
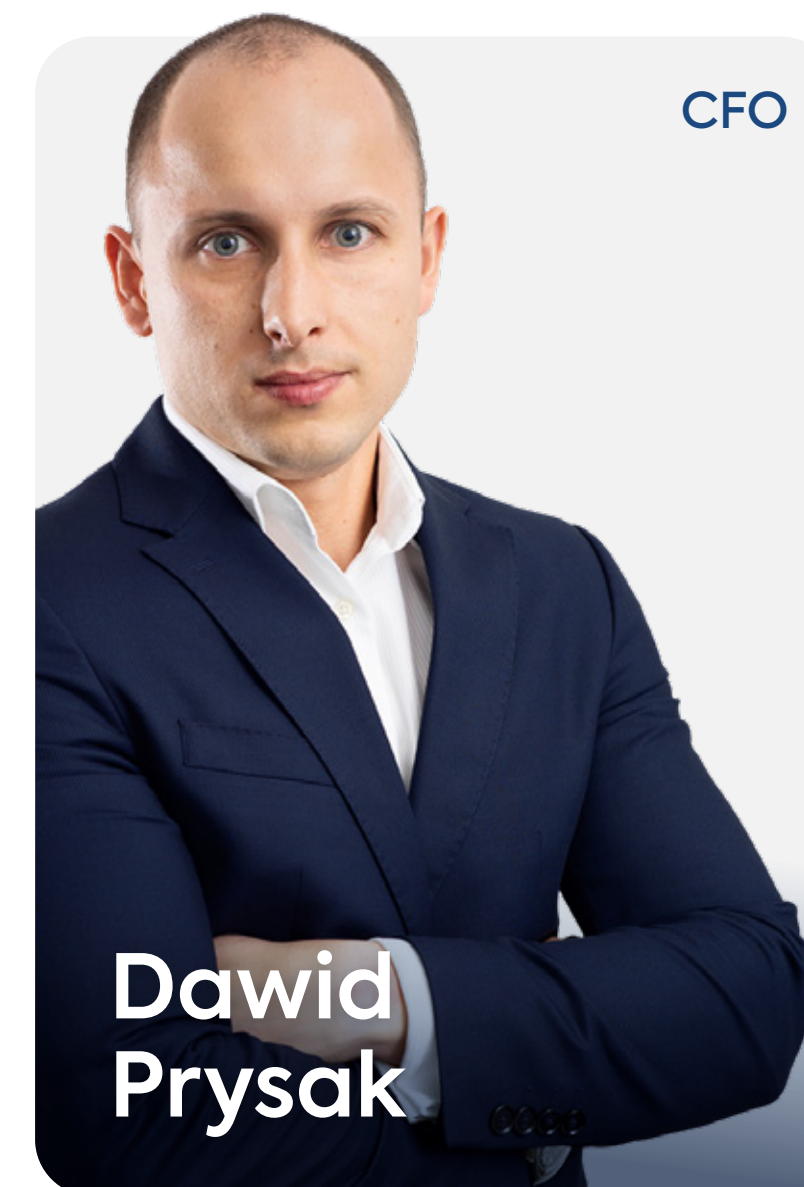
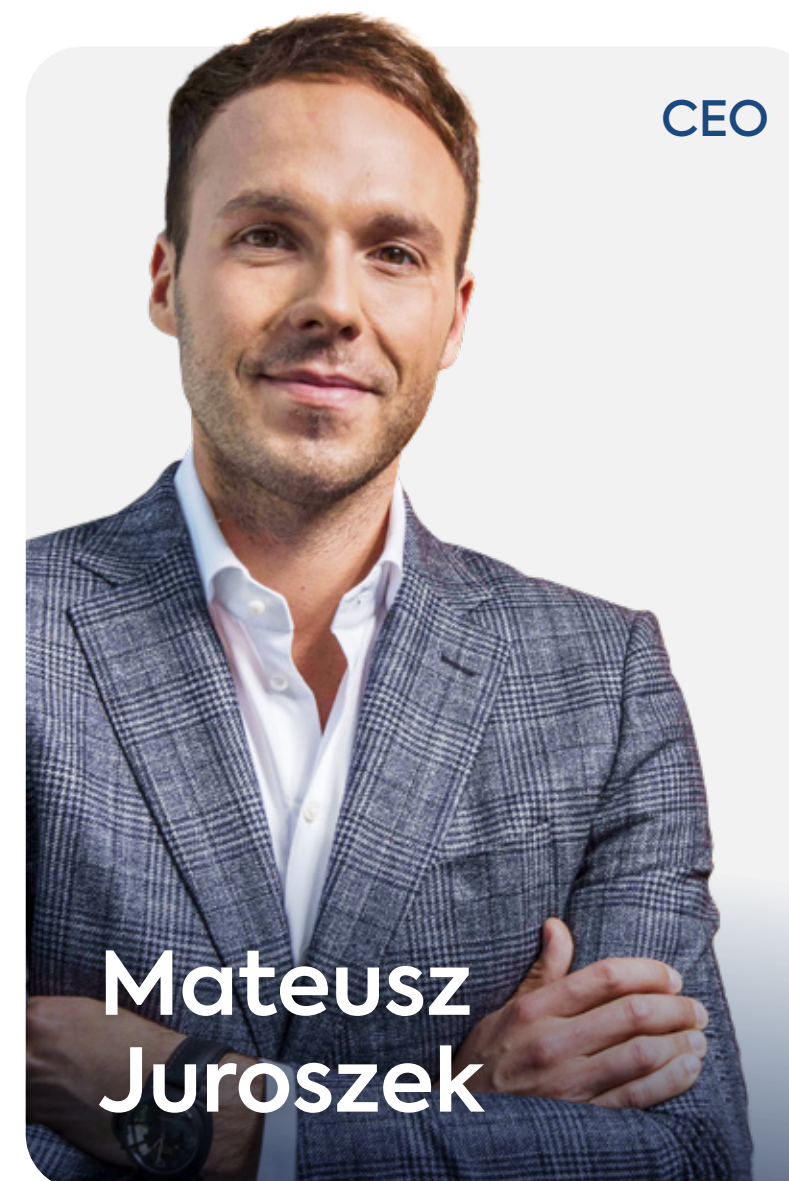
January 2023



Agenda

01. Business update
02. Plans for 2023
03. Q&A
04. Appendix

Today's Presenters



2022 Summary

Outstanding business profile

PLN 1187m ↑ 9%
GGR
YOY

PLN 663m ↑ 17%
NGR
YOY

Best customer reach and product

PLN 4.679bn ↑ 4%
Amounts staked
YOY

1.960m ↑ 19%
Registered players
YOY

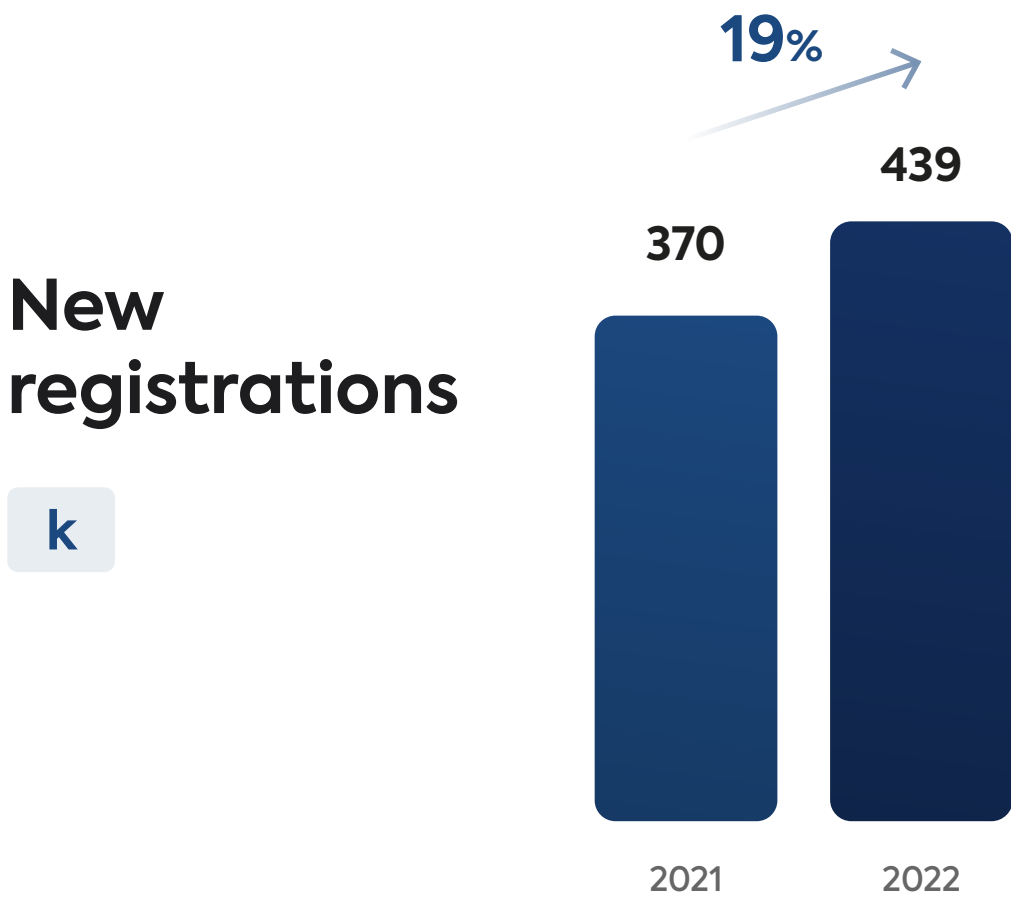
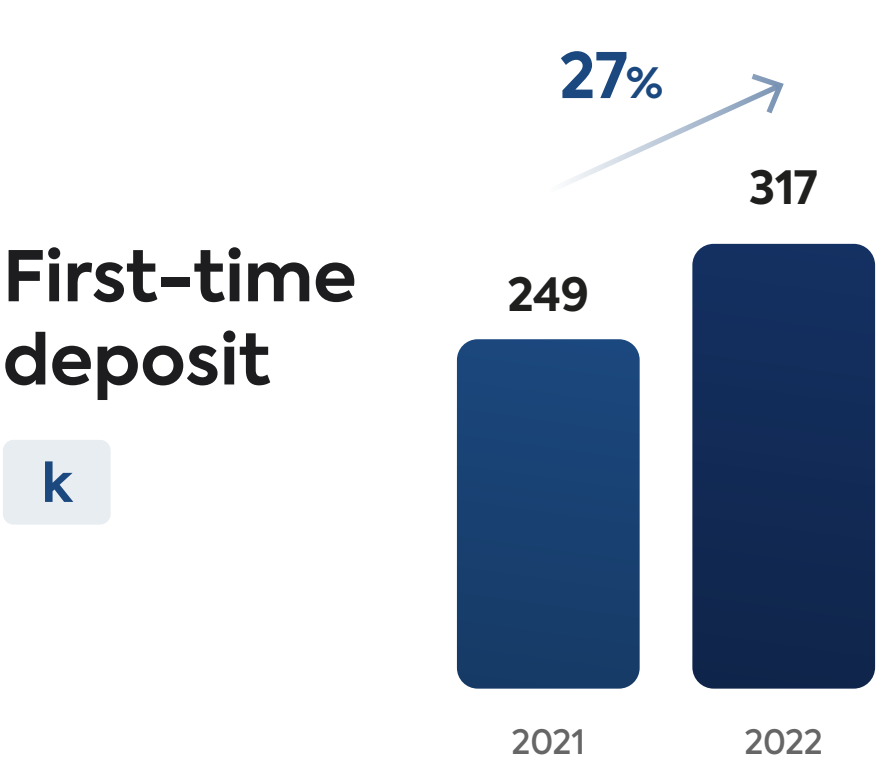
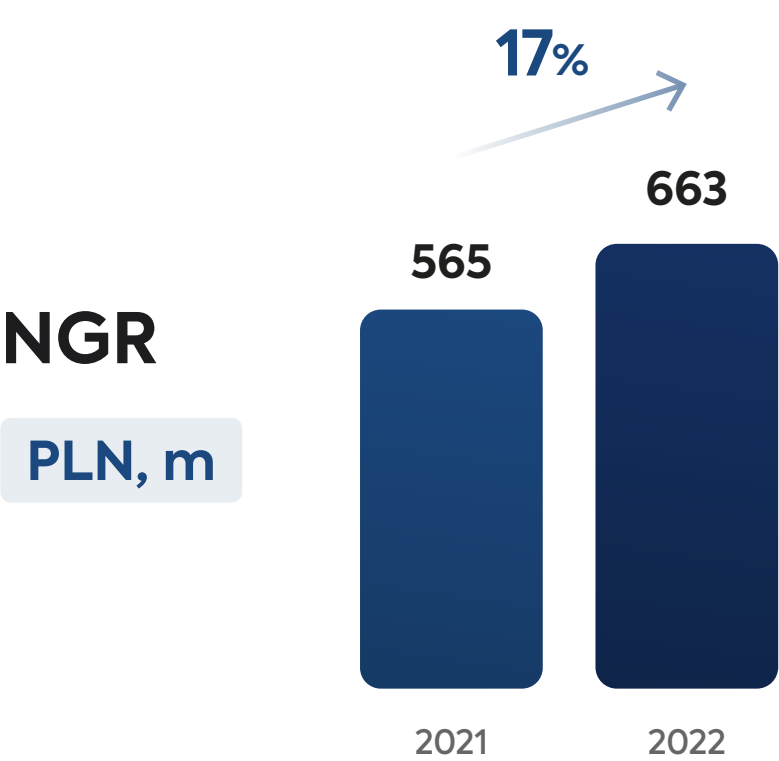
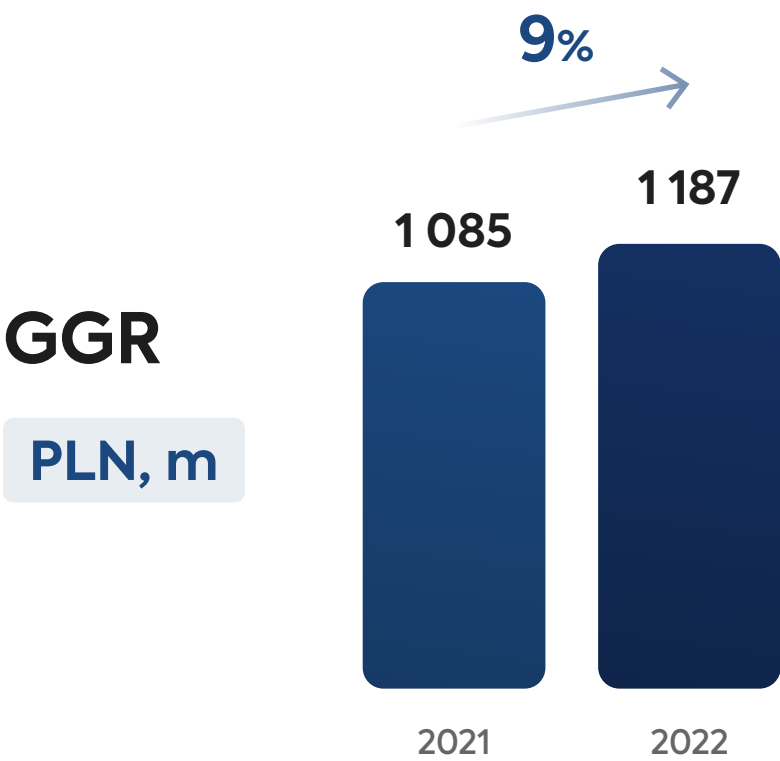
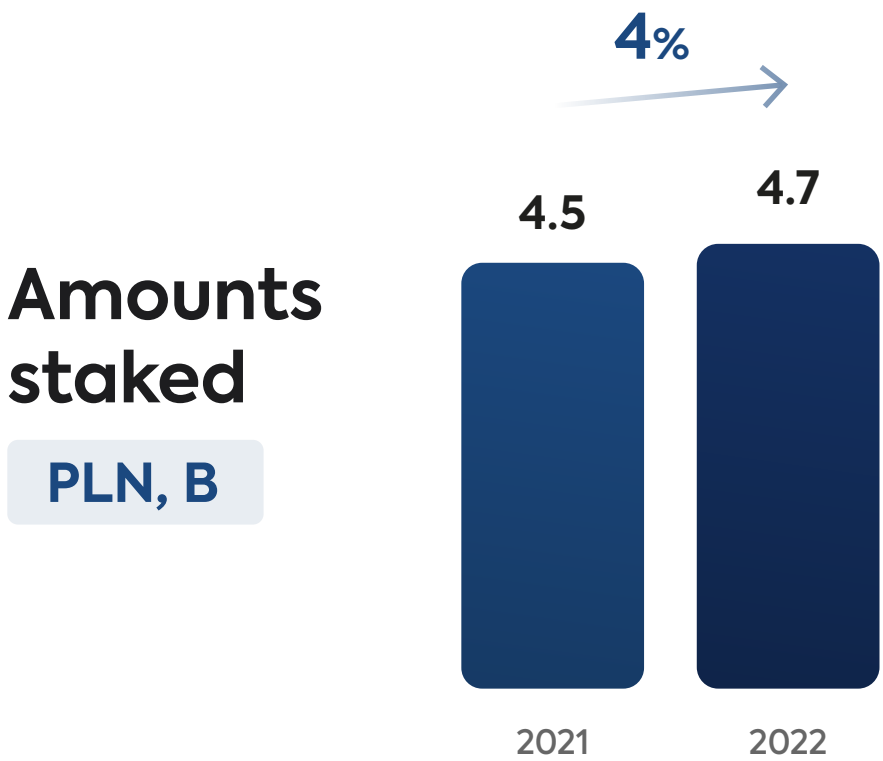
783k ↑ 13%
Active users
YOY



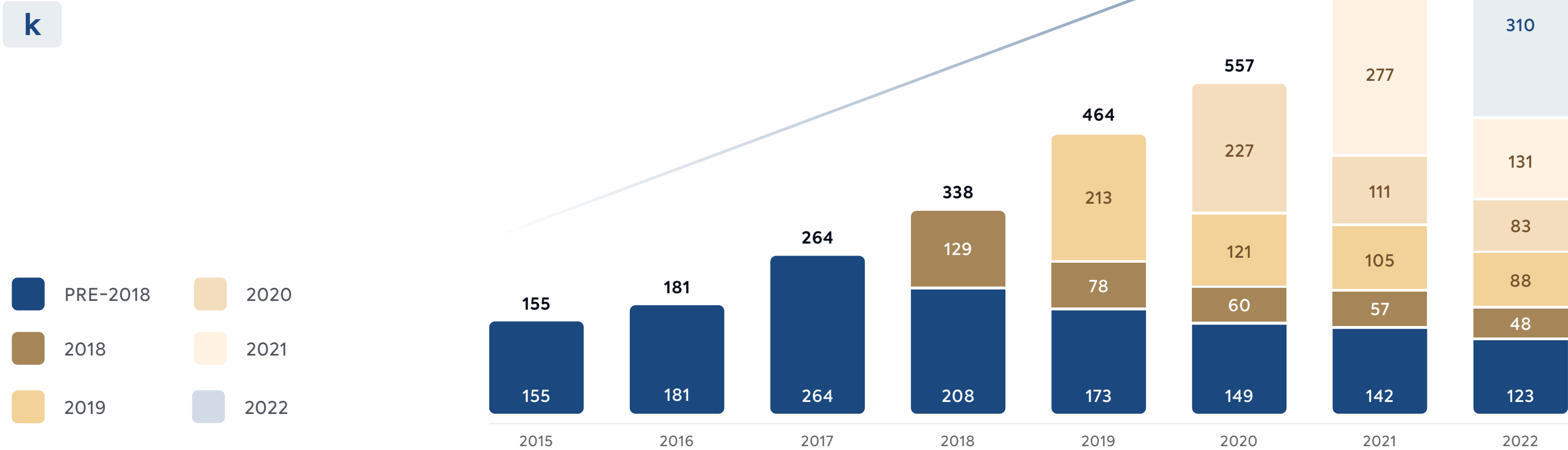


Business update FY 2022



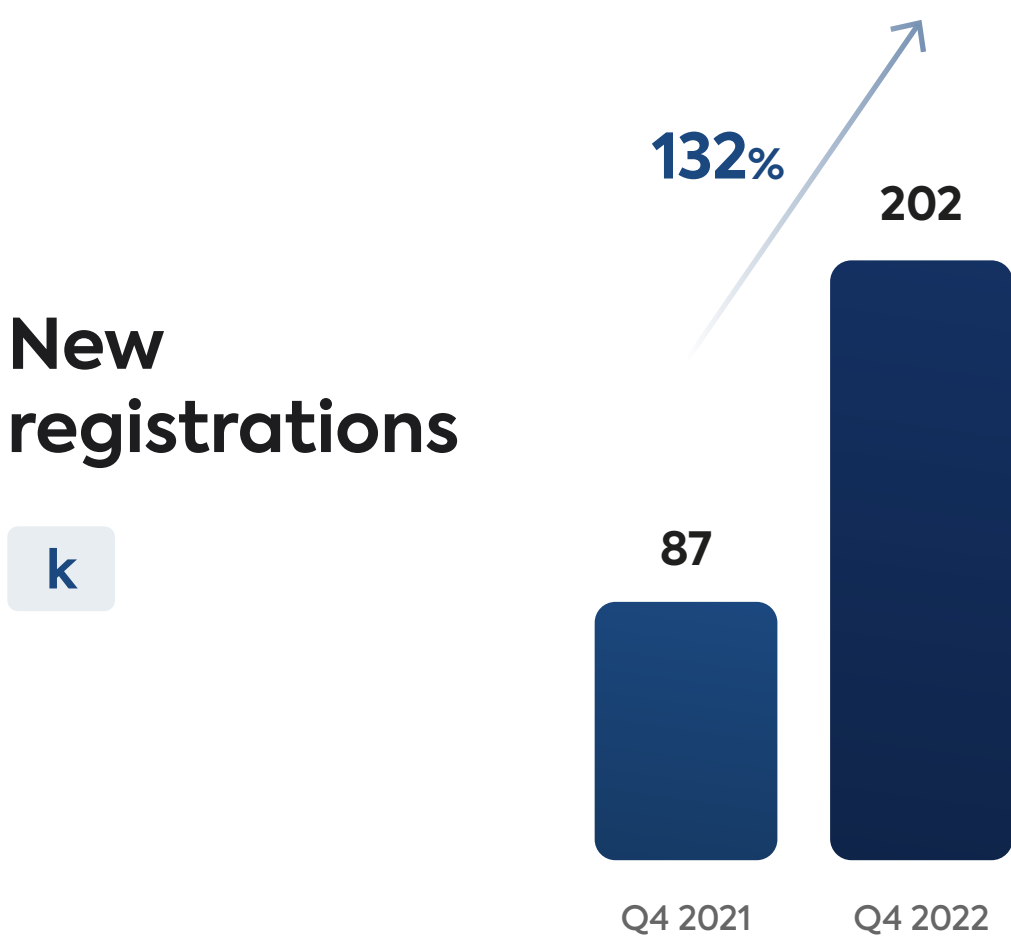
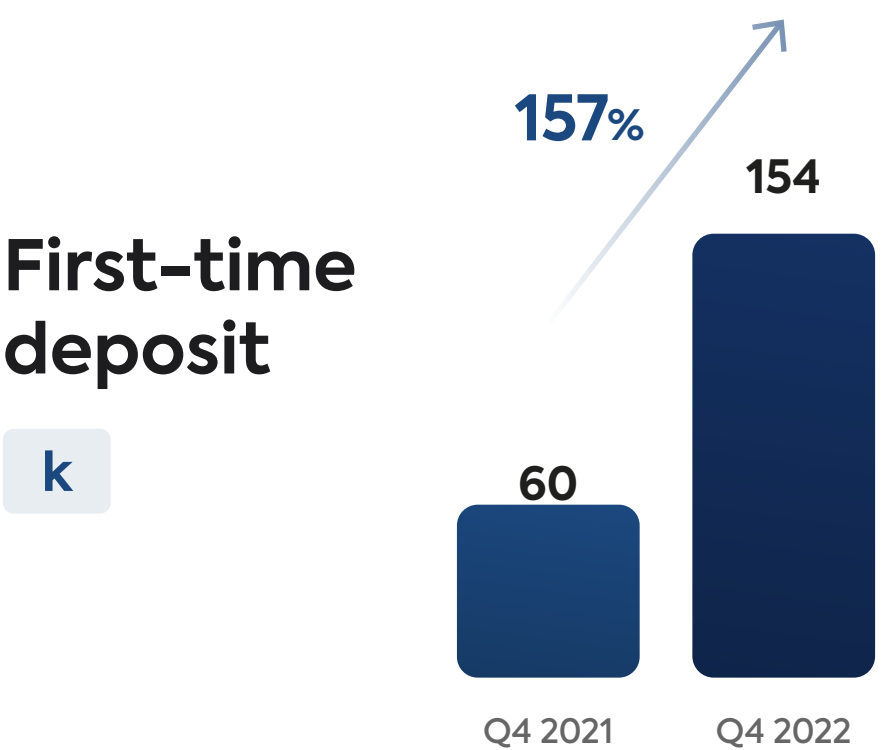
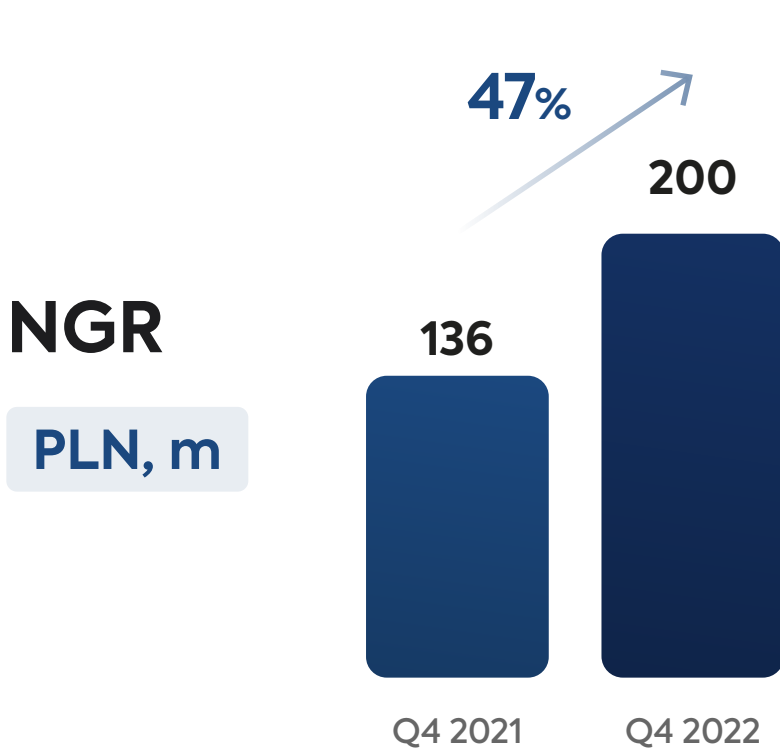
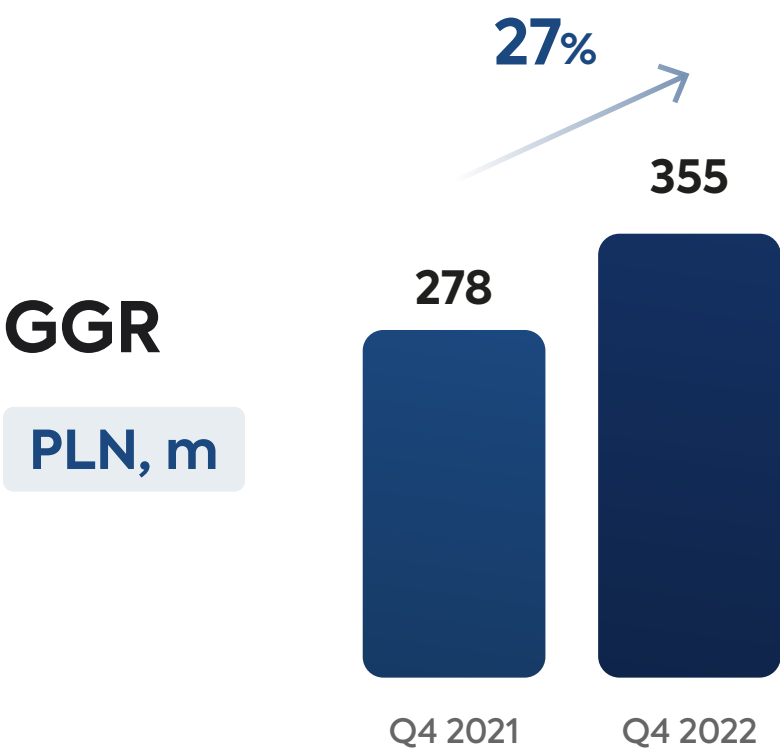
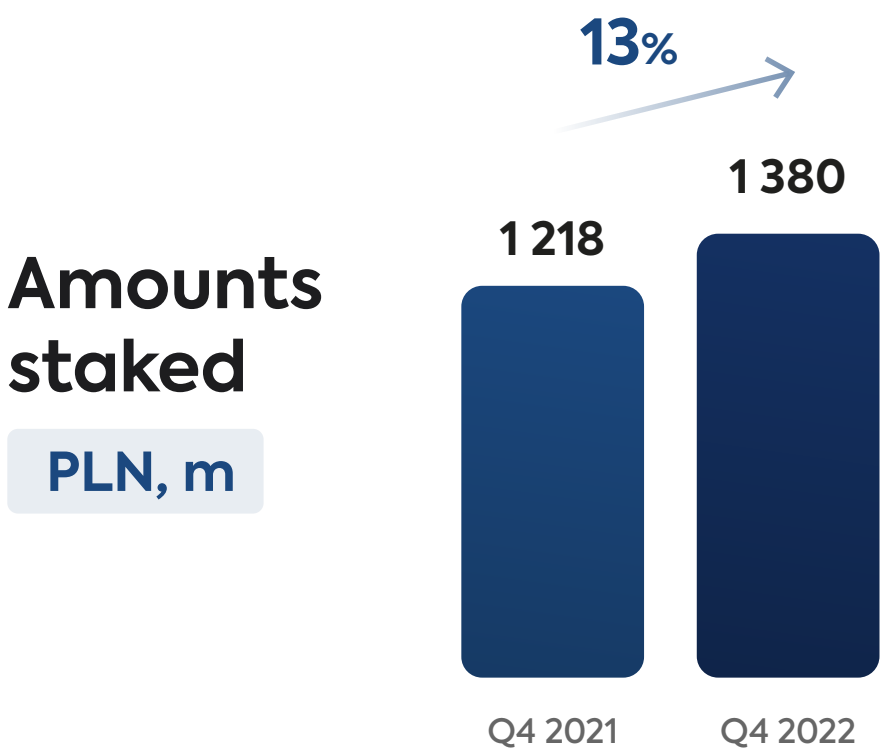


Active users, by year of acquisition

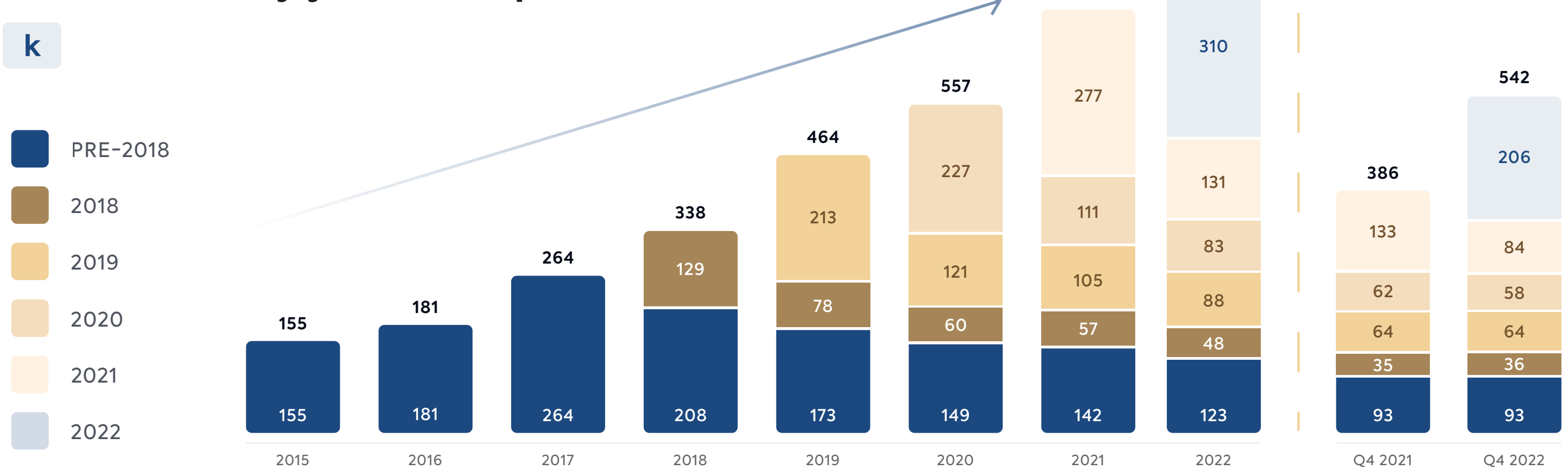


Business update Q4 2022





Active users, by year of acquisition



STS HOLDING

EURO 2020 vs World Cup 2022

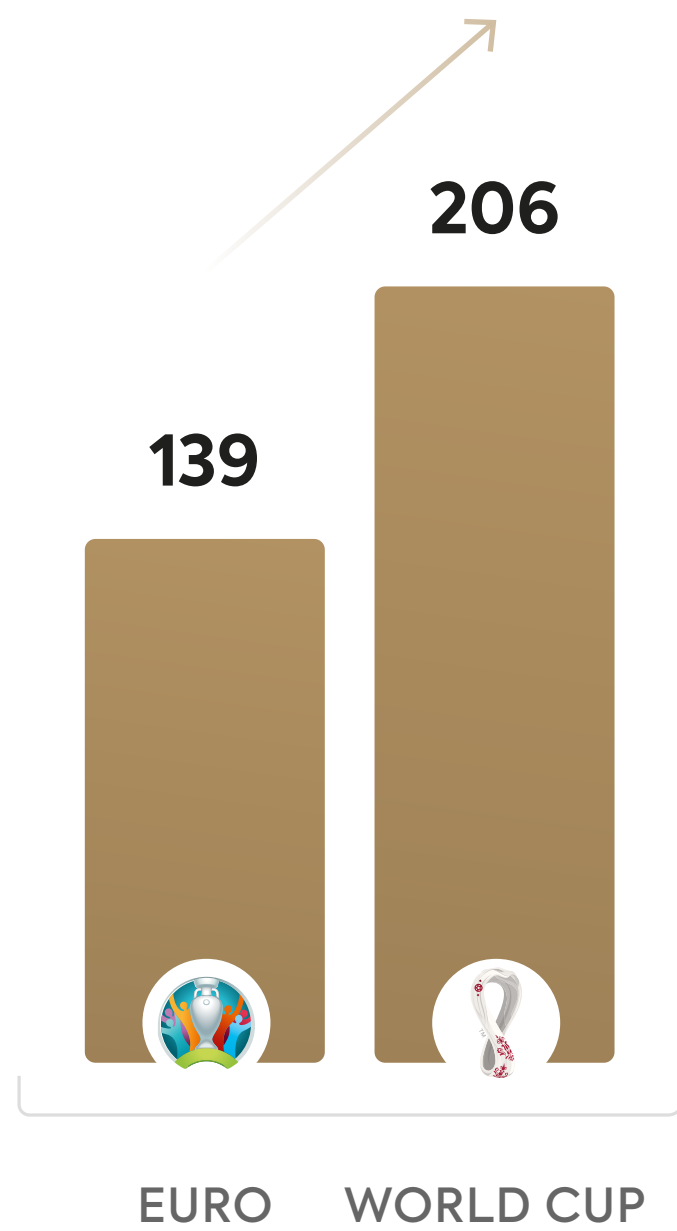




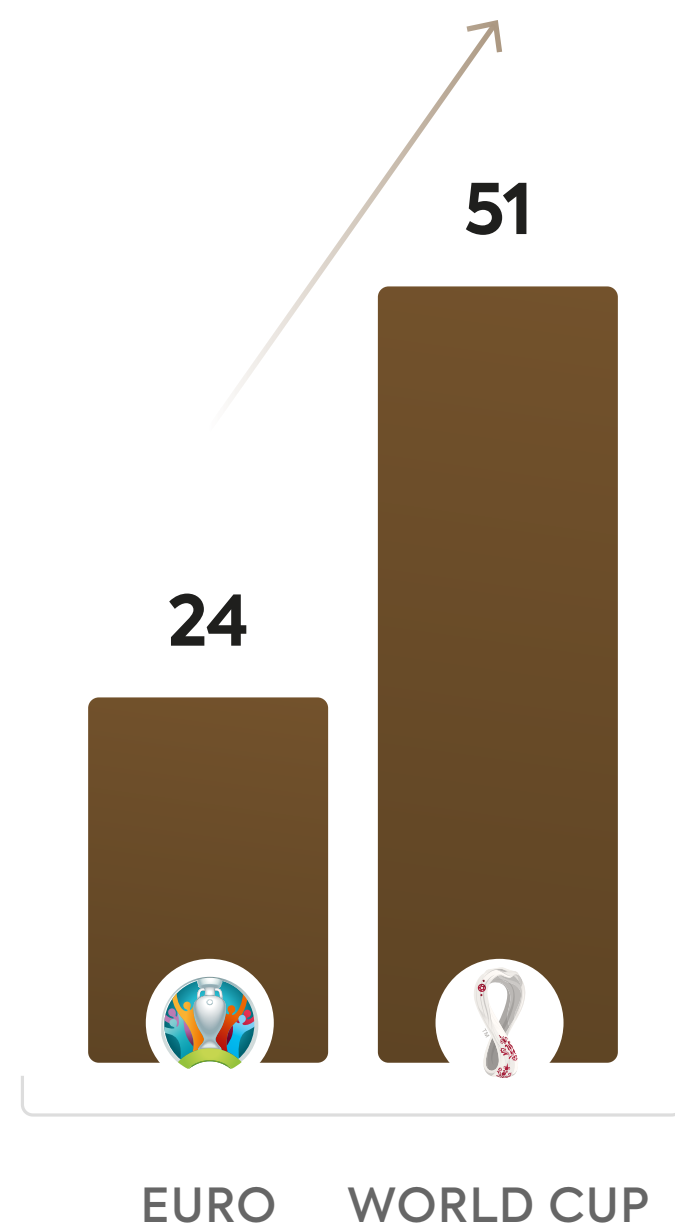
EURO 2020 vs World Cup 2022



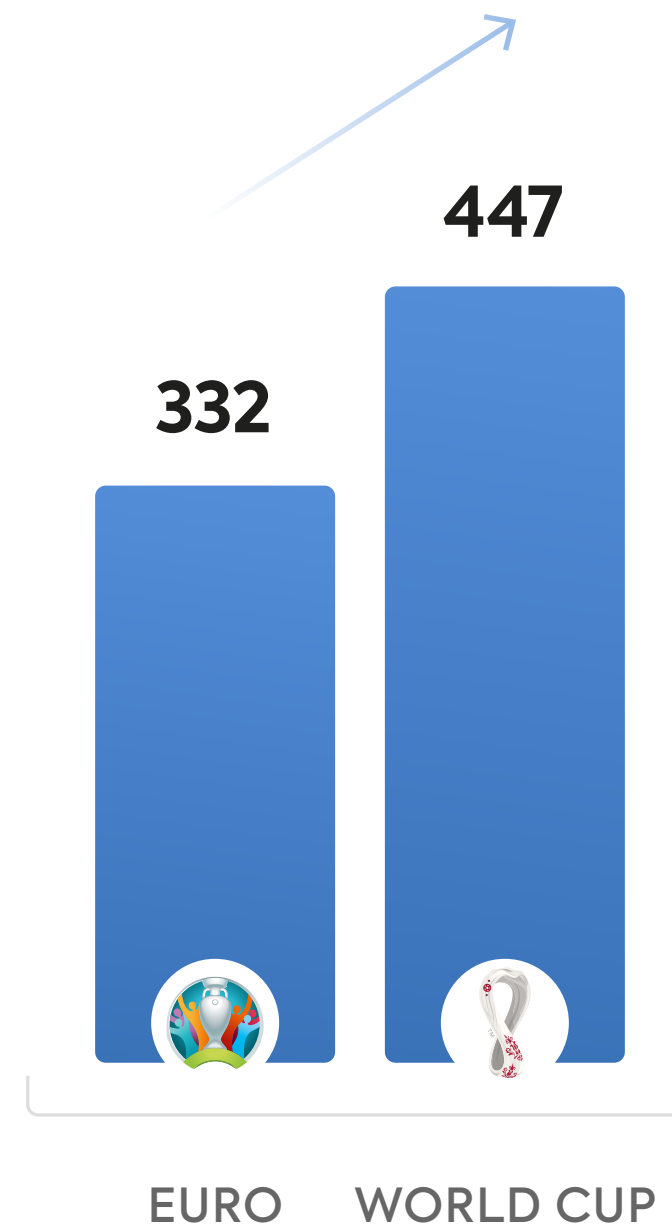
Amounts staked
(PLN, m)



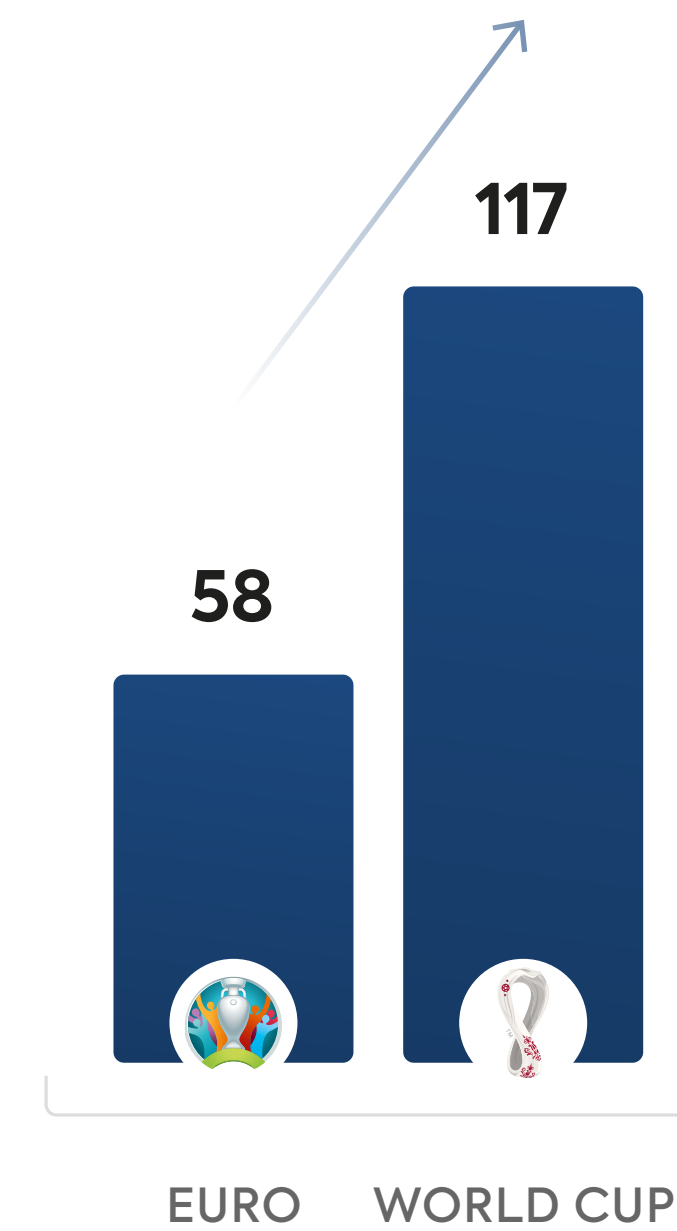
NGR (PLN, m)



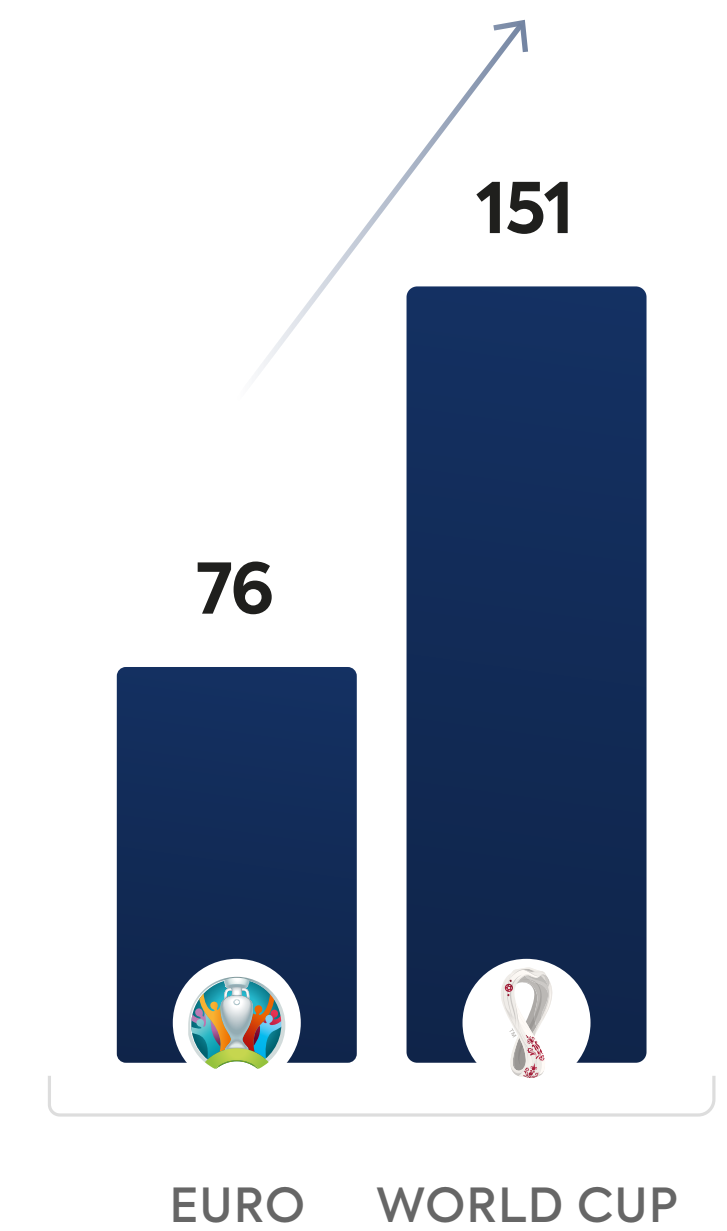
Active users (k)



FTD (k)



Registrations (k)



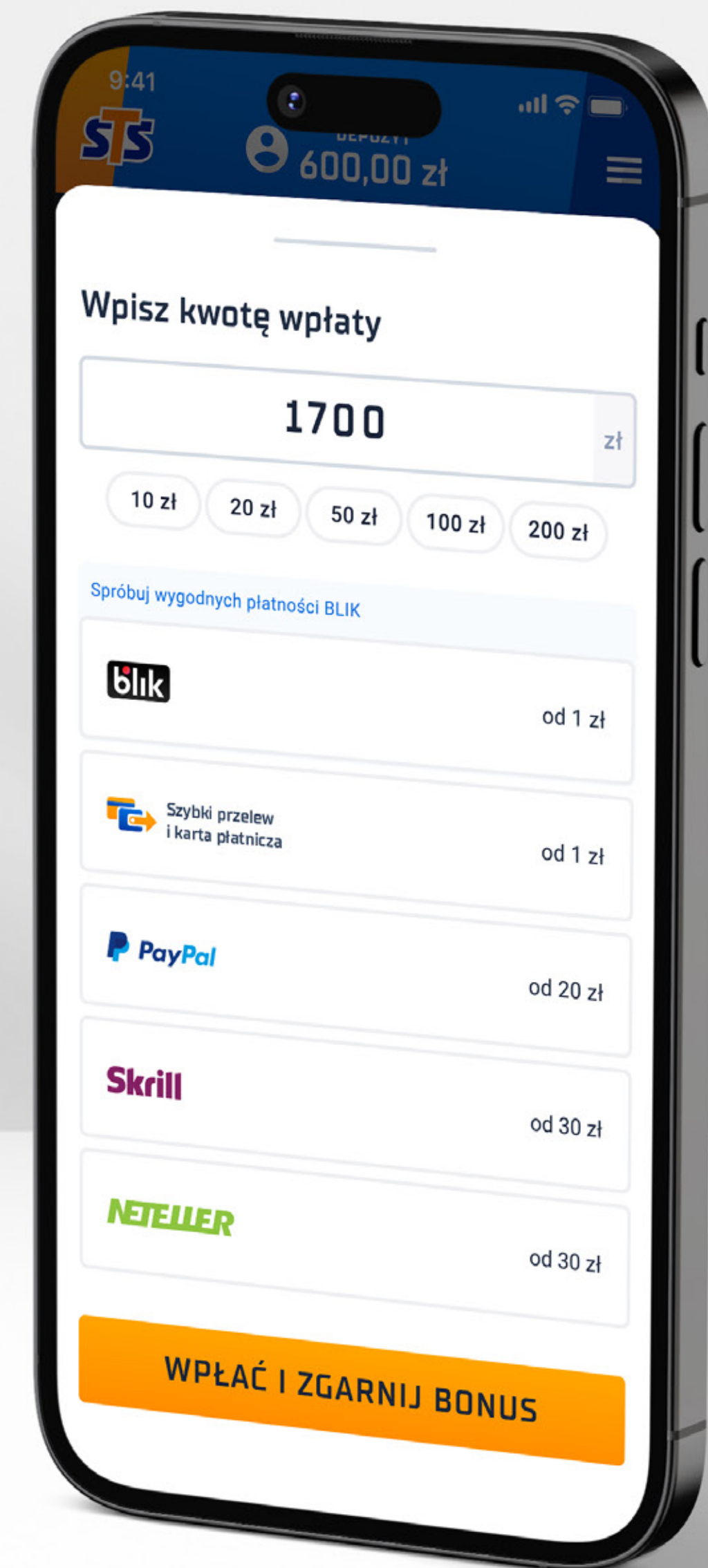
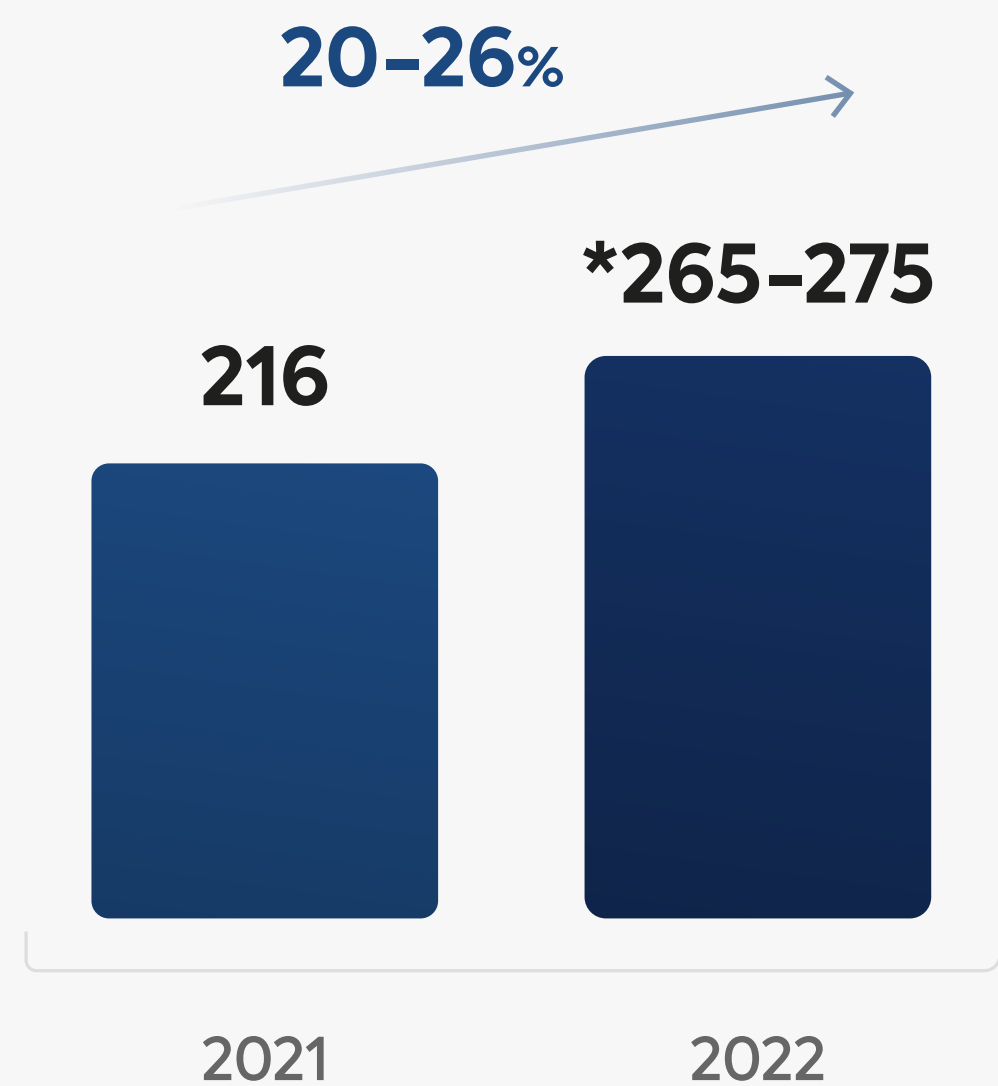


EBITDA 2022



Estimation of adjusted EBITDA

Adjusted EBITDA (PLN, m)



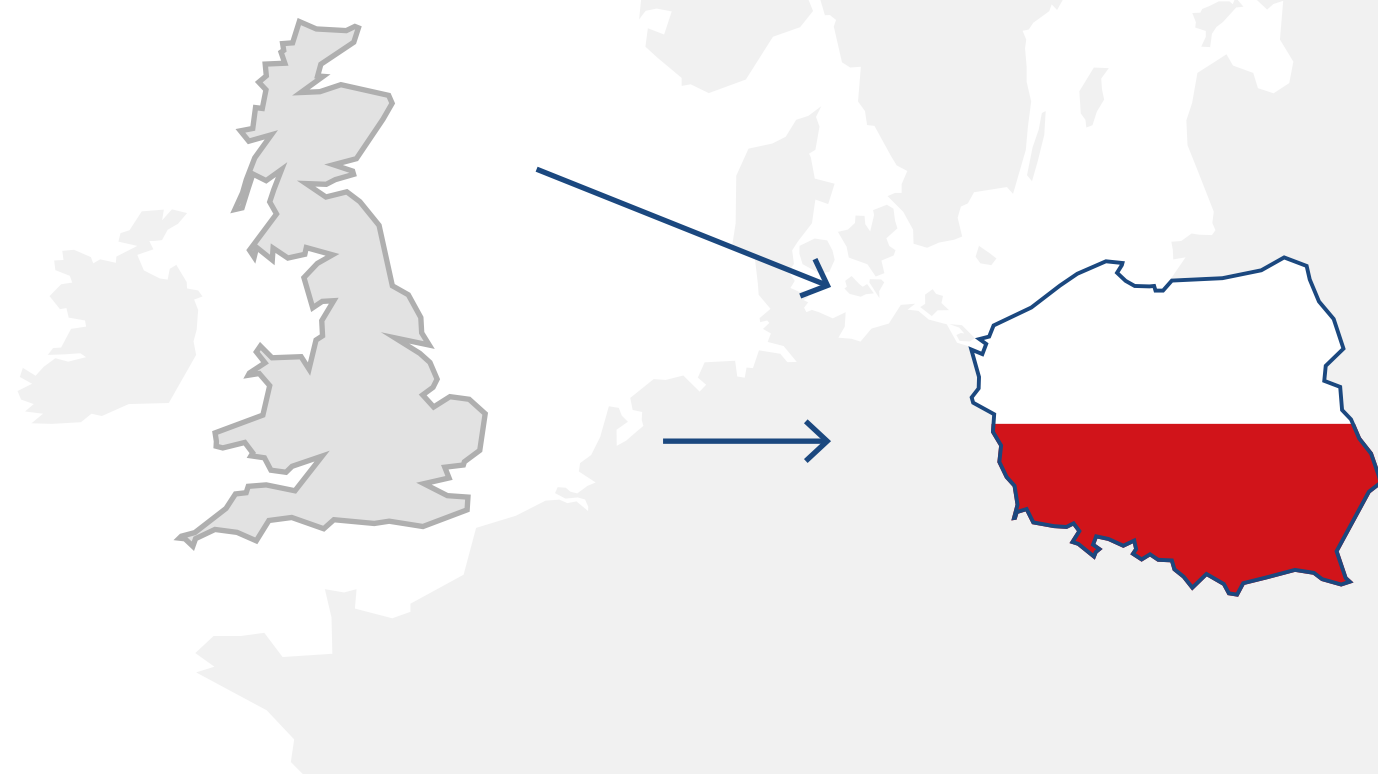


Plans for 2023

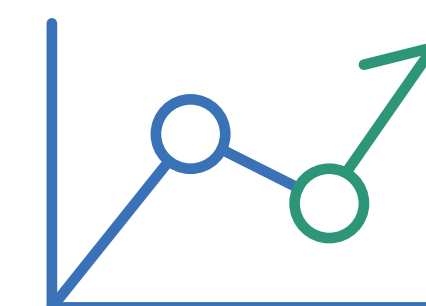


Plans for 2023

**Focusing on presence in Poland,
limiting foreign activities under
UK and Estonia licenses**



**New
agreement
with PZPN –
lower costs
for STS Group**



**Business
effectiveness
and synergies
– high
potential of
EBITDA growth**

STS HOLDING

Q&A





Appendix – STS Group



Dividend in 2022

PLN 57,9m

August



October

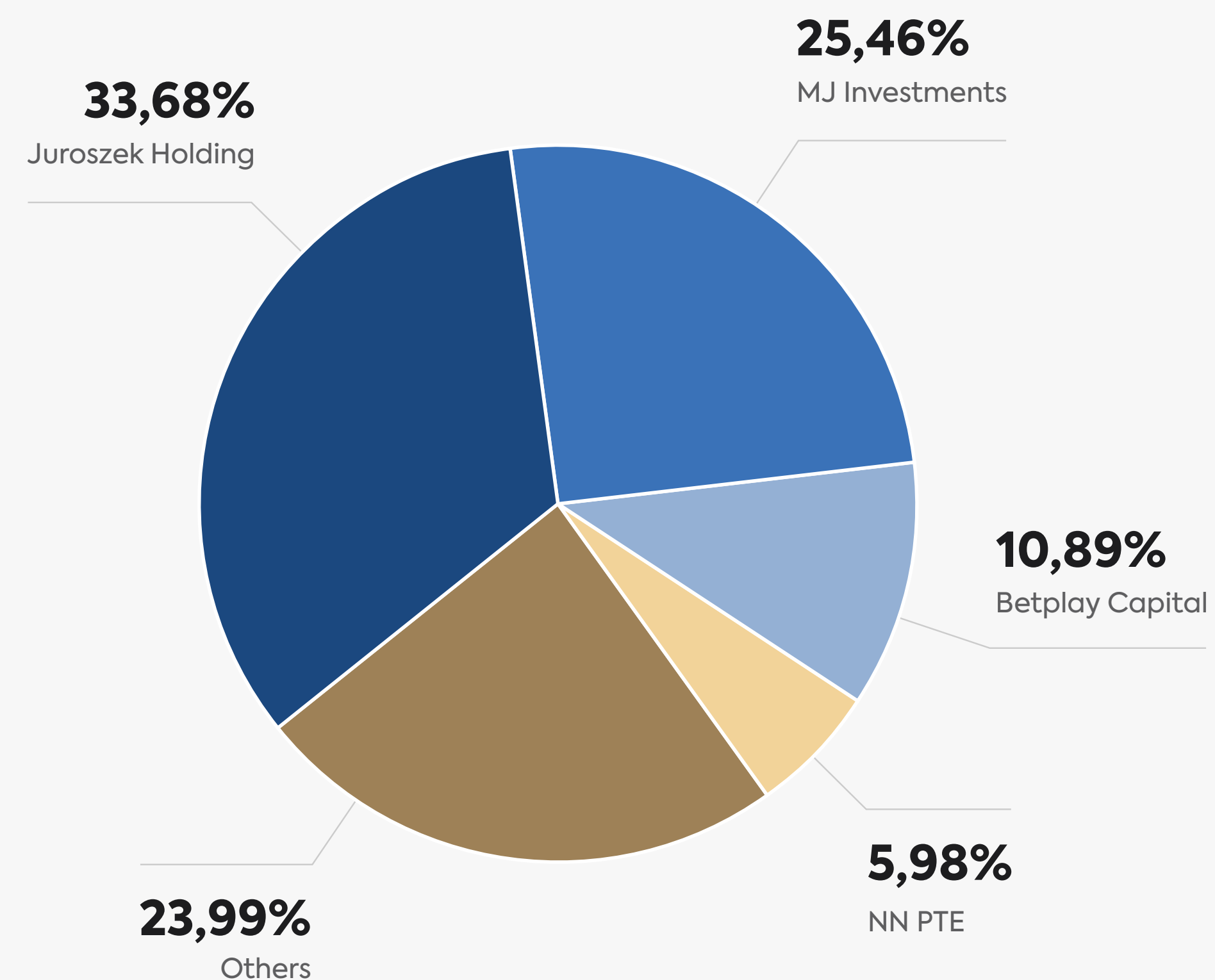
PLN 42,3m




Structure of the Group



Shareholding structure



Committed and high-tech focused management team with deep industry experience




15+

Marcin Walczysko
Board Member
Retail & Operations

Responsible for STS' retail strategy

Previously at various roles at Fortuna Gaming

Masters in Engineering from the Karol Adamiecki Academy of Economics in Katowice



15+


Mateusz Juroszek
CEO

Joined STS in 2009

Took over as CEO in 2012

Led the digital transformation of STS

Graduated with a degree in Management and Marketing from the Kozminski University in Warsaw




20+

Zdzisław Kostrubała
Board Member
Legal & Compliance

Independent proxy at Betplay International and MJ Investments

Gambling law expert participated in legislative work for Polish Gambling Act


Masters in Engineering from the Silesian University of Technology in Gliwice



9

Dawid Prysak
CFO


9



9

Łukasz Borkowski
Head of Corporate Communications


9



11

Michał Miler
CPO


11



15+

Filip Sosnowski
Managing Director of STSBet


15+



8

Wojciech Sznapka
CTO of STS


8



20+

Jiří Najman
COO of Betsys


20+



9

Łukasz Świerk
Head of Operations


9



3

Alicja Kubica
Head of Controlling


3



3

Bożena Gwiazda
Head of Group Accounting


3



3

Jowita Cichocka - Sochacka
Head of HR


3



9

Paweł Rabantek
CMO

9



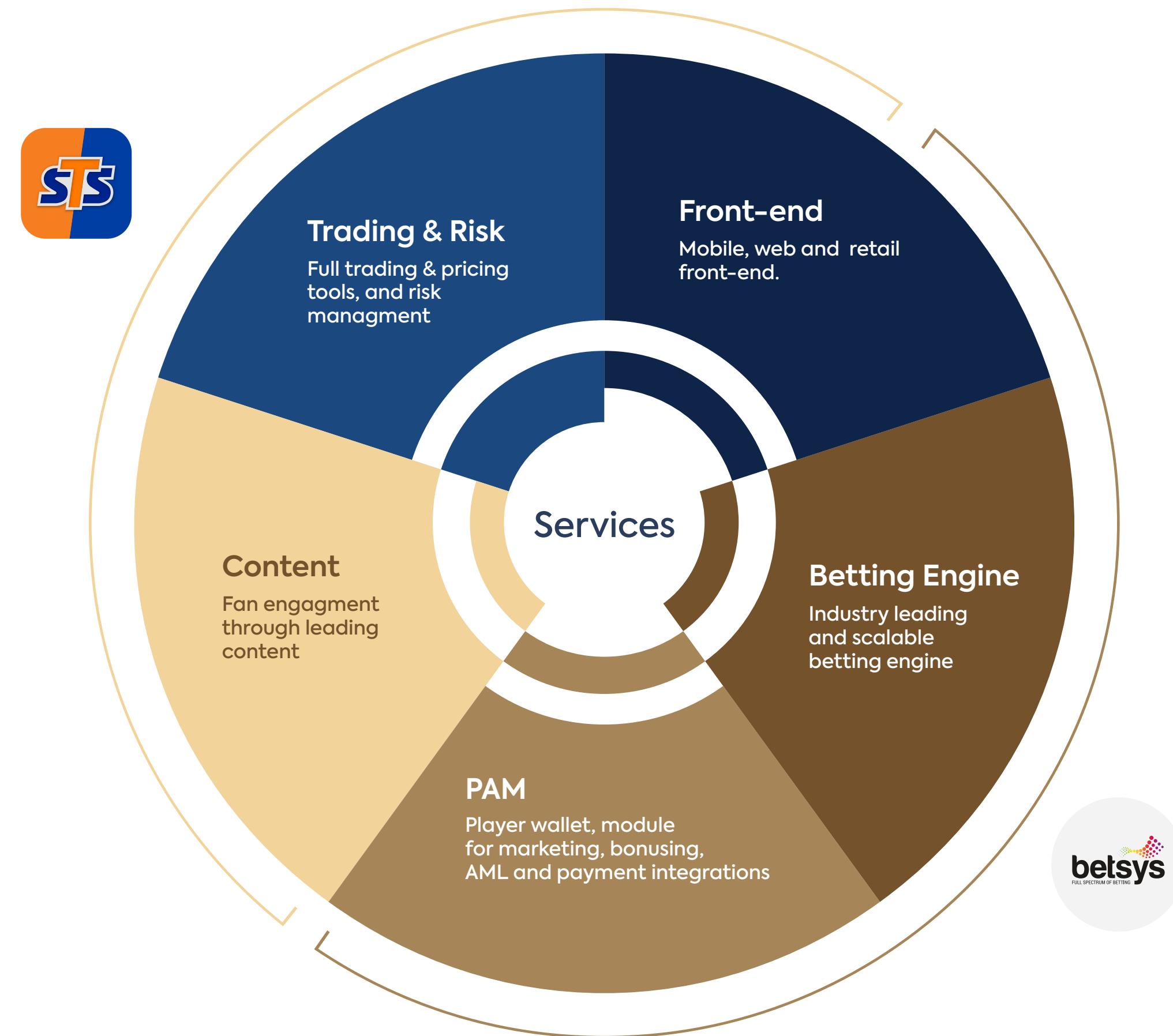
12

Piotr Cerlak
Head of Sportsbook

12

YEARS IN THE INDUSTRY

Full control over state-of-the-art vertically integrated technology



In-house development of platform, web, native apps and retail solutions with an industry leading betting engine

Acquisition of Betsys, Czech sports betting technology provider in 2020

€18m invested in technology over last 4 years



Creation of a modular tech architecture allowing for swift product upgrades and innovation

99.9%

Betsys uptime

c.160

Tech staff¹

c.85

Developers

c.55

Other tech FTEs

c.20

BI/BA FTEs²

NOTES:

1 - Includes STS' and Betsys' developers, product owners, Scrum Masters and employees of UX, BI, BA, DevOps and QA teams; 2 - Business intelligence / business analytics

Source: Company information as of 2020, unless explicitly stated otherwise

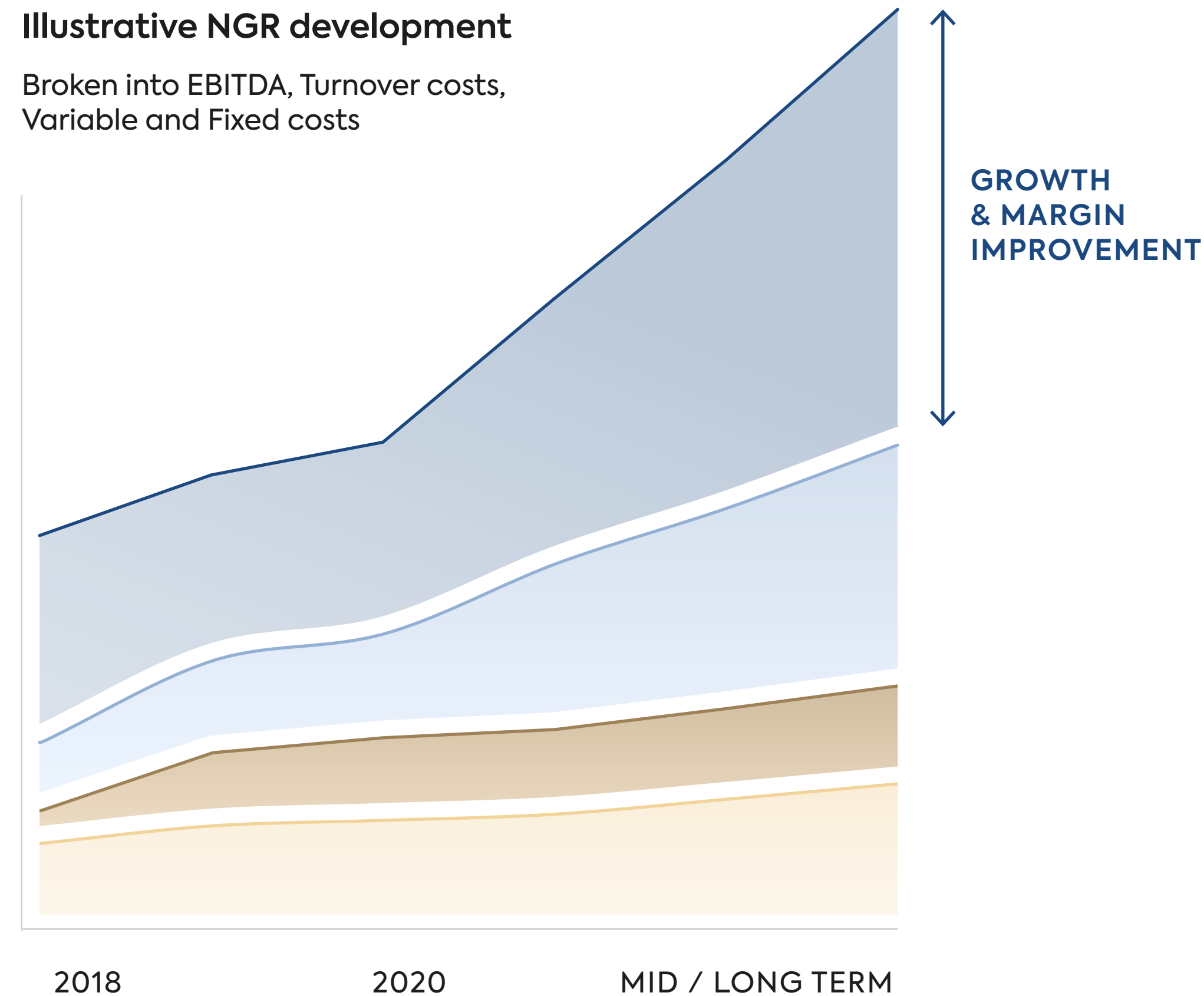
Why STS is unique

	TYPICAL EUROPEAN GAMING PEERS	TYPICAL US GAMING PEERS	HIGH QUALITY EUROPEAN & US GAMING PEERS	
Dominant market share	×	×	?	✓ >40% market share in Poland
High future revenue growth (20%+)	×	✓	✓	✓ Low-mid 20s% mid-term ¹
Profitability today	✓	×	?	✓ Ranging 40–53% 2018–2020
100% regulated revenue	×	✓	?	✓ 99% in Poland ²
Stable regulatory environment	?	✓	✓	✓ Gaming tax unchanged since 2009, license regime for onshore operators
Significant macro tailwinds <small>(including GDP growth and growing mobile penetration)</small>	×	✓	✓	✓ 16% online market CAGR 2020–2026 ³ . Potential liberalisation of online casino?
No leverage	?	✓	?	✓ Historical growth funded organically

Significant margin improvement as NGR grows

Illustrative NGR development

Broken into EBITDA, Turnover costs, Variable and Fixed costs



EBITDA

Significant margin improvement as NGR grows and fixed and variable costs remain stable.

TURNOVER COSTS

Costs that are directly linked to, or incurred as an effect of, turnover (stakes):

- Sports coverage fees
- Fees to payment providers
- Marketing (bonuses, media, acquisition)
- Betting services (revenue share)

VARIABLE COSTS

Costs that grow with turnover but at a slower pace:

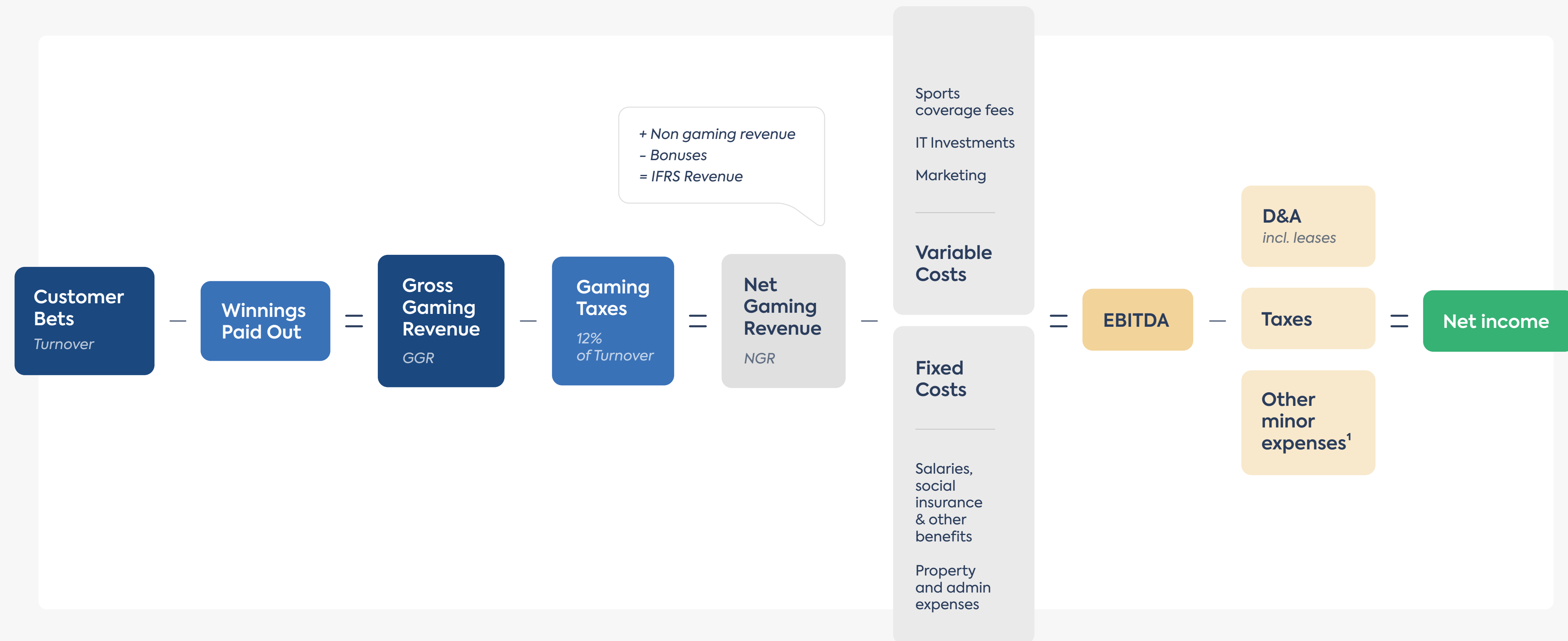
- Betting services (odds, streaming, statistics)
- Investments in technology
- Marketing (PR, sponsoring)
- Other variable

FIXED COSTS

Costs that will remain stable as NGR grows, some increases driven by scaling staff numbers:

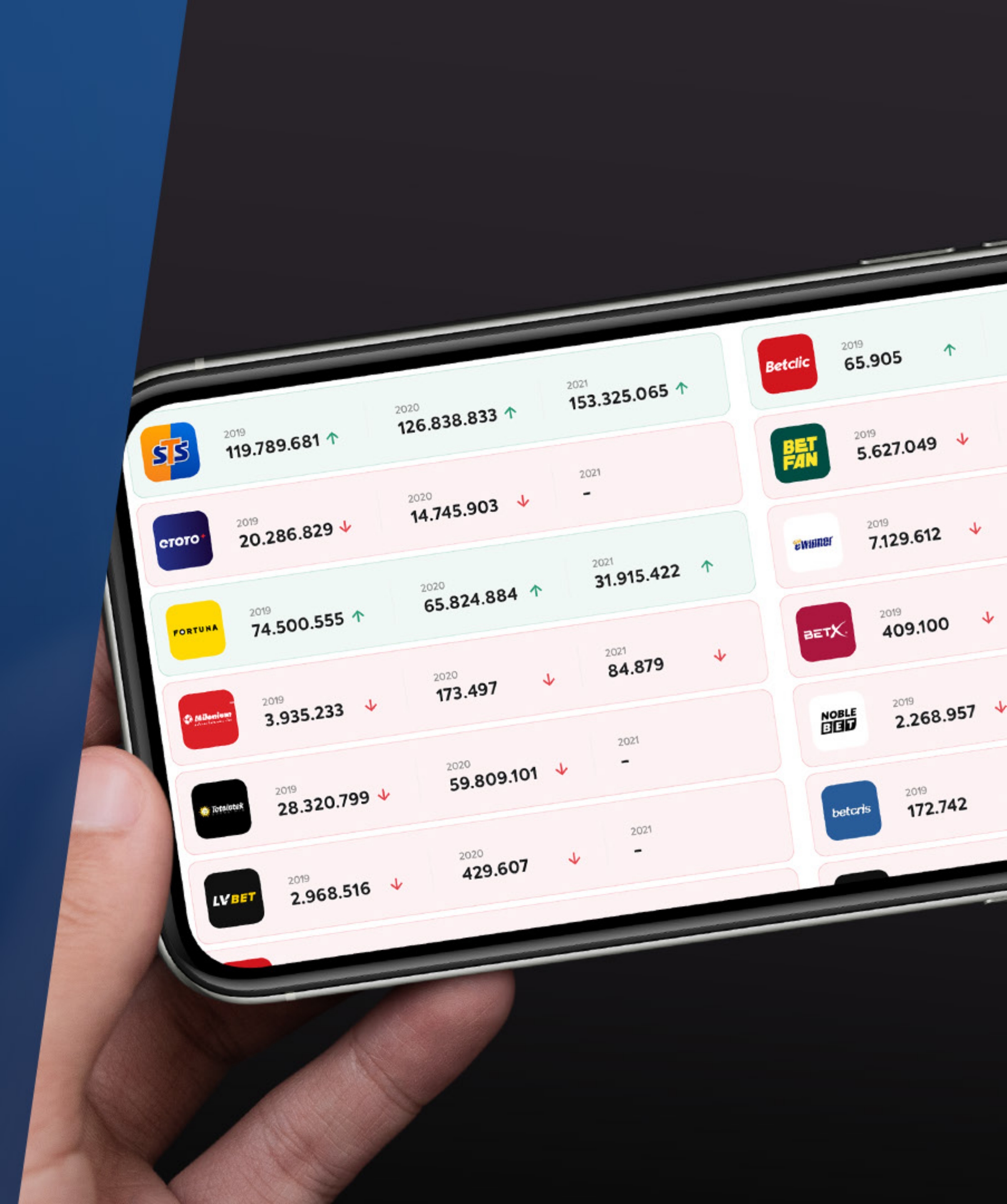
- Personnel costs
- Usage of materials and energy
- Property expenses (services)
- Costs of other retail services
- Other stable expenses

STS Group financial model



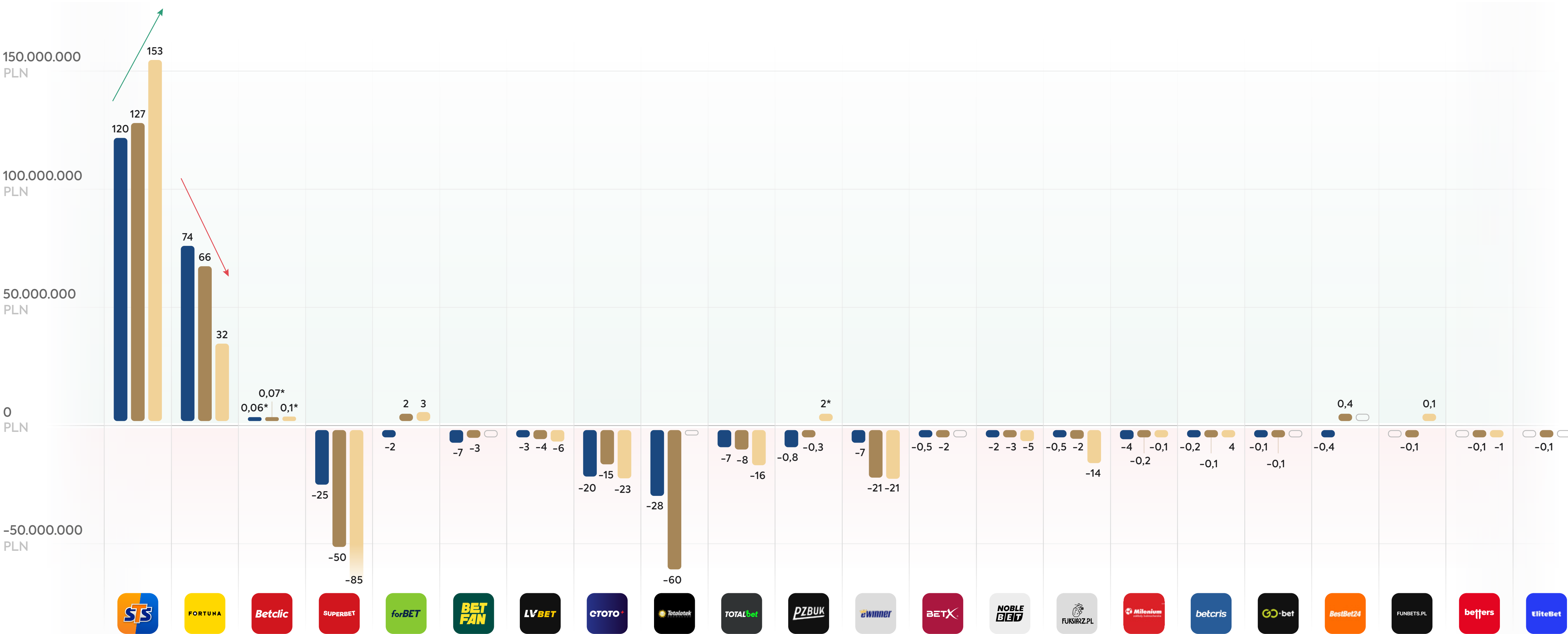


Polish gaming market



Financial results of Polish operators 2019 - 2021

2019 2020 2021 no data



*part of Betclic group - outsourcing of costs.

*Governmental help due to COVID-19.

Appendix – regulatory environment



Polish gaming regulatory position supportive of white market operations and ESG-compatible

Key regulations:

- Registry of domains to identify non-compliant accounts
- Prohibition of payment services to unlicensed sites
- Restricted advertising – licensed operators only and non-public except for mass events and in case of sponsorships
- Mandatory blocking of access to illegal websites

"The results of the analyses concerning the betting taxation model and its effective or budget-neutral change to the GGR model were presented to industry representatives in response to inquiries in this area or at industry meetings. There is currently no legislative work on the gaming tax being conducted."

Ministry of Finance press office, November 2021

Regulatory authority:



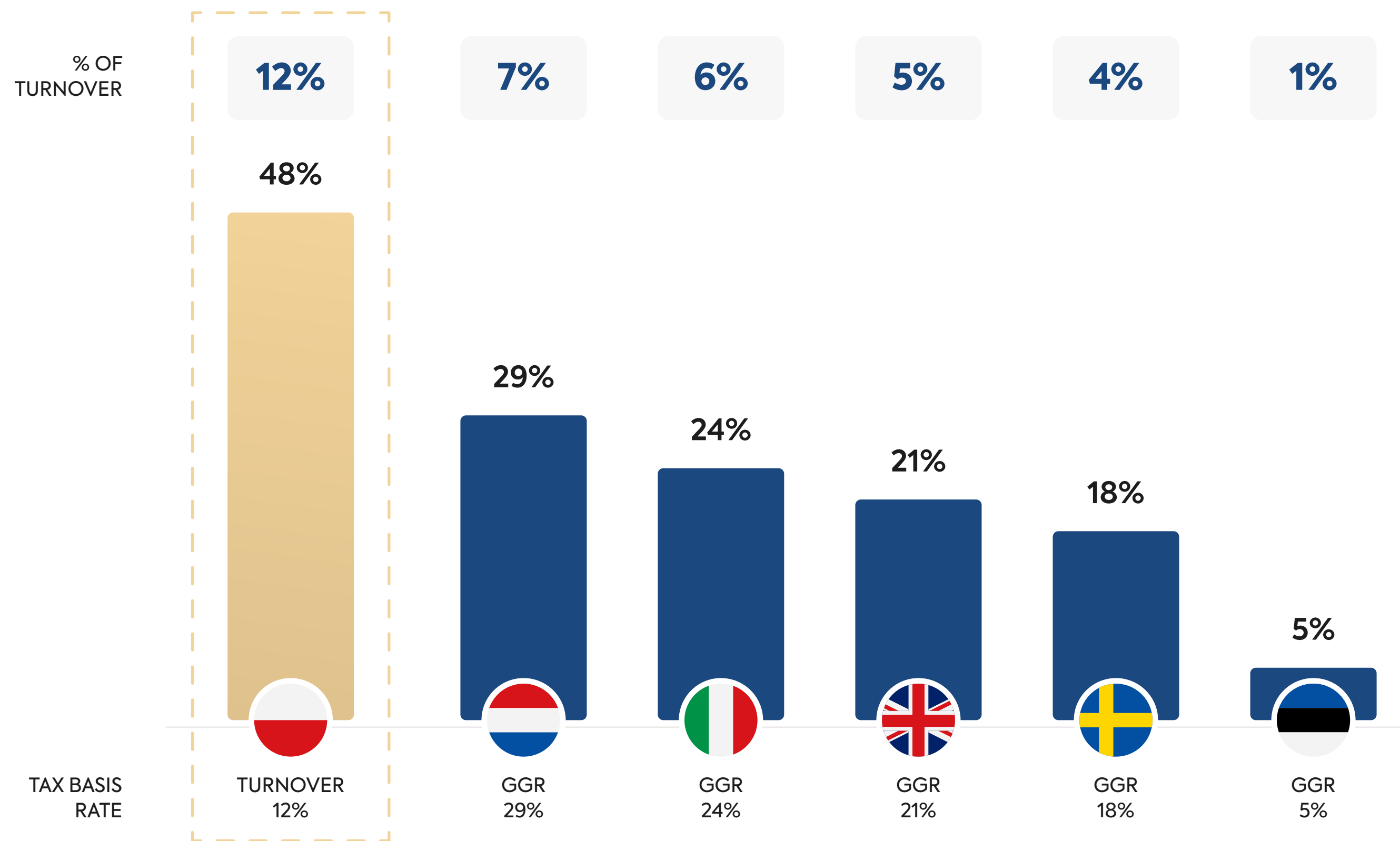
Ministry of Finance as the regulatory authority



National Revenue Administration (NRA) runs day to day supervision

Polish gaming tax is among the highest in Europe, creating barriers to entry

STS Gaming tax as % of GGR (PLNm)¹



- / Stable tax rate since 2009
- / One of the highest gaming tax rates in Europe with limited risk for increases
- / In addition, fees are paid to the Polish Football Association (0.5% of turnover) to publish results of sporting events
- / Significant income generated to the state with incentive to privatise iGaming from current state monopoly

NOTE:

1 - Based on STS' turnover and GGR in 2020, with gaming tax payable by STS under various tax regimes shown on an illustrative basis

Source: Company information, H2 Gambling Capital

Regulatory outlook

Taxation

Ministry of Finance doesn't work on any changes

Casino Online

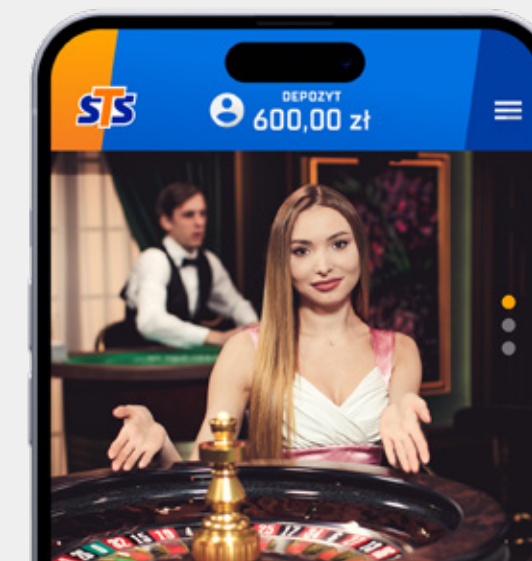
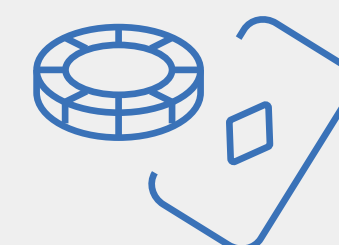
Liberalization beneficial for both operators and the State Treasury

Grey Market

30-40% of turnover in grey market



30-40%
in grey
market





STS *HOLDING*