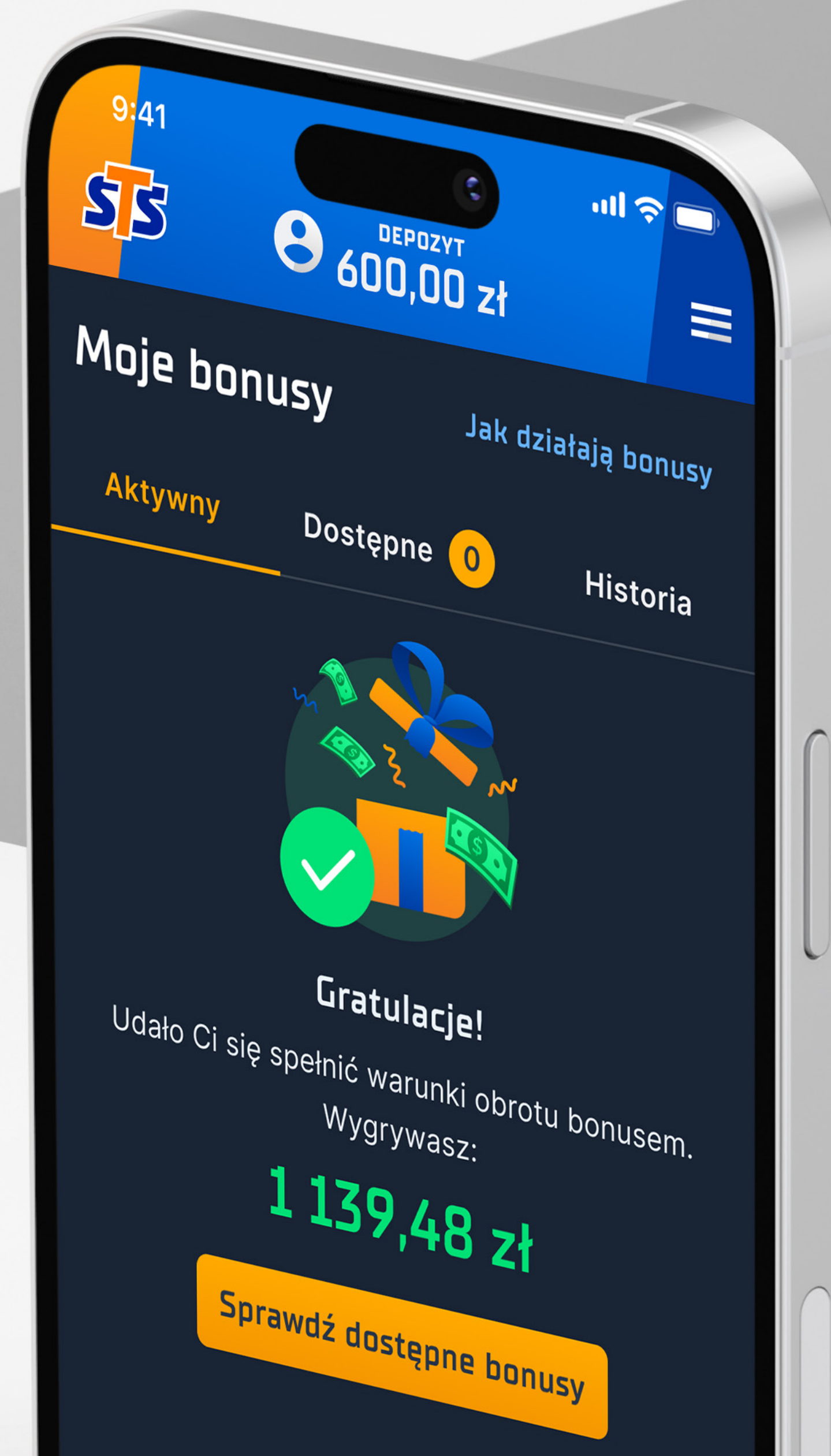




Q1 2023 Results

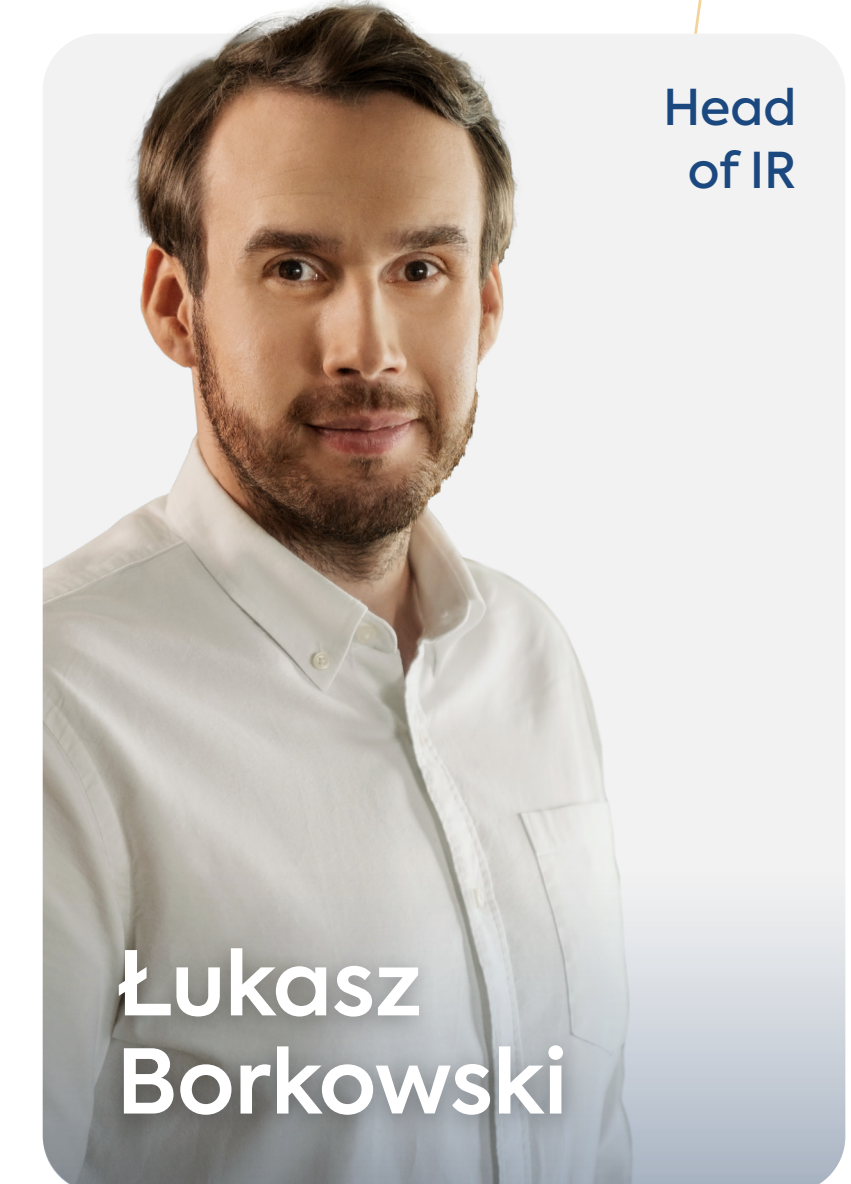
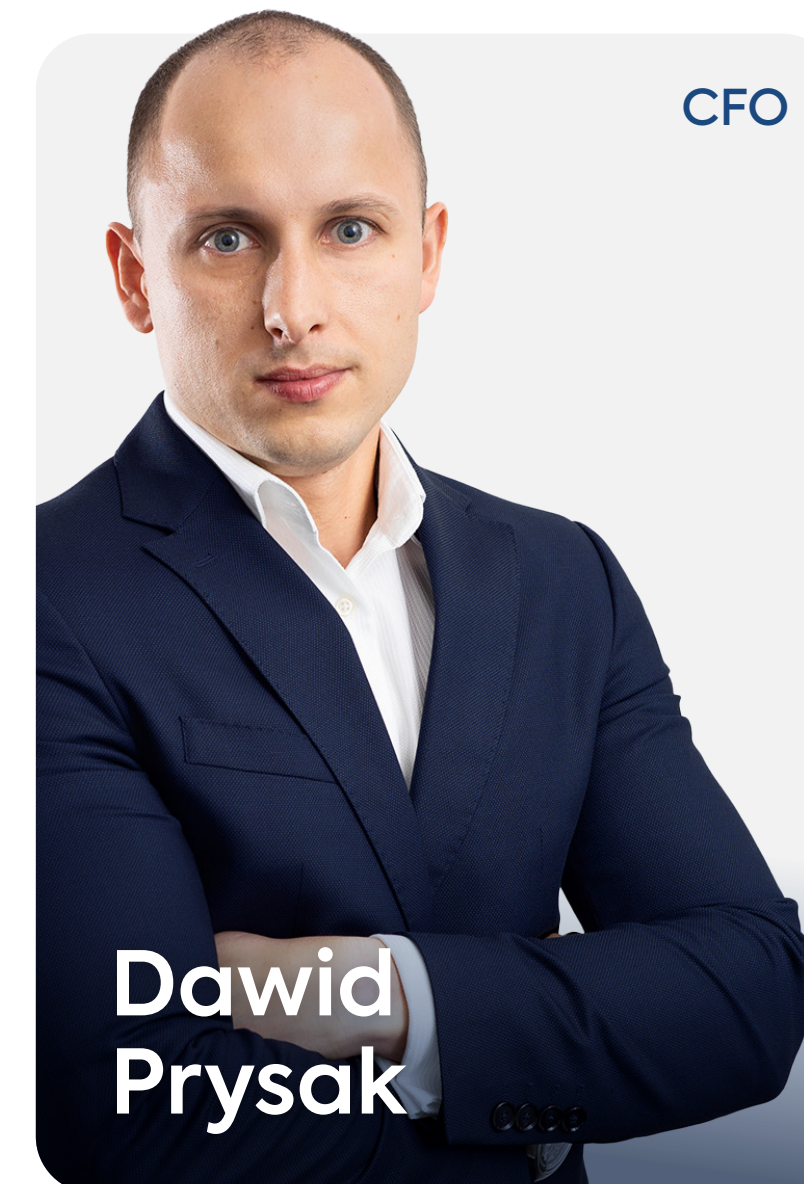
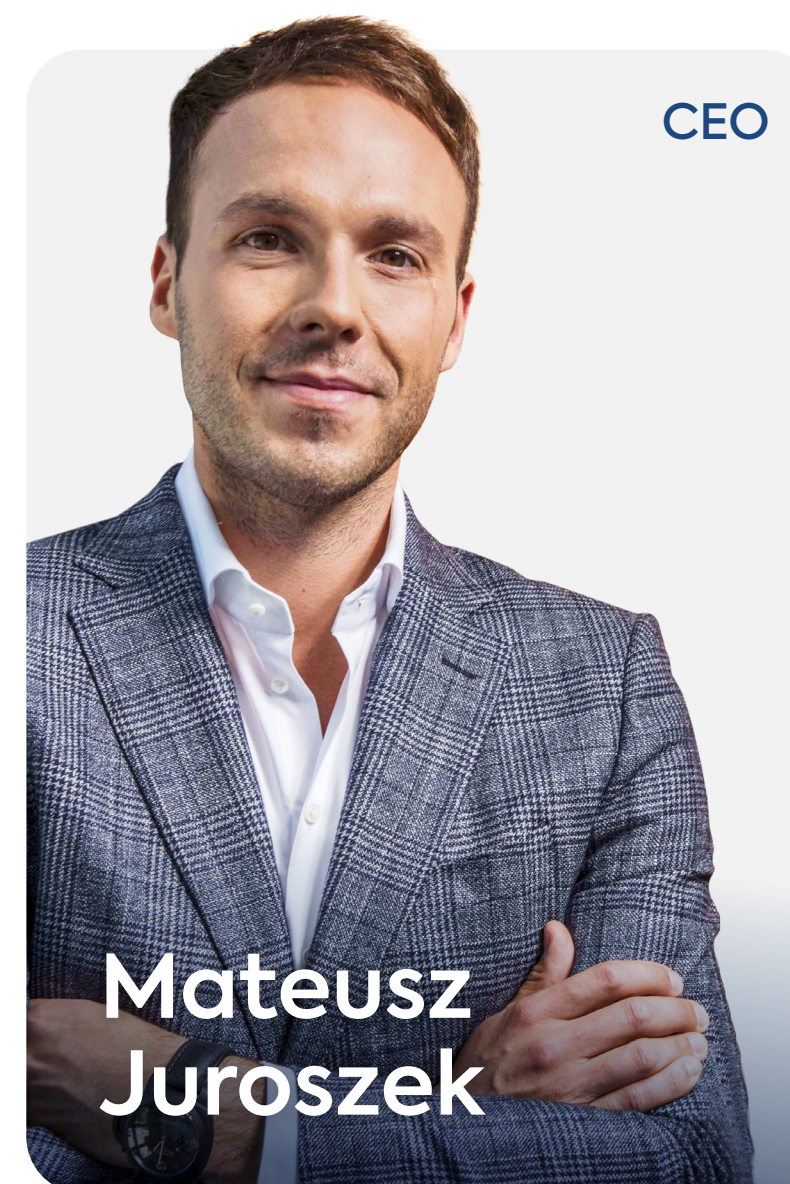
May 2023



Agenda

01. Q1'23 Business update
STS Group
02. Q1'23 Business update
STS S.A.
03. Q1'23 Financial update
STS Group
04. Q&A
05. Appendix
STS S.A.
06. Polish gaming market
07. Appendix
Regulatory environment

Today's Presenters



Q1 2023 Summary / STS Group

Outstanding business profile

PLN 306m ↑ 8%
YOY

GGR

PLN 176 ↑ 11%
YOY

NGR

80 ↑ 12%
YOY

Adj. EBITDA

Best customer reach and product

PLN 1.199bn ↑ 12%
YOY

Amounts staked

1.972m

Registered players

333k

Active users

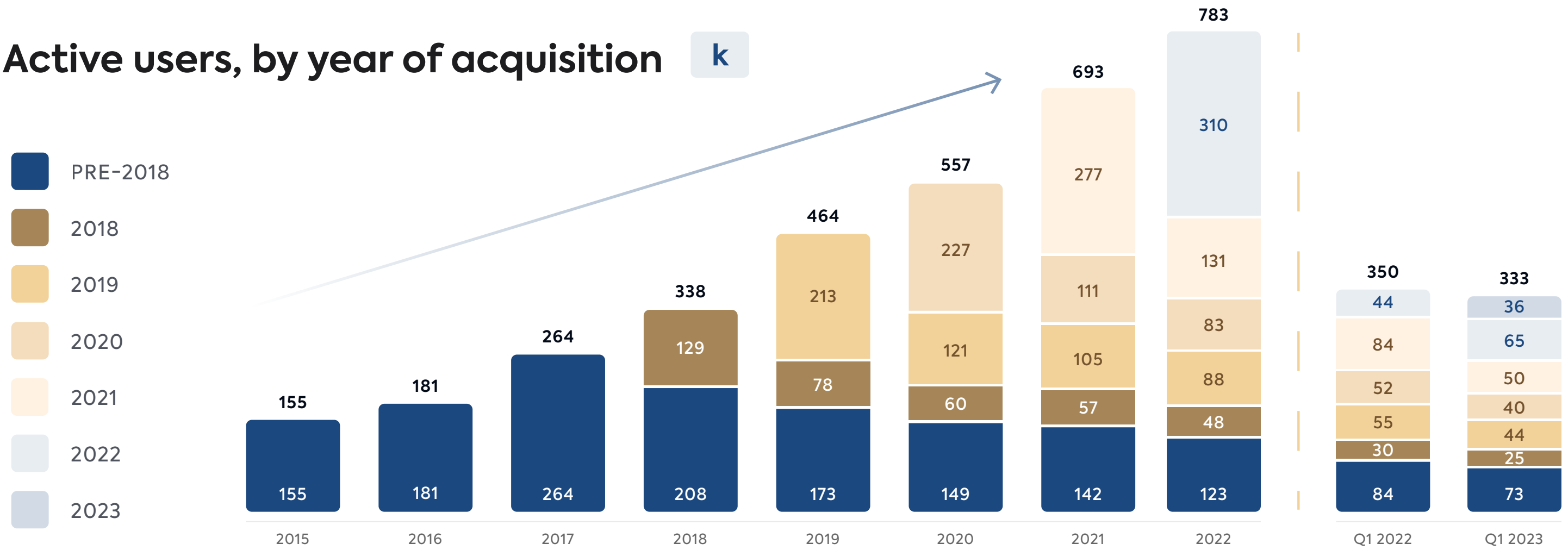
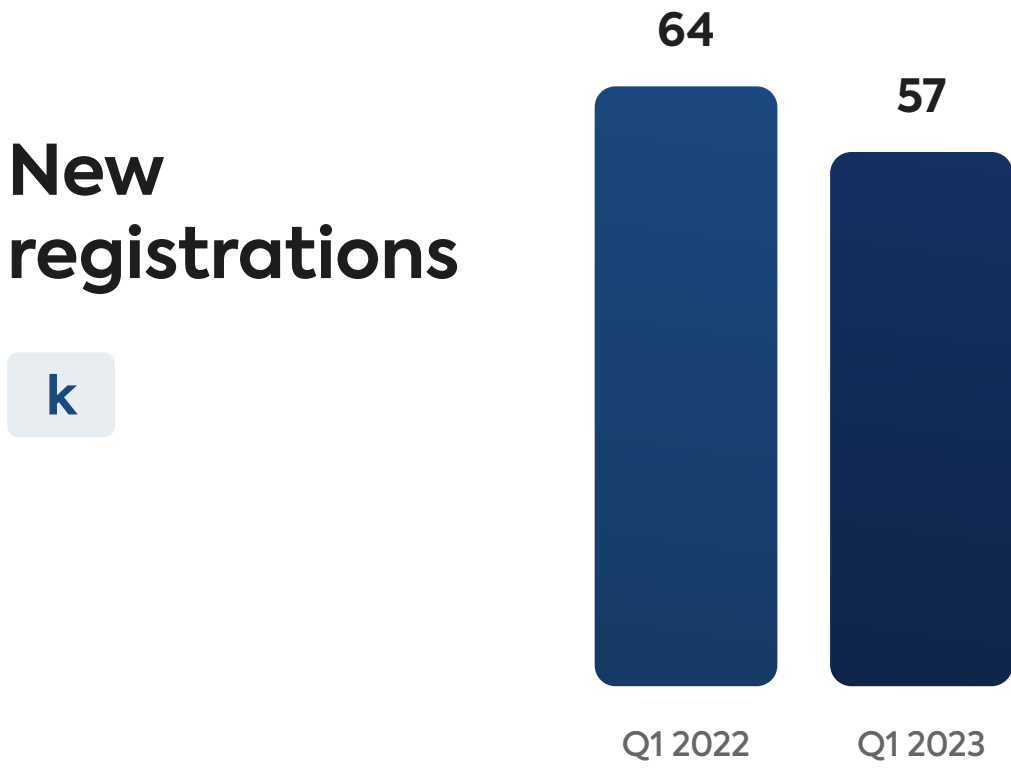
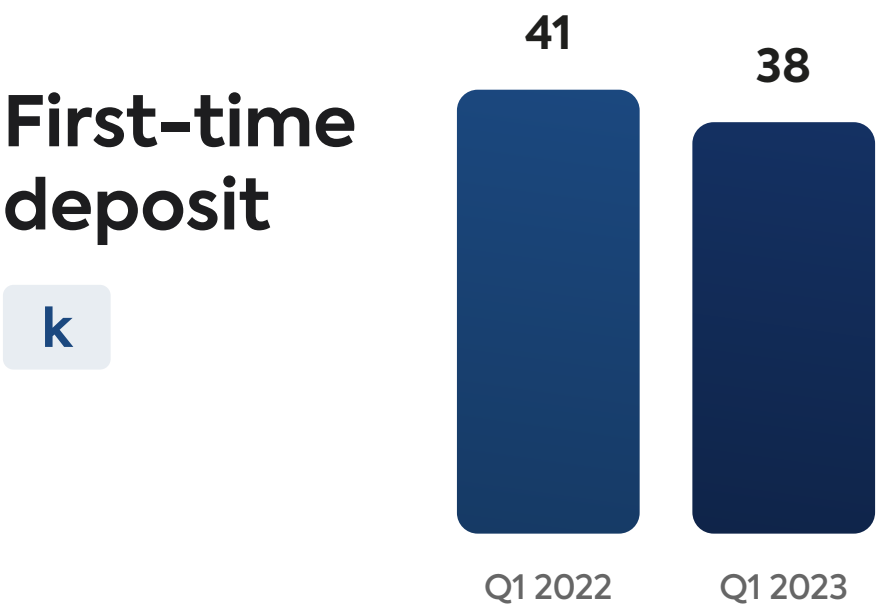
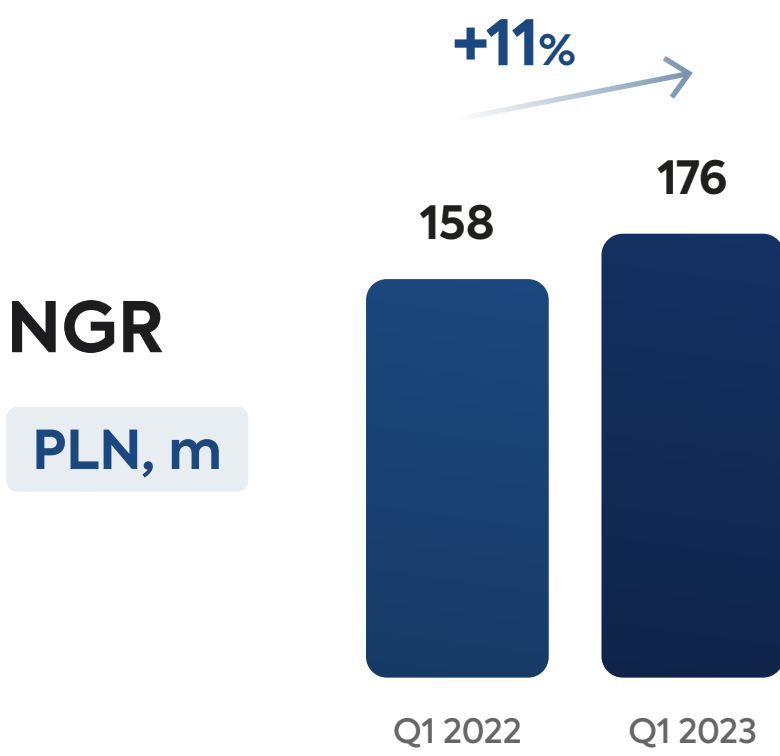
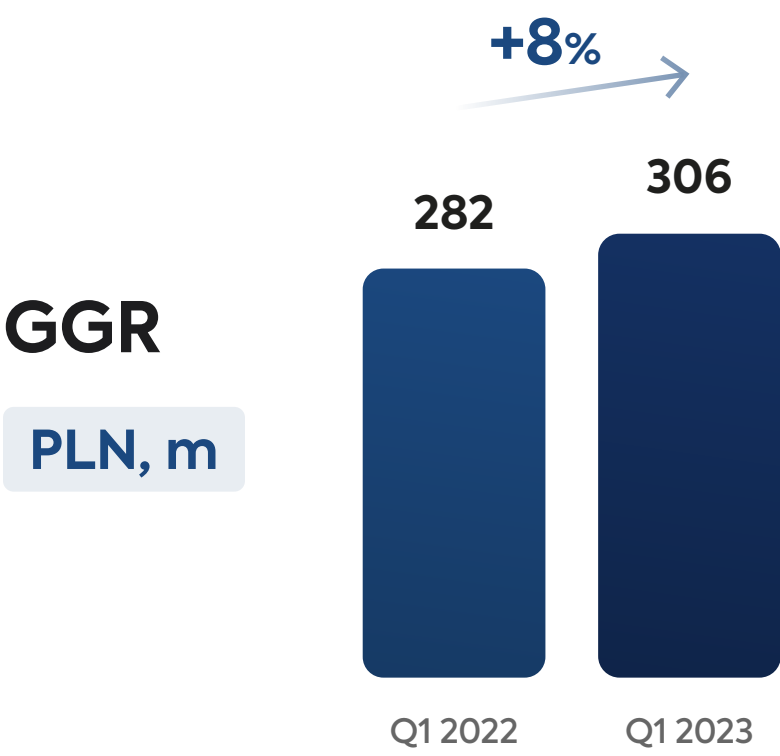
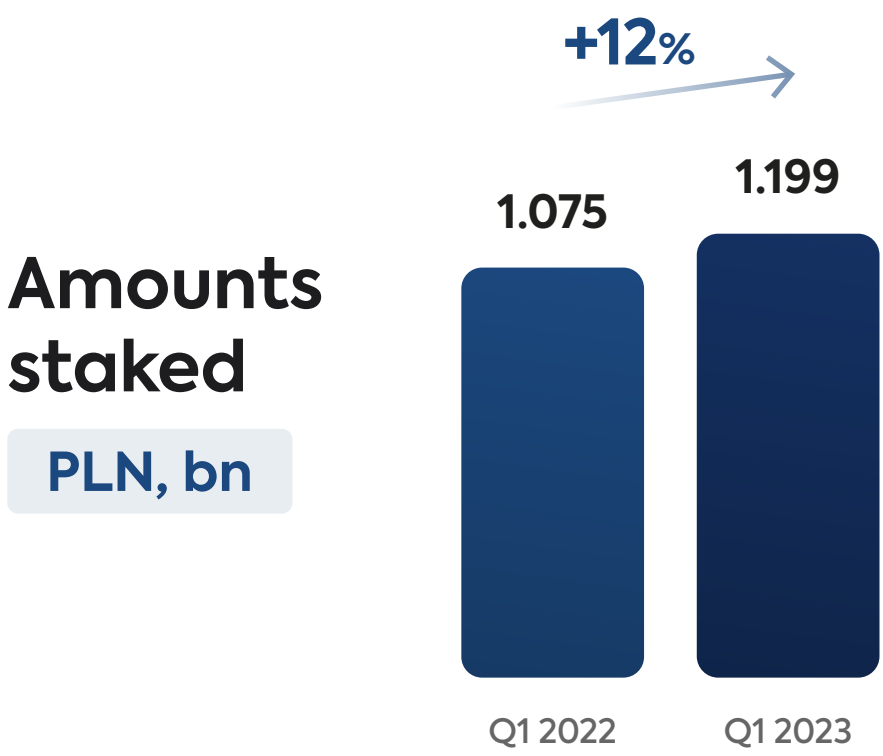




Q1'23 Business update

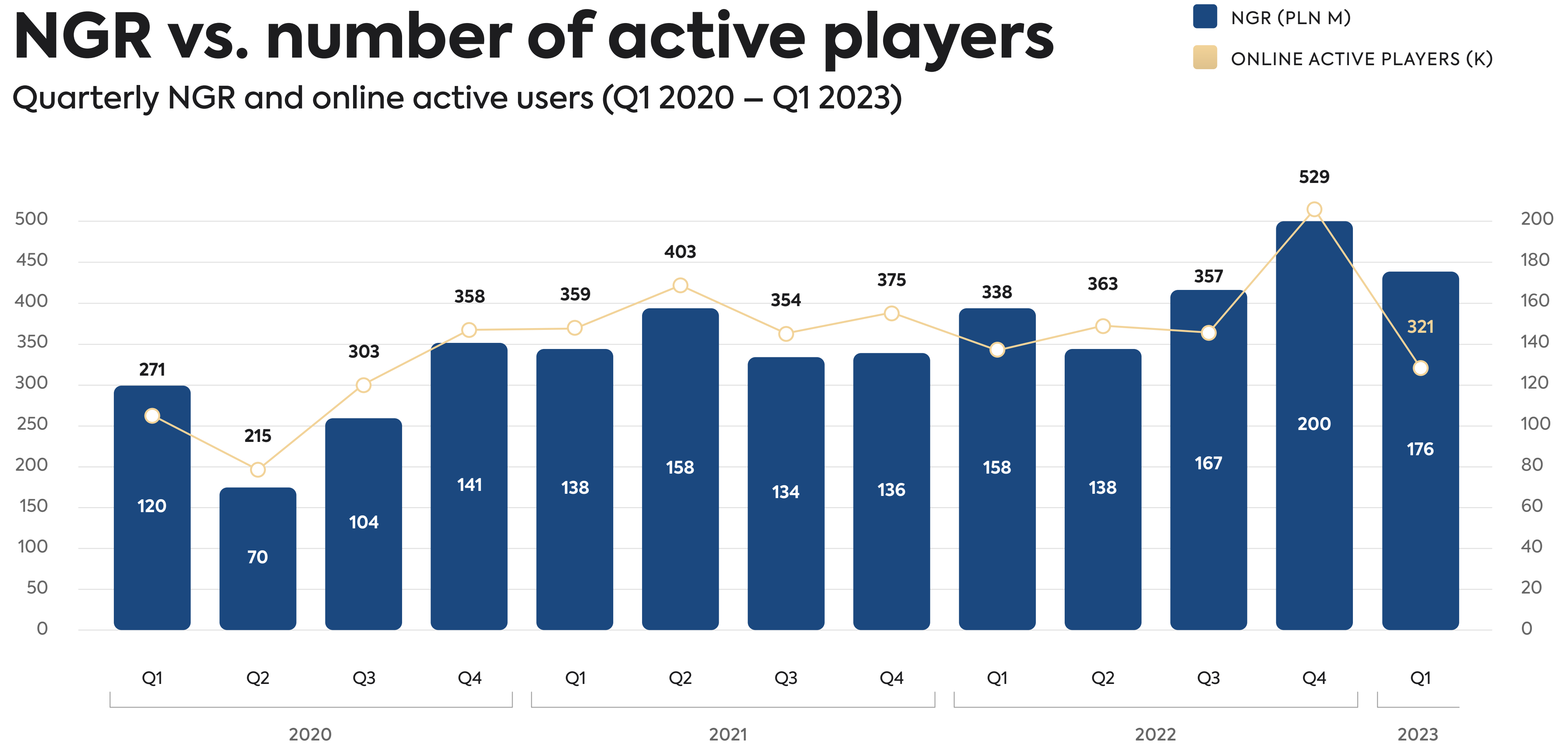
STS Group





NGR vs. number of active players

Quarterly NGR and online active users (Q1 2020 – Q1 2023)





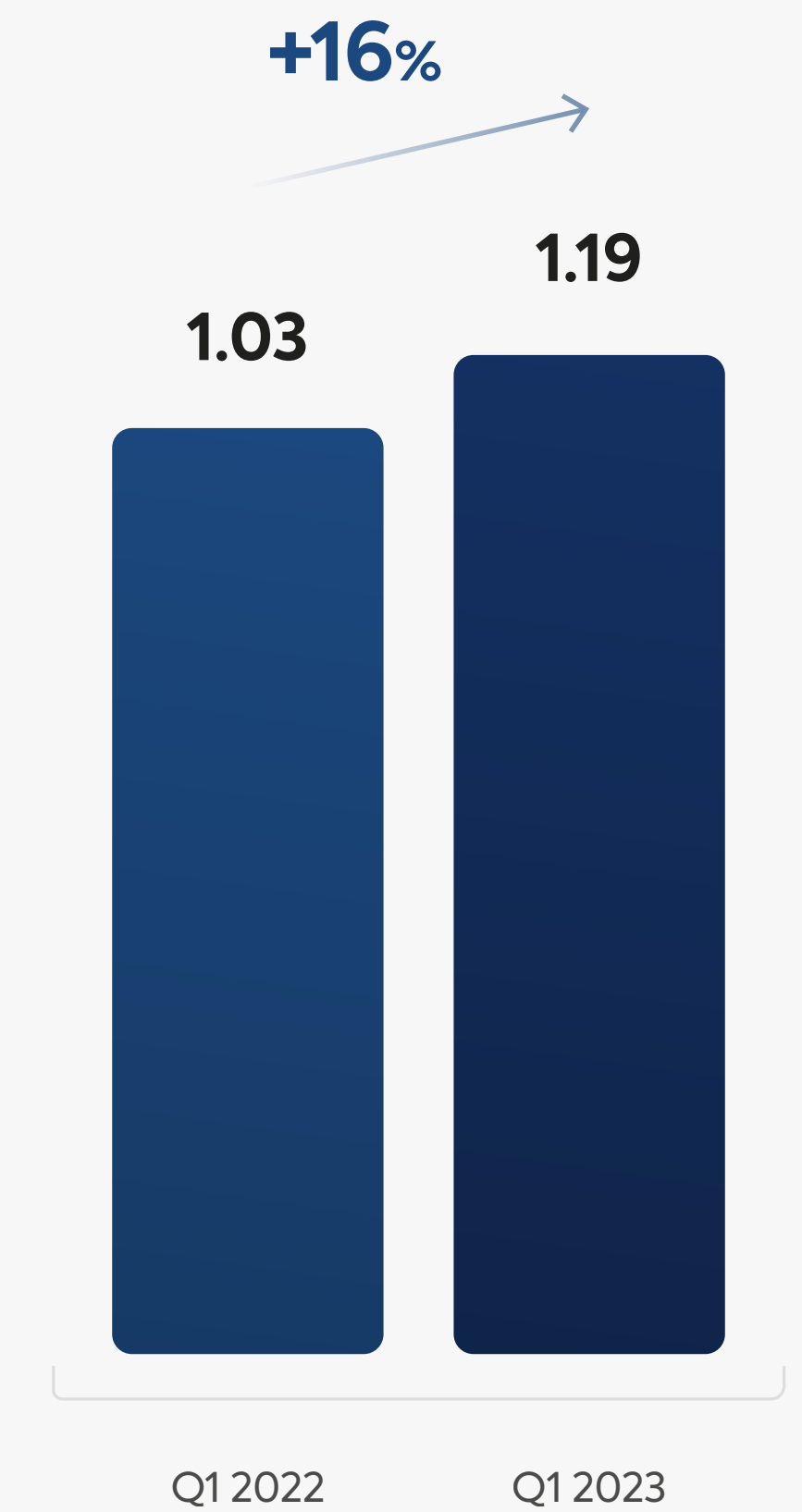
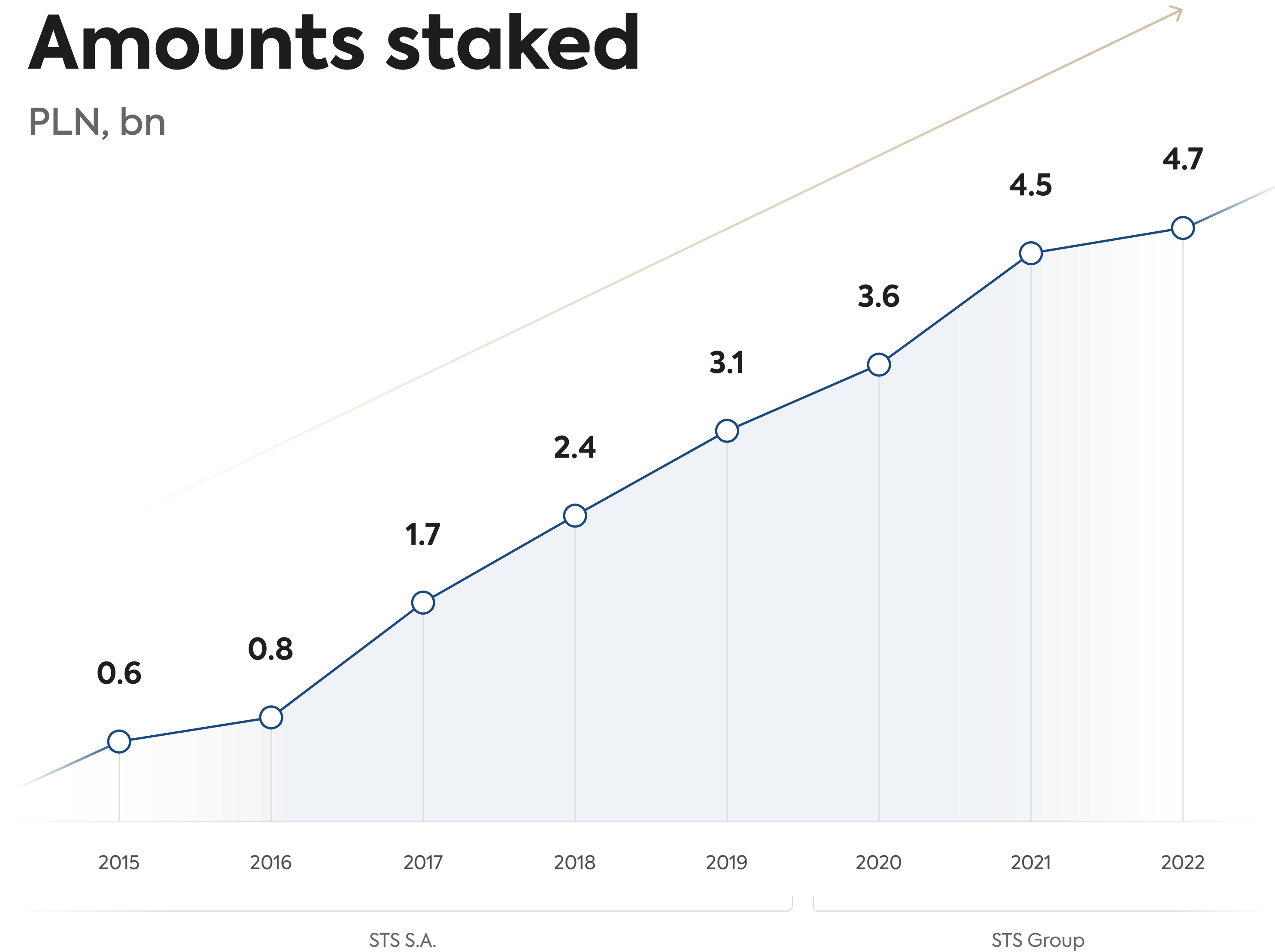
Q1'23 Business update

STS S.A.



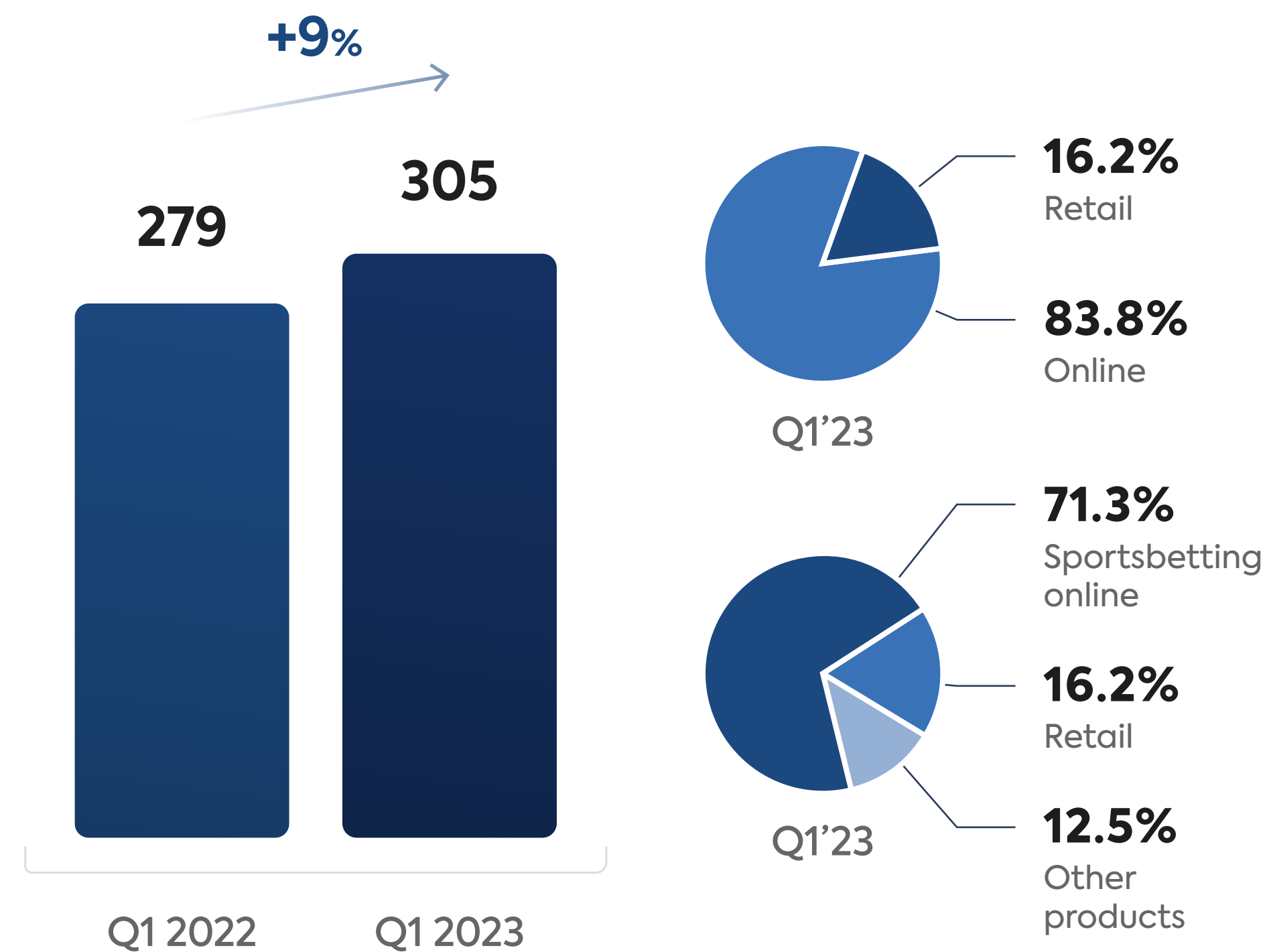
Amounts staked

PLN, bn



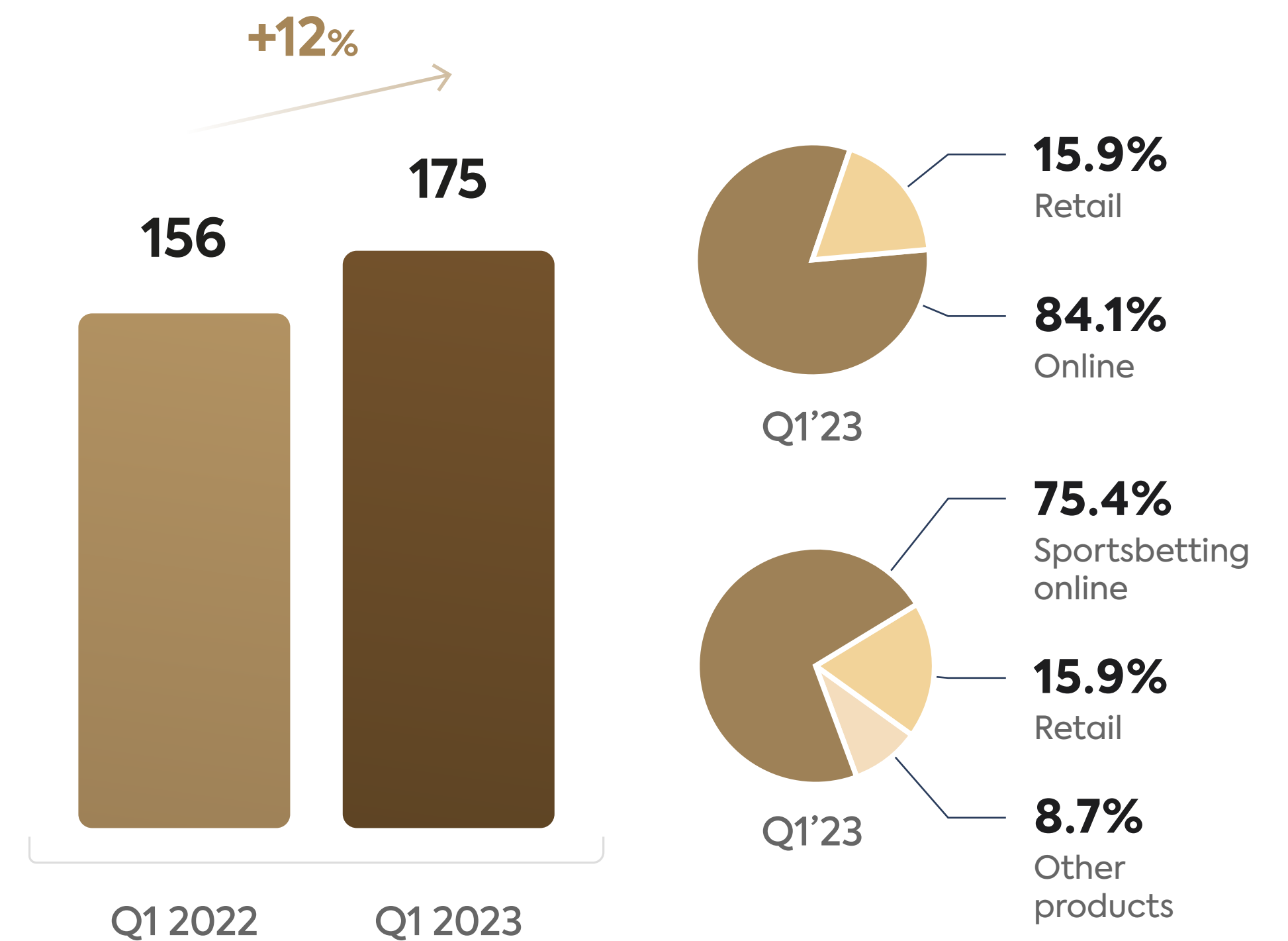
GGR

PLN, m



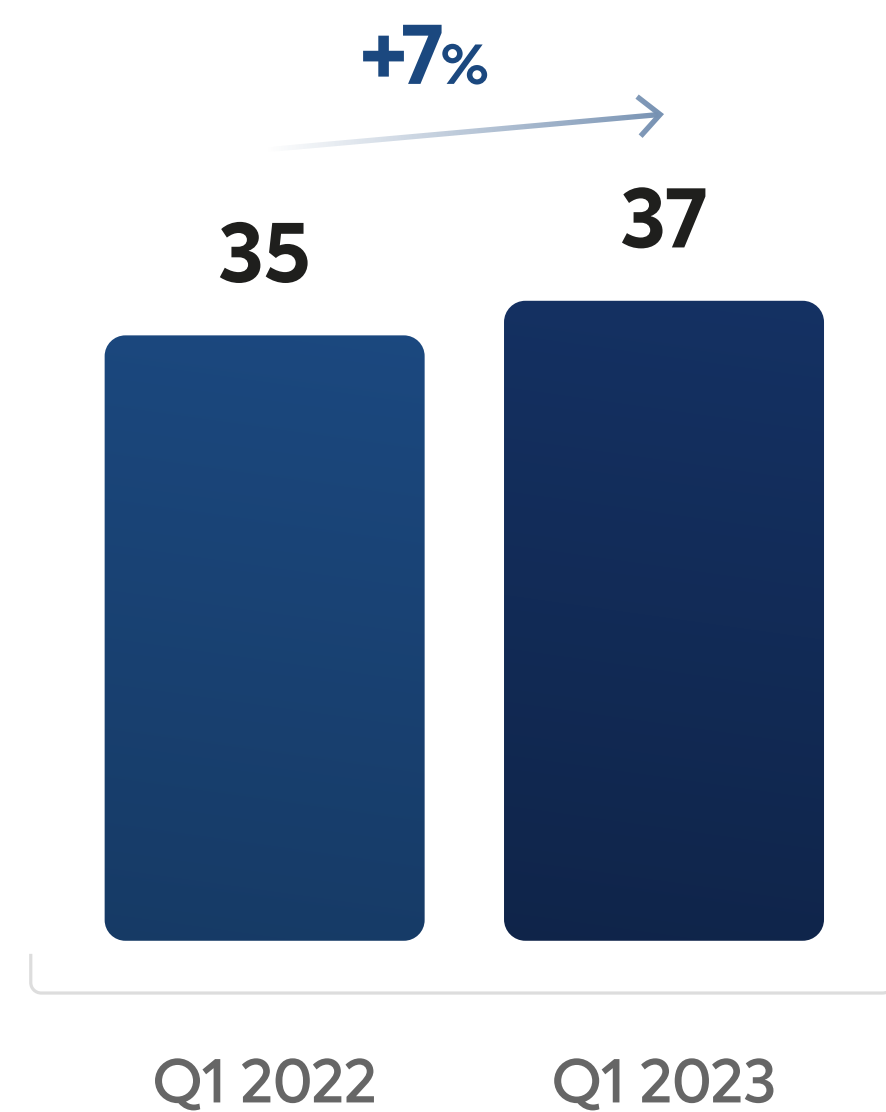
NGR

PLN, m

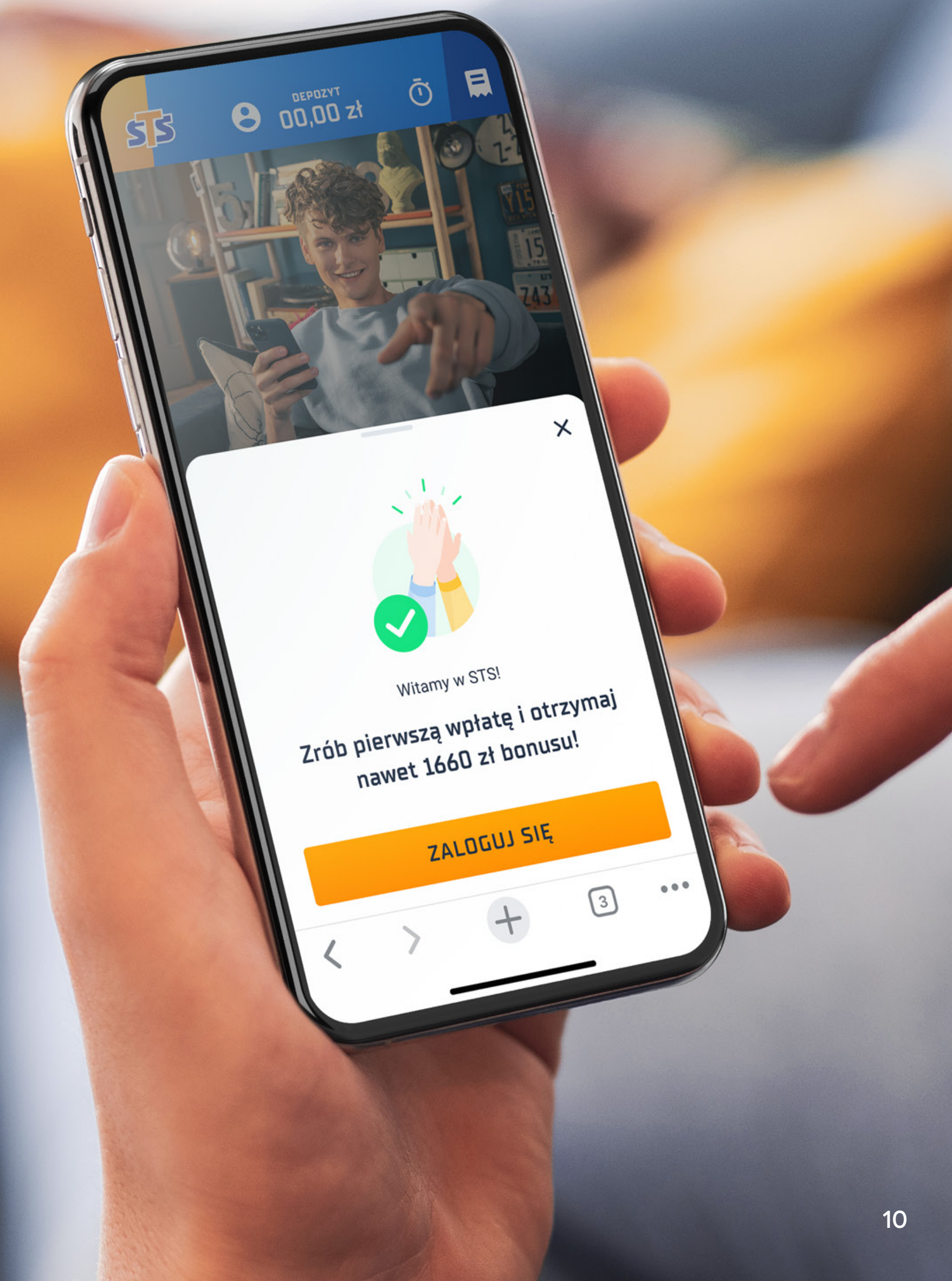
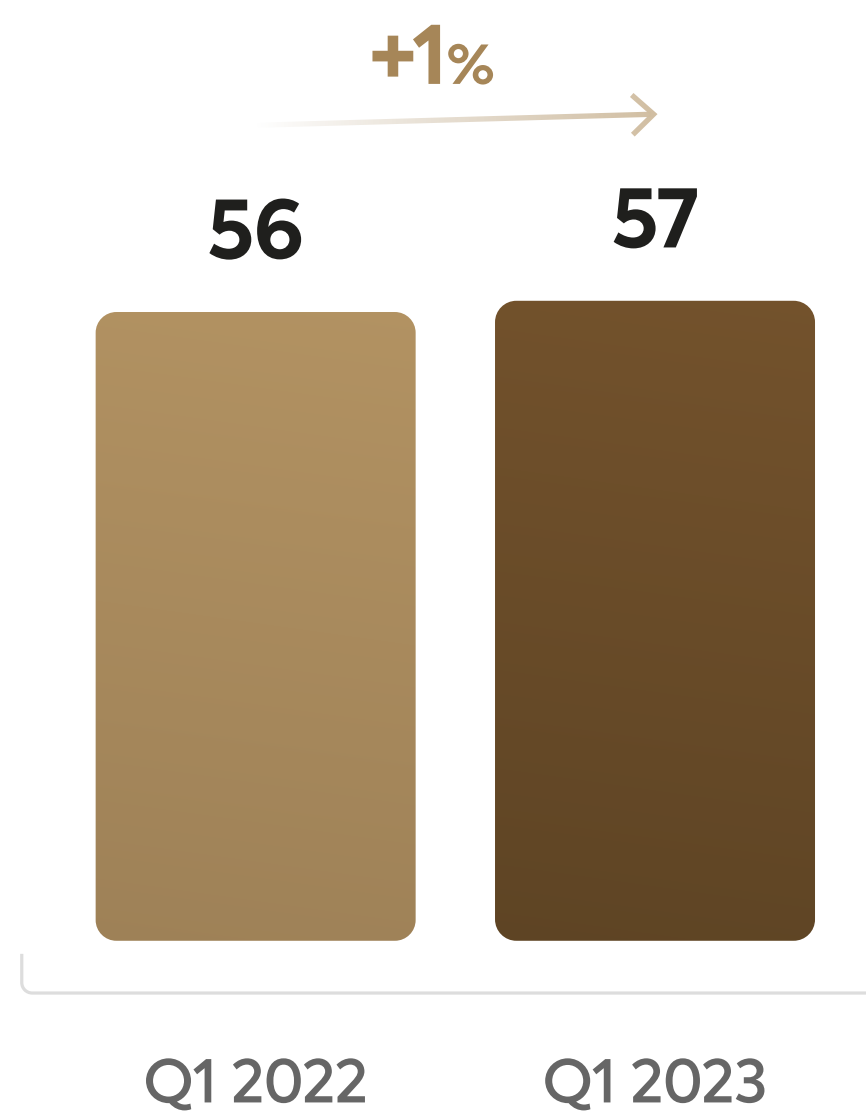


Operating data

First-time deposit (k)

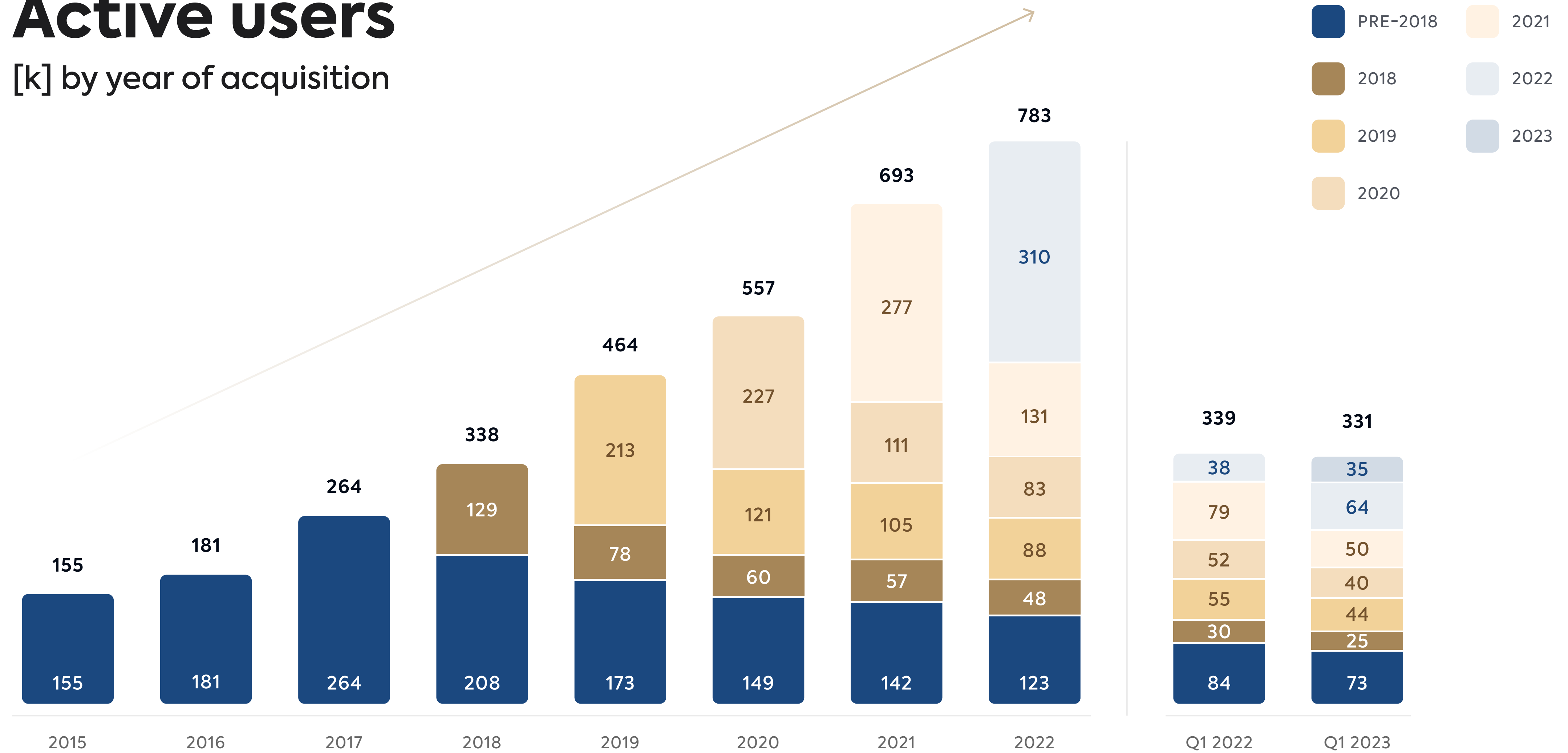


New registrations (k)

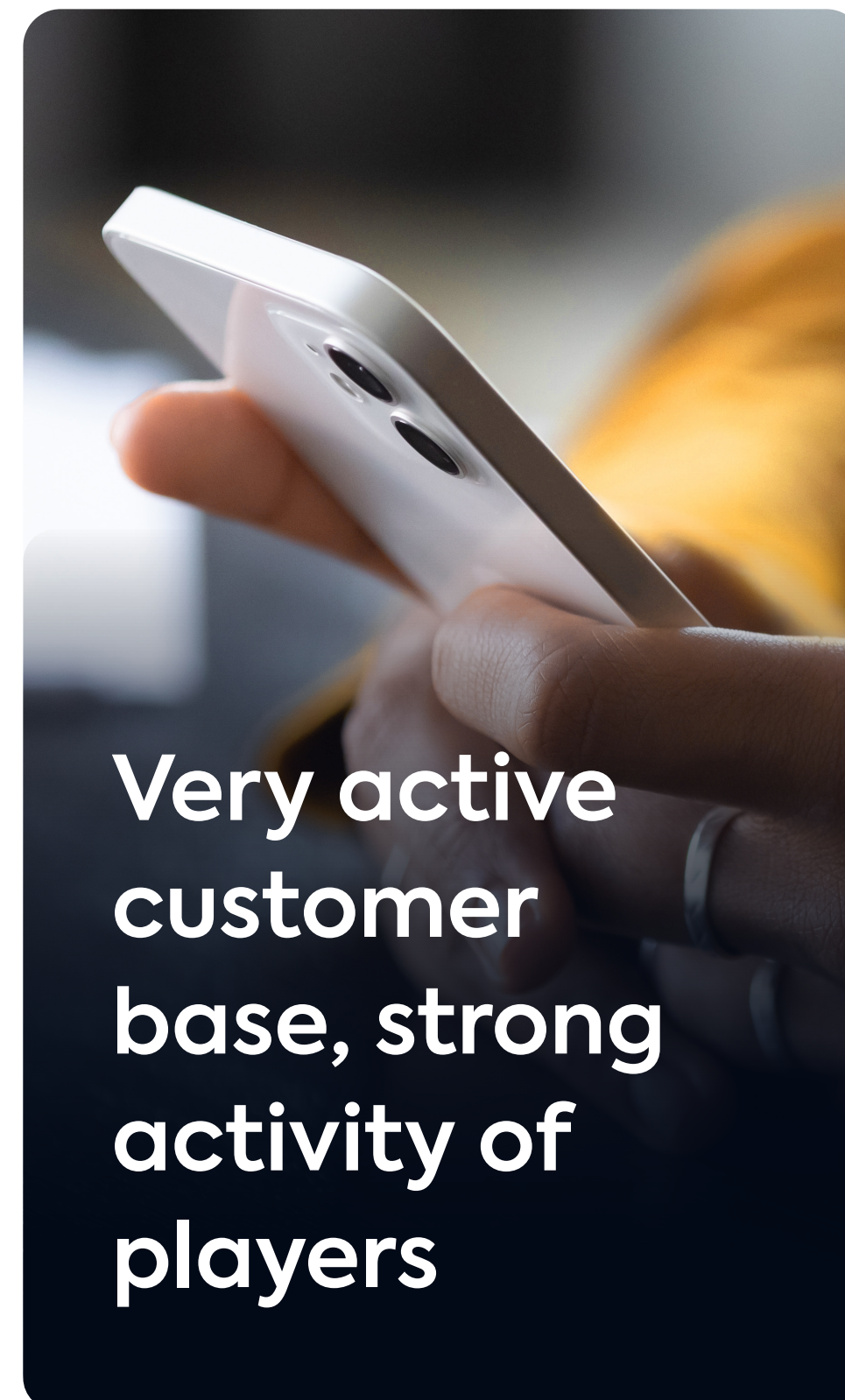


Active users

[k] by year of acquisition



Key takeaways





Q1'23 Financial update

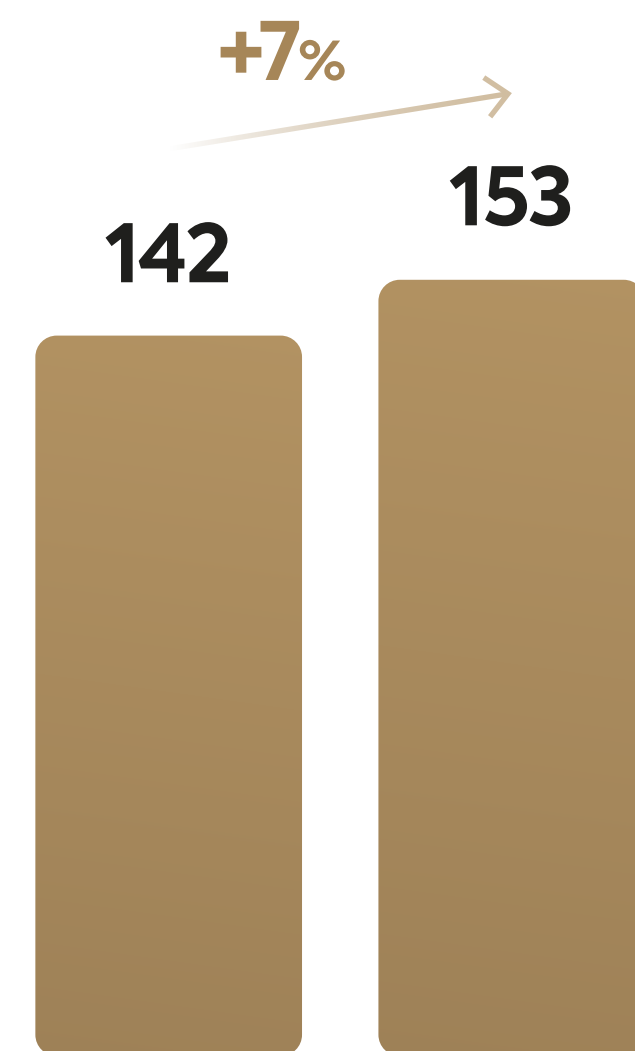
STS Group



Financial highlights

PLN, m

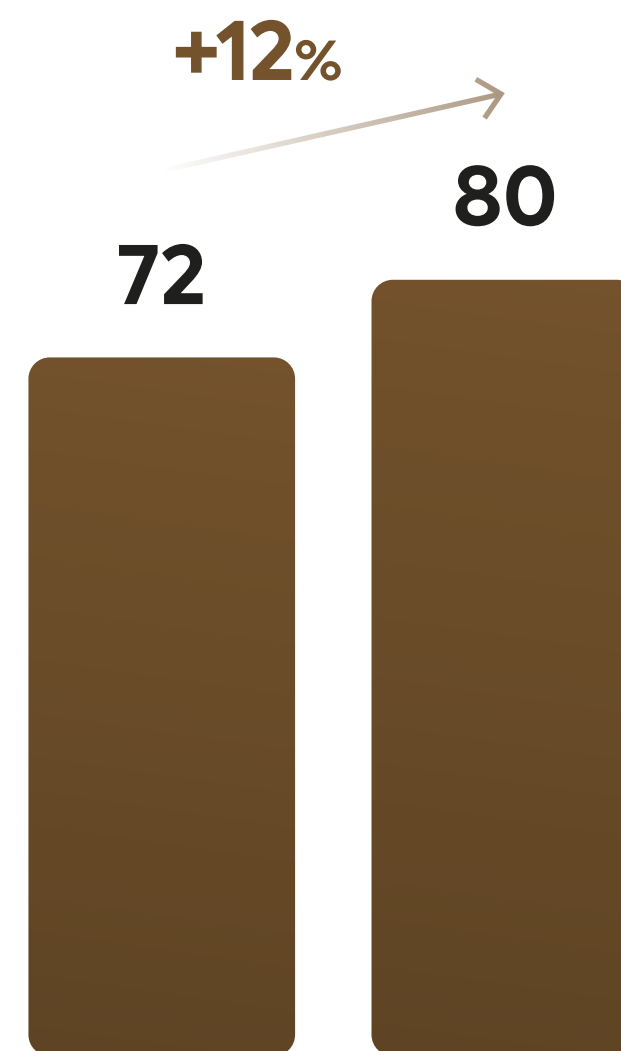
IFRS Revenues



Q1 2022

Q1 2023

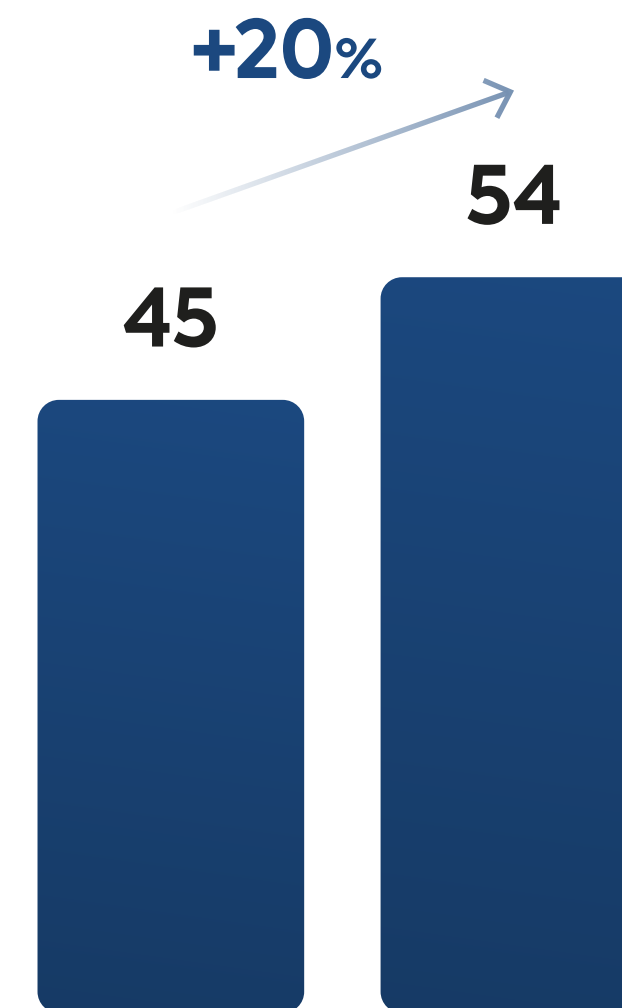
Adj. EBITDA



Q1 2022

Q1 2023

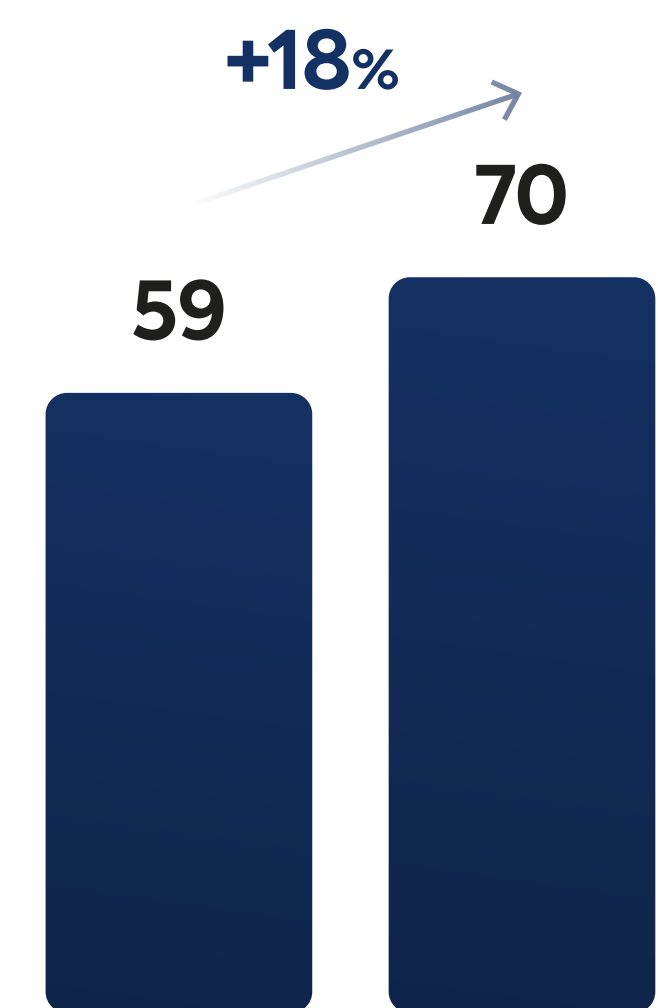
Net profit STS Group



Q1 2022

Q1 2023

Net profit STS S.A.



Q1 2022

Q1 2023

Adjusted EBITDA

PLN 82.3m

STS Group without STS.Bet



STS Group

PLN 80.2m



Financial results

NGR to EBITDA breakdown

PLNm	Q1'23	Q1'22	(PLNmΔ)	(%)
NGR	176	158	17	11%
Less: Bonuses provided to customers	23	16	7	41%
IFRS Revenue	153	142	11	7%
Consumption of materials and energy	3	2	0.21	9%
External services	45	45	-0.46	-1%
Employee payroll & benefits	25	23	2	9%
Other miscellaneous costs	0.67	0.31	0.36	118%
Adjusted EBITDA	80	72	8	12%
% of NGR	45.7%	45.3%		

PLN 301 mln capital reserves including cash PLN 261 mln and unused bank credit facilities PLN 40 mln.

NOTES:

1 - Capex includes spending on PP&E, intangible assets including software and technology development, and excludes acquisitions;

2 - Defined as FCF/EBITDA; 3 - Defined as Trade and other receivables and prepayments – Trade payables and other liabilities (incl. tax liabilities) – Liabilities to employees

Cash flow generation

PLNm	Q1'23	Q1'22
Adjusted EBITDA	80	72
% of NGR	46%	45%
Capex ¹	12	8
FCF (EBITDA–Capex)	68	64
% cash conversion ²	85%	89%

Balance sheet

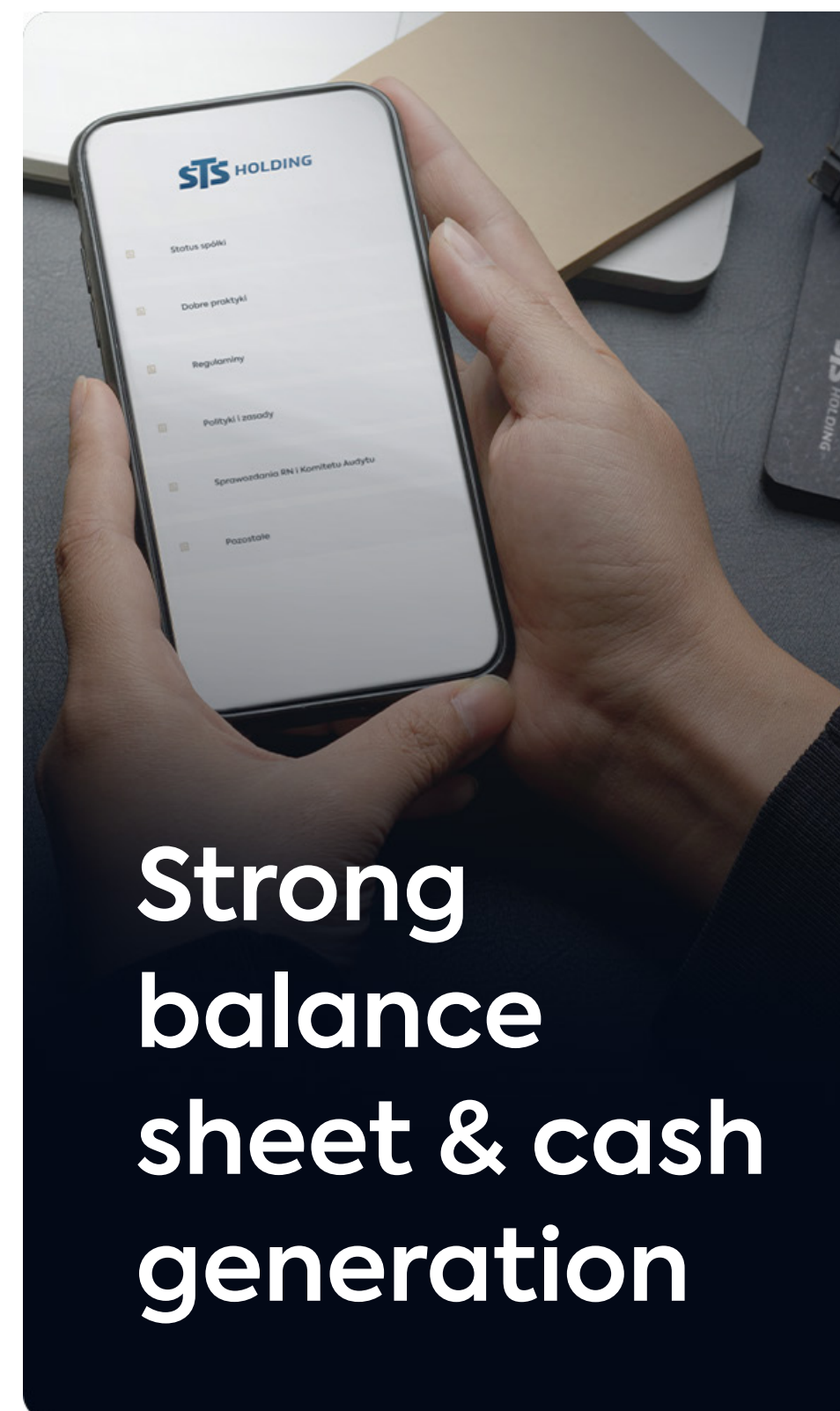
PLNm	Q1'23	Q1'22
Cash & cash equivalents	261	185
Net operating working capital ³	-108	-100
Total assets	453	312
Total liabilities	215	161
Total equity	238	151

Key takeaways

**Growing NGR,
EBITDA and
margin**



**Strong
balance
sheet & cash
generation**



**Secured
dividend
policy**



Market update

KHALIDOV - PUDZIANOWSKI

KURS 100
na zwycięzcę

MEGA KURS 200
NA WYGRANĄ REALU Z VILLAREAL

WPRACASZ 150m GRASZ ZA
450z

KURS 200
na wygraną
Polski!

Na start do 3754 PLN

POLSKA
KURSU
50.0
KURS

KURS 200 na gola Polski
+ 50 PLN za gola Lewandowskiego

Graj Legalnie ✓

WIĘCEJ
O AKCJI →

Akcja „Graj Legalnie”

Graj Legalnie ✓

Przeciwko
szarej strefie

STS FORTUNA

www.pb.pl

is
esu

alniają,

**BUKMACHERZY
ZAGRAJĄ
DO JEDNEJ BRAMKI**

Szara strefa to nawet połowa rynku zakładów wzajemnych,
a straty skarbu państwa sięgają 400 mln zł rocznie
- twierdzą bukmacherzy i rozpoczynają akcję „Graj legalnie”.
Przekonują, że rozwiązaniem jest demonopolizacja. ▶ 4-5

STS HOLDING

Q&A



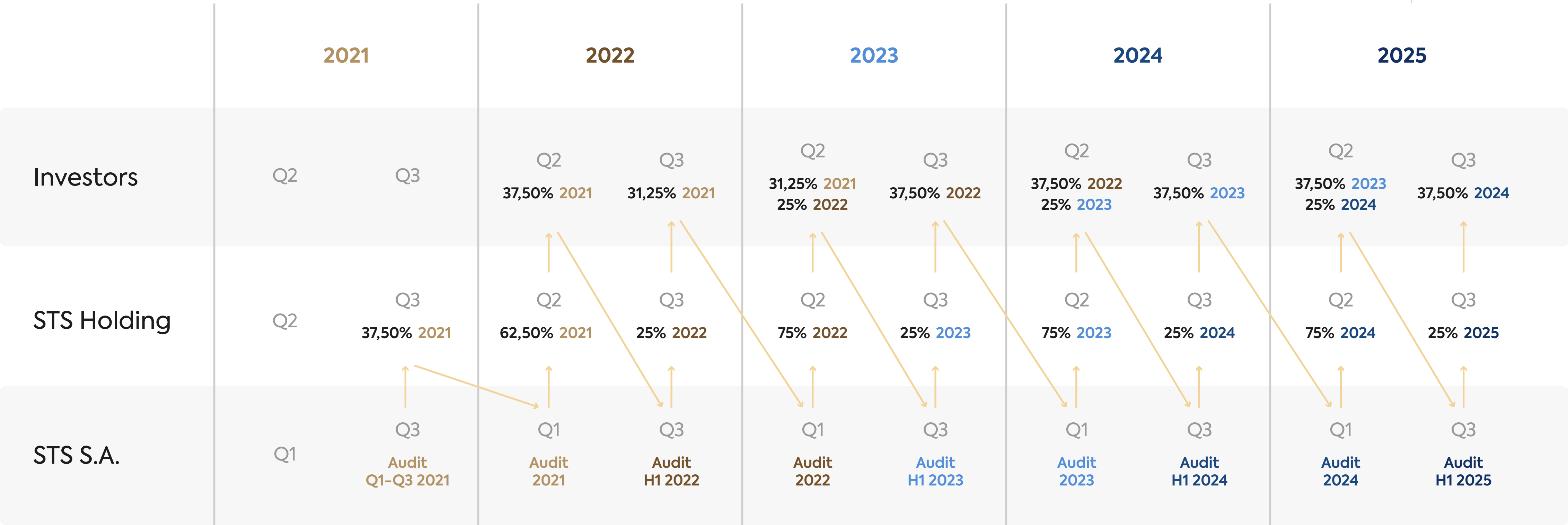


Appendix

STS Group



Dividend pay-out



Dividend in 2022

PLN 57,9m

August

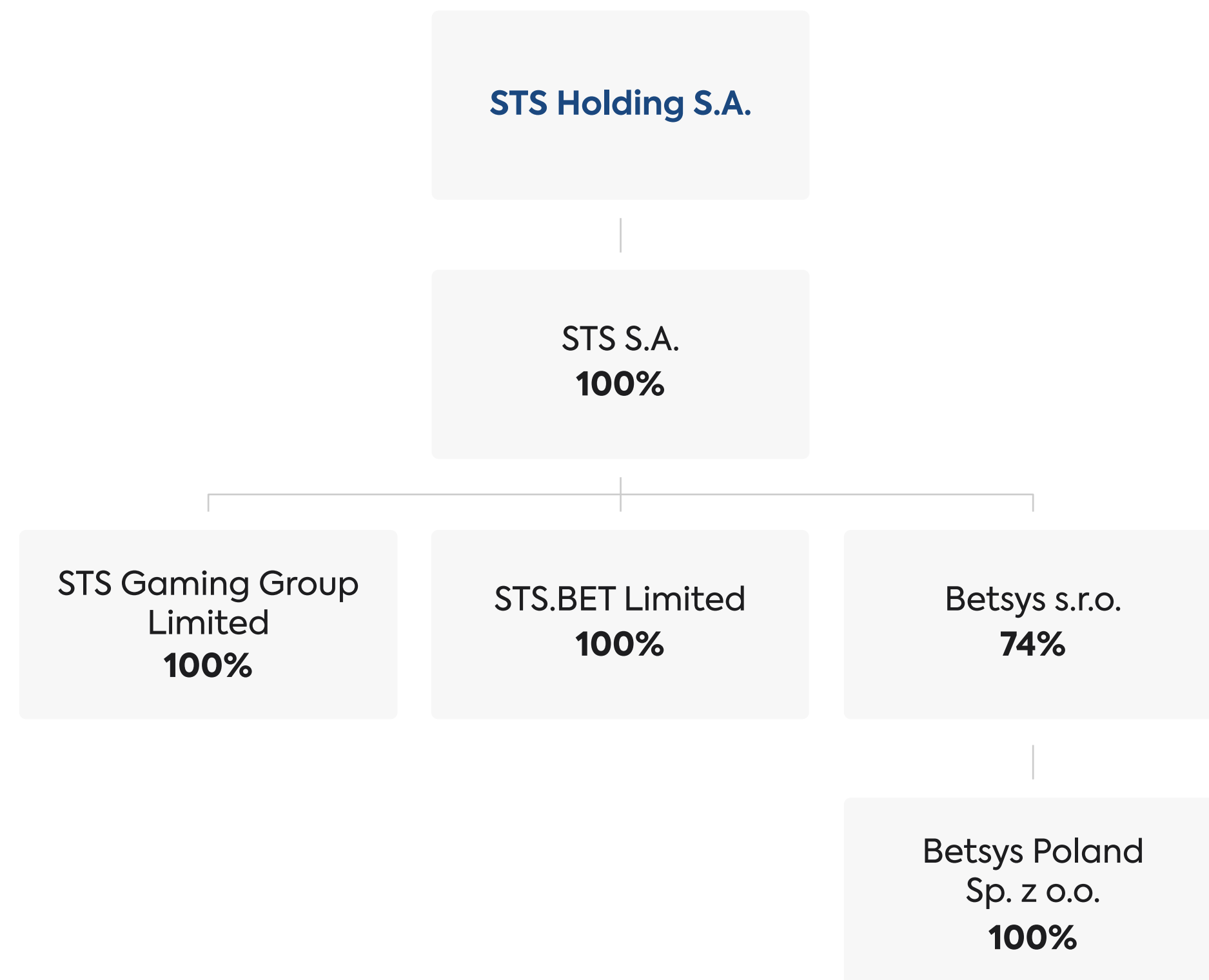


October

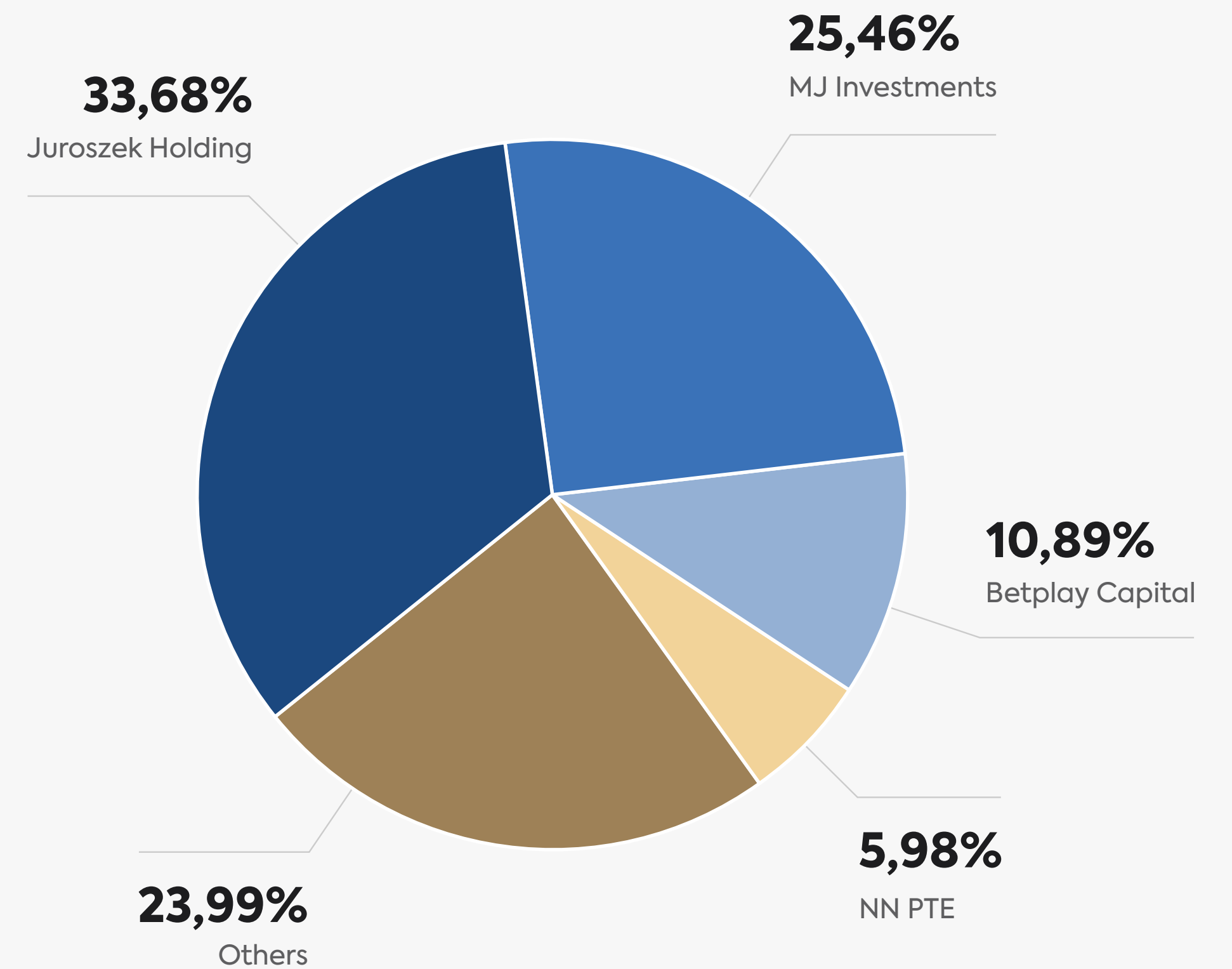
PLN 42,3m




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



10+

Dawid Prysak
CFO


10+



10+

Łukasz Borkowski
Head of Corporate Communications


10+



10+

Michał Miler
CPO


10+



7

Marta Czarnota
Head of Legal Compliance


7



10+

Wojciech Sznapka
CTO of STS


10+



2

Jarosław Walaszek
CIO STS Group


2



10+

Łukasz Świerk
COO


10+



5

Alicja Kubica
Head of Controlling


5



5

Bożena Gwiazda
Head of Group Accounting


5



5

Jowita Cichocka - Sochacka
Head of HR


5



10+

Paweł Rabantek
CMO

10+



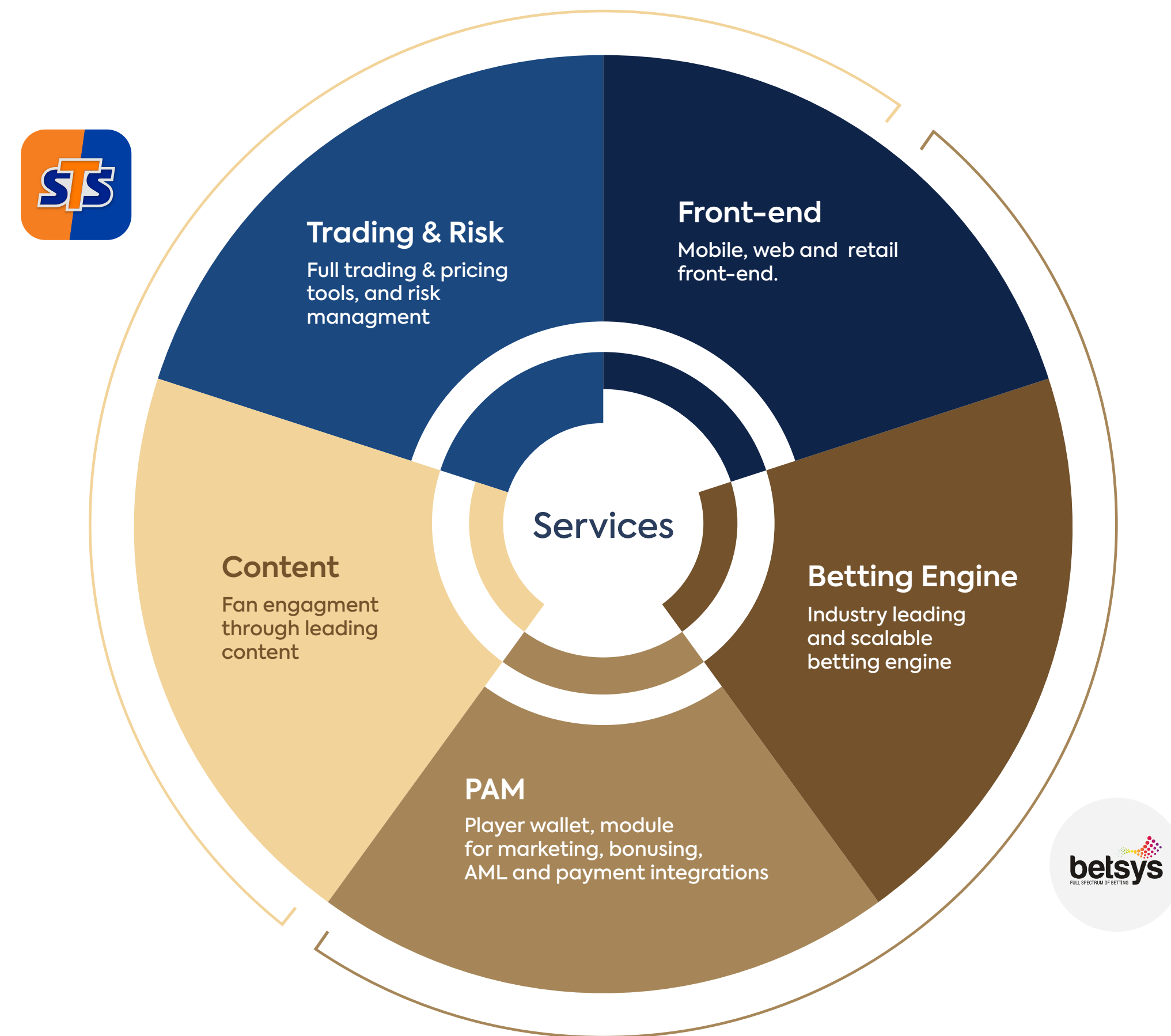
10+

Piotr Cerlak
Head of Sportsbook

10+

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

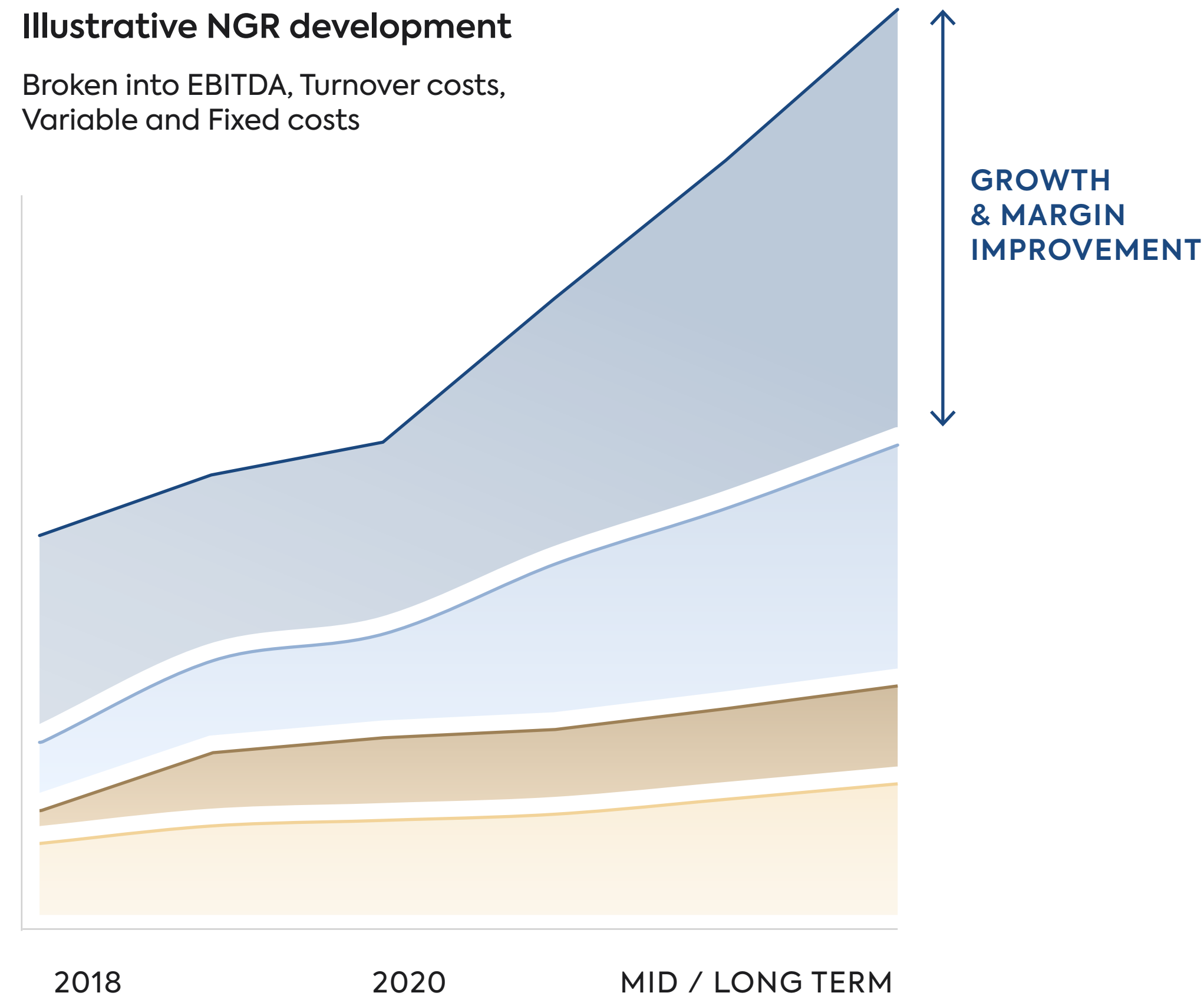
Why STS is unique

	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:

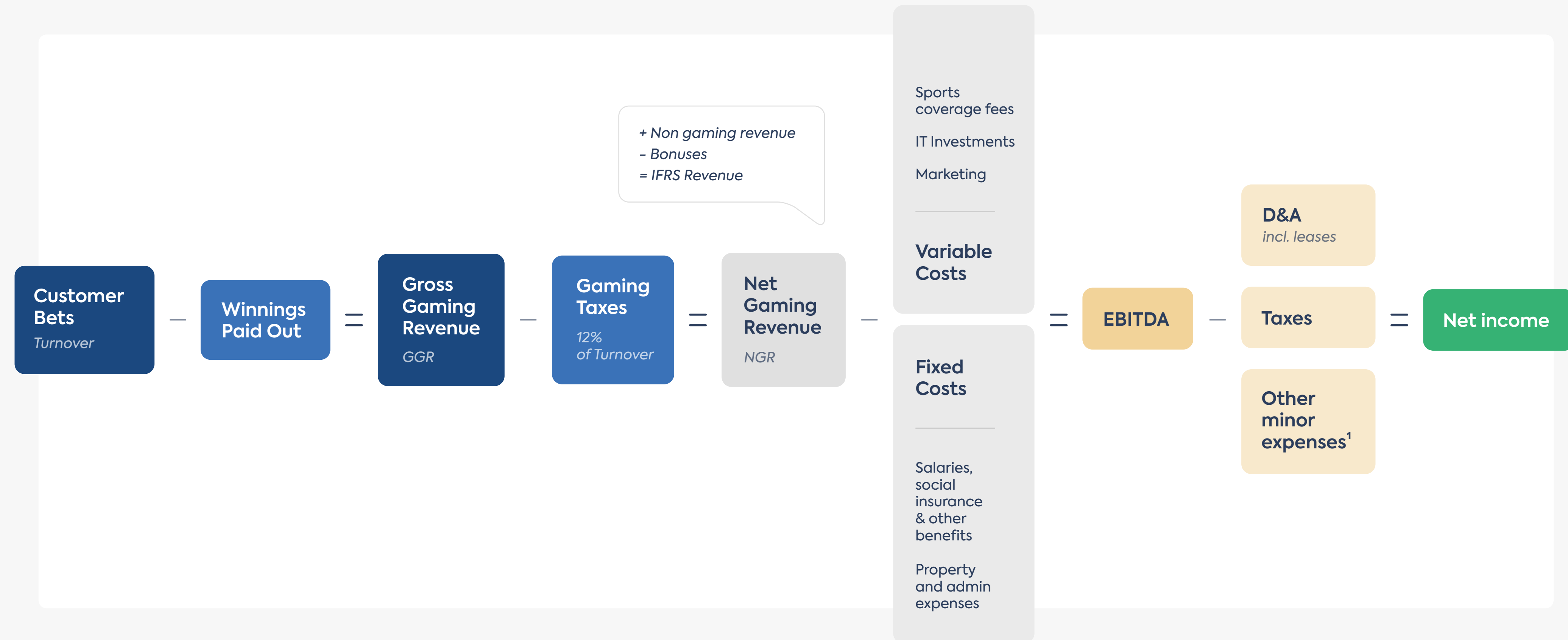
- Betting services (odds, streaming, statistics)
- Investments in technology
- Marketing (PR, sponsoring)
- Other variable

FIXED COSTS

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

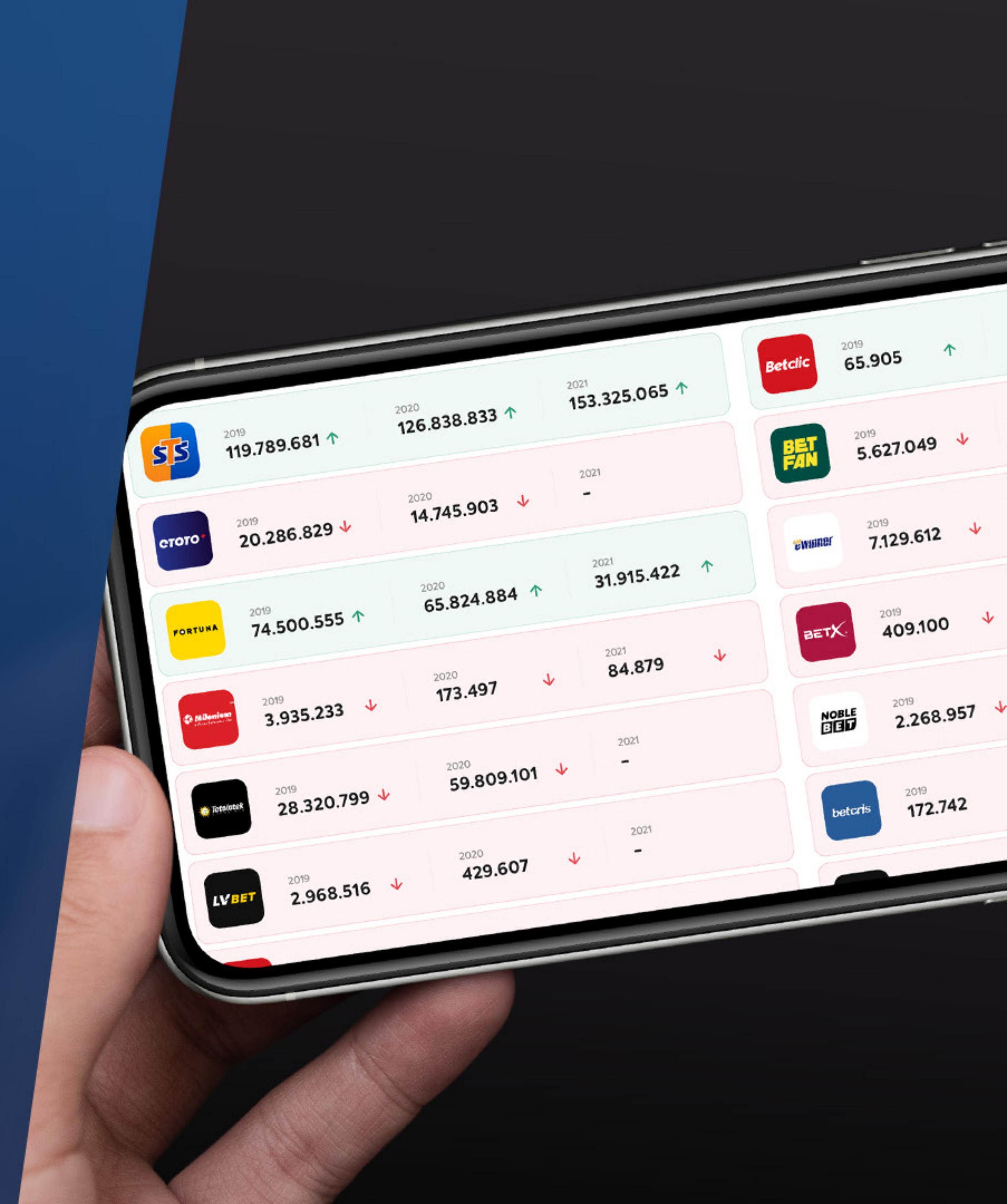
- Personnel costs
- Usage of materials and energy
- Property expenses (services)
- Costs of other retail services
- Other stable expenses

STS Group financial model



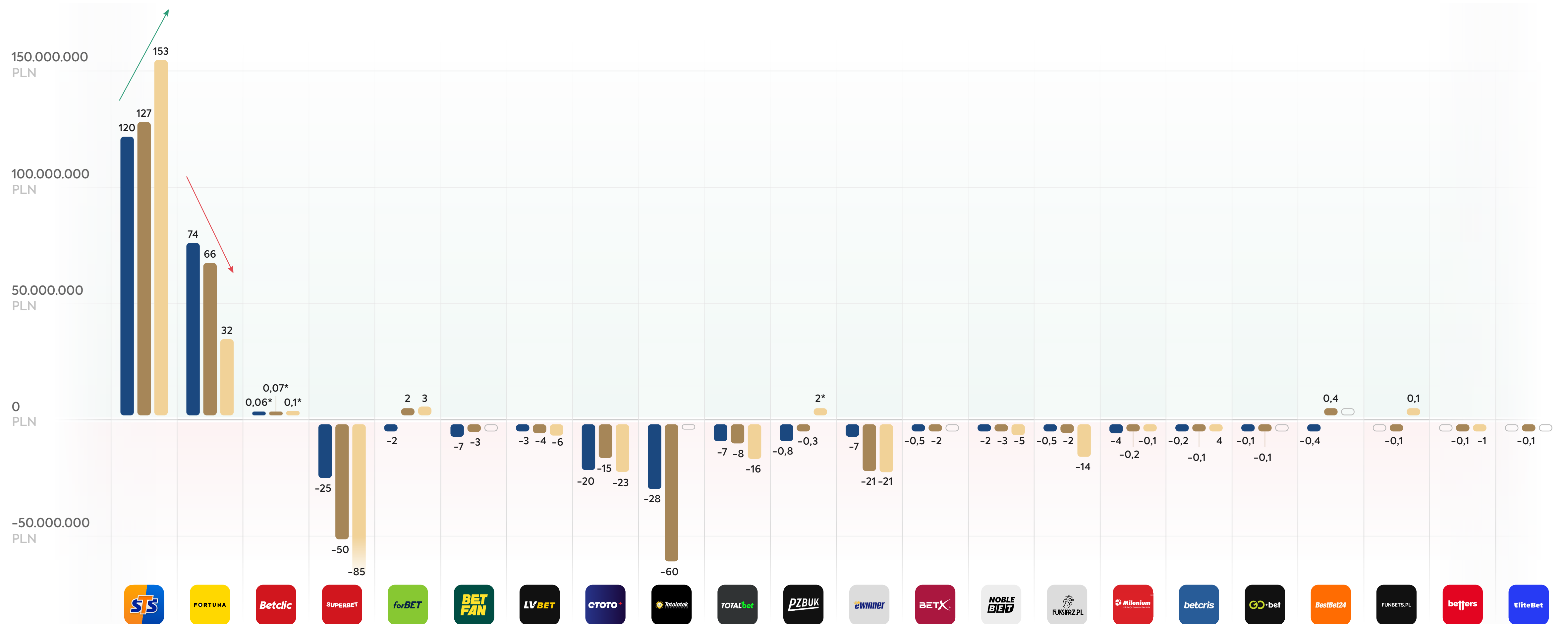


Polish gaming market



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:



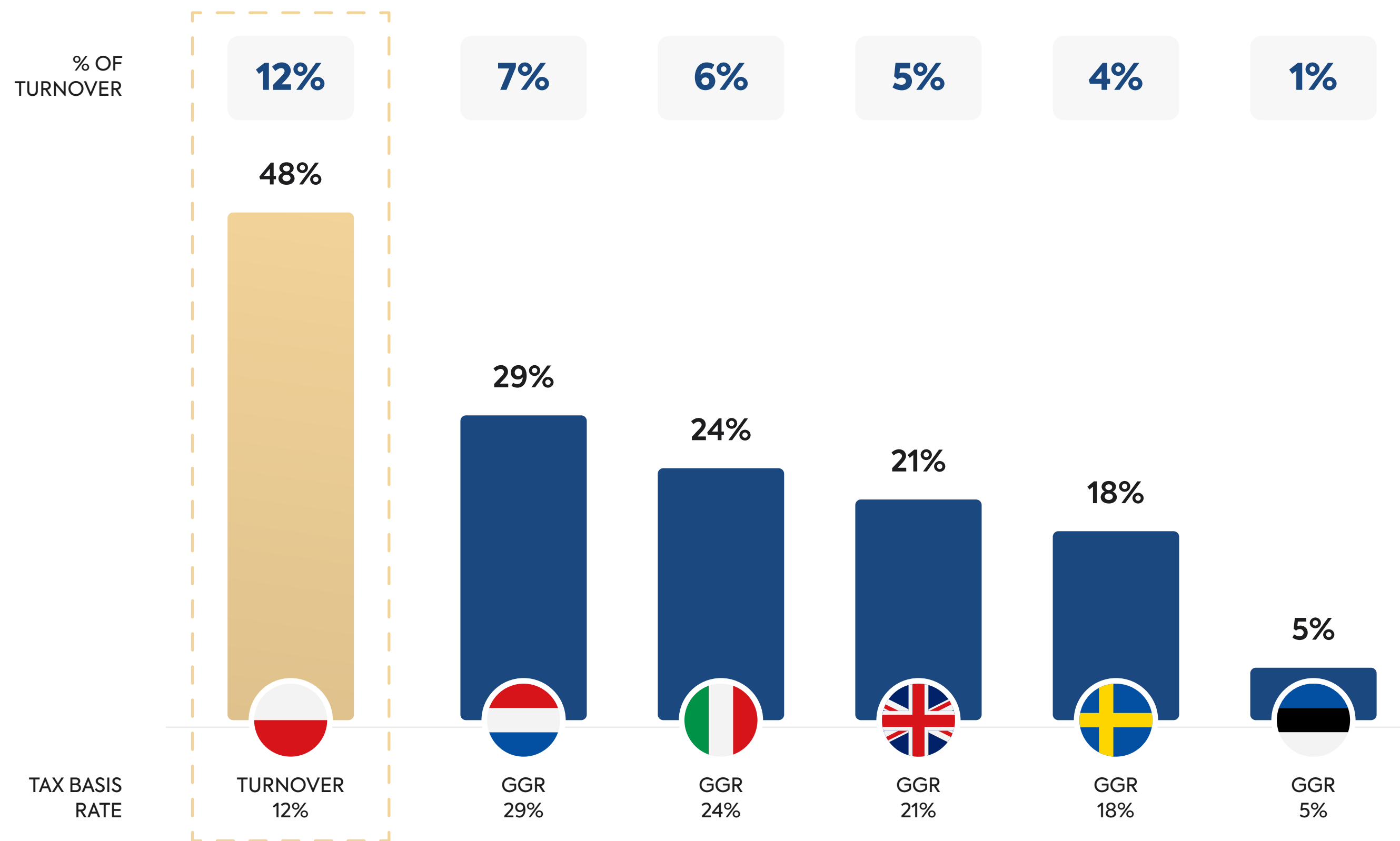
Ministry of Finance as the regulatory authority



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

Regulatory outlook

Taxation

Ministry of Finance doesn't work on any changes

Casino Online

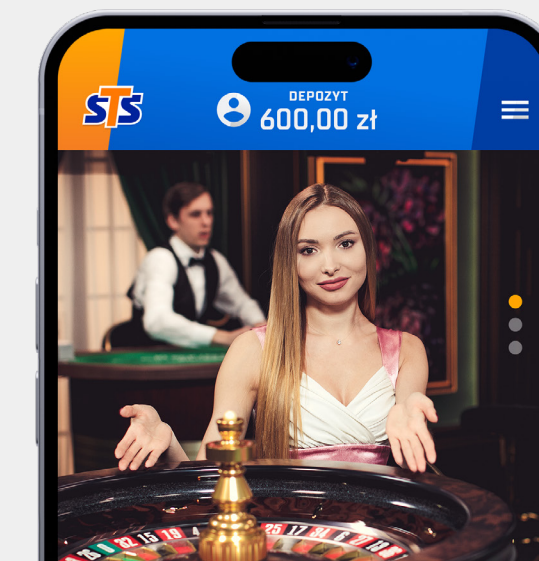
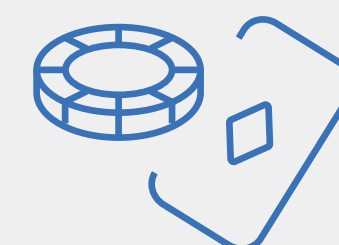
Liberalization beneficial for both operators and the State Treasury

Grey Market

50% of turnover in grey market



50%
in grey
market



Abbreviations and definitions

NGR / net gaming revenue

amounts staked
- winnings paid out
- gaming taxes)

GGR / gross gaming revenue

amounts staked
- winnings paid out

Amounts staked

total bets placed by players,
turnover

IFRS Revenues

NGR
- bonuses
+ non gaming revenue

IFRS / standards and interpretations adopted by International Accounting Standards Board (IASB), announced by the European Commission

They include:

- / International Financial Reporting Standards,
- / International Accounting Standards (IAS), and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).



STS *HOLDING*