

**STATEMENT OF THE MANAGEMENT BOARD OF
STS HOLDING S.A. WITH ITS REGISTERED SEAT IN KATOWICE OF 21 JULY 2023**

**REGARDING THE PUBLIC TENDER OFFER TO SUBSCRIBE FOR THE SALE OF
SHARES IN STS HOLDING S.A. PUBLISHED 7 JULY 2023 BY ENTAIN HOLDINGS (CEE)
LIMITED WITH ITS REGISTERED SEAT IN TA' XBIEX**

The Management Board of STS Holding S.A. with its registered seat in Warsaw (the “**Company**”), acting pursuant to Article 80, sections 1-2 of the Act of 29 July 2005 on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (the “**Act**”), hereby presents its position (the “**Statement**”) regarding the public tender offer announced on 7 July 2023 pursuant to Article 72a, section 1 of the Act by Entain Holdings (CEE) Ltd. with its registered seat in Ta’Xbiex (the “**Tenderor**”), to subscribe for the sale of shares in the Company (the “**Tender Offer**”) announced in connection with the Tenderor’s plan to exceed up to 100% of the overall number of votes at the general meeting of the Company.

Pursuant to the Tender Offer document, the Tenderor intends to acquire, as a consequence of the Tender Offer, 156,725,958 (one hundred and fifty-six million seven hundred and twenty-five thousand nine hundred and fifty-eight) shares in the Company, which constitute approximately 100% (one hundred percent) of the share capital of the Company and the overall number of votes at the general meeting of the Company (the “**Shares**”).

According to the Tender Offer document, as at the date of the announcement of the Tender Offer, the Tenderor did not hold, either directly or indirectly, any shares in the Company.

Pursuant to the Tender Offer document, neither the parent entities nor subsidiaries of the Tenderor hold any shares in the Company.

According to the Tender Offer document, the Tenderor is not a party to an agreement referred to in Article 87, section 1(5) and (6) of the Act with respect to shares of the Company or the Company itself.

The Tender Offer was announced subject to the following conditions:

- (a) the President of the Office of Competition and Consumer Protection (the “**OCCP**”) issues to the Offeror:
 - i. an unconditional decision consenting to a concentration involving the acquisition of control over the Company through the purchase of the Shares by the Tenderor in accordance with the applicable provisions of the Act on Competition and Consumer Protection of 16 February 2007 (i.e. Journal of Laws of 2021, item 275, as amended) (the “**Act on Competition and Consumer Protection**”);
 - ii. a conditional decision consenting to a concentration involving the acquisition of control over the Company through the purchase of the Shares by the Tenderor on terms satisfactory to the Tenderor in accordance with the relevant provisions of the Act on Competition and Consumer Protection;
 - iii. a decision, order or other communication on the discontinuance of proceedings or returning of a notification of a concentration due to the lack of an obligation to obtain clearance in accordance with the relevant provisions of the Act on Competition and Consumer Protection; or
 - iv. expiration of either of the periods stipulated by Article 96 or Article 96a of the Act on Competition and Consumer Protection, without the OCCP issuing a decision consenting or refusing to consent to the purchase of the Shares; and
- (b) placing of subscriptions under the Tender Offer for the sale the minimum number of the Shares, i.e. entitling to 78,362,979 (seventy-eight million, three hundred and sixty-two thousand, nine

hundred and seventy-nine) votes at the general meeting of the Company, representing 50% of the total number of votes.

Pursuant to the Tender Offer document, the Tenderor reserves the right to waive the condition to this Tender Offer indicated in section (b) and to acquire the Shares under the Tender Offer notwithstanding non-fulfilment of the above-mentioned condition.

On July 12, 2023 the Tenderor announced that it became aware of the fulfillment of the legal condition set forth in section (a) above, i.e. the issuance to the Tenderor by the President of the OCCP of a decision on granting consent for the concentration involving the acquisition of control over the Company through the acquisition of the Shares by the Tenderor in accordance with the relevant provisions of the Act on Competition and Consumer Protection. This condition was fulfilled on July 11, 2023, the date on which the President of the OCCP issued his decision on granting consent for the aforementioned concentration.

Accordingly, the Tender Offer remains conditional only on the submission of subscriptions representing 50% of the votes at the general meeting of the Company. In connection with the receipt of contractual commitments for approximately 70% of the votes to subscribe in the Tender Offer, the Tenderor expects to close the transaction in accordance with the schedule set forth in the Tender Offer document.

The acquisition of the Shares under the Tender Offer is not dependent on the fulfillment of legal conditions, other than this indicated above.

1. Basis for the drafting of the Statement and reservations

For the purposes of drafting this Statement, the Management Board analyzed the following external sources of information and data available thereto:

- (a) the Tender Offer;
- (b) the arithmetic mean of the average daily prices of the Shares on the main market of Giełda Papierów Wartościowych w Warszawie S.A. – the Warsaw Stock Exchange ("**WSE**") weighted by volume in the period of the three months preceding the announcement of the Tender Offer (the "**Announcement**");
- (c) the arithmetic mean of the average daily prices of the Shares on the WSE main market weighted by volume in the period of the six months preceding the Announcement;
- (d) the available information on the Company's financial and balance sheet position, including data contained in periodic reports published by the Company up to the date of this Statement, in particular financial statements;
- (e) the available data on the macroeconomics economic and factual factors and knowledge of the industry in which the Group and its group companies operate;
- (f) other materials that the Management Board considered necessary in connection with the preparation of this Statement.

In order to determine whether the price presented in the Tender Offer corresponds to the fair value of the shares in the Company, the Management Board, acting pursuant to Article 80, section 3 of the Act, mandated mInvestment Banking S.A. ("**mInvestment Banking**") to prepare an opinion on the price offered for the Shares in the Tender Offer, subject to the restrictions and qualifications stipulated in such opinion (the "**Fairness Opinion**").

On 20 July 2023, mInvestment presented the Management Board with independent Fairness Opinion, in which mInvestment Banking stated, following its own individual analysis, that the price of the Company's shares offered in the Tender Offer is fair and reasonable for the Company's shareholders from a financial point of view. mInvestment Banking provides services in accordance with an agreement concluded with the Company, and it does not represent any other entity in connection with the Tender Offer, nor it is responsible towards any other entity, besides the Company, for rendering services in

connection with the Tender Offer or the contents of this Statement. The Fairness Opinion is attached to this Statement.

The Management Board did not mandate any additional third-party opinions, reviews or analyses in connection with the Tender Offer or the content thereof other than the Fairness Opinion, apart from the usual legal advice on the Tender Offer process.

Except for the information supplied by the Company regarding its business and that subjected to a third-party review as referred above, the Management Board accepts no responsibility for the accuracy, reliability, completeness or adequacy of the information serving as the basis of this Statement.

The position of the Management Board presented in this document does not constitute a recommendation to buy or sell shares in the Company or any other financial instruments as referred to in *Regulation (EU) No. 596/2014 of the European Parliament and of the Council on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC or in Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest.*

In particular, the Management Board emphasizes the possibility that there may be different views on the fair value of the Company than those expressed in this Statement or the Fairness Opinion. Pursuant to Article 80, section 2 of the Act, the position of the Management Board of the Company is based on the information provided by the Tenderor in the Tender Offer. Each investor that makes an investment decision regarding the Shares in connection with this position of the Management Board regarding the Tender Offer needs to, based on all of the available information, including the information supplied by the Tenderor and the Company, specifically in connection with compliance with the relevant information requirements, make its own assessment of the investment risk involved in the holding, continued holding or acquisition of financial instruments, inclusive of seeking individual advice or recommendations from licensed advisors to the extent necessary to make the right decision. The decision concerning the sale of the Shares in response to the Tender Offer must be an independent decision of each shareholder of the Company. In particular, each shareholder of the Company, for the purposes of analyzing the ways in which it may respond to the Tender Offer, should assess the investment risk related thereto including the legal and/or tax implications in respect thereof.

2. The impact of the Tender Offer on the Company's interests, including employment in the Company, the Tenderor's strategic plans regarding the Company and their probable impact on employment in the Company and the location of the Company's operations.

In the Tender Offer document, the Tenderor indicated that the Tender Offer constitutes a voluntary tender offer within the meaning of Article 72a, section 1 of the Act , and that if, as a result of the Tender Offer, it directly holds shares in the Company entitling it to no less than 95% of the total number of votes at the general meeting of the Company, the Tenderor intends to carry out a compulsory squeeze-out of the shares belonging to the remaining shareholders, in accordance with applicable regulations, and thereafter may decide to take actions in order to procure delisting of the Shares from trading on the WSE regulated market.

Pursuant to the wording of the Tender Offer document, the acquisition of the Shares under the Tender Offer is part of the Tenderor's long-term strategic financial investment in the Company and falls in line with the Tenderor's strategy for the Central and Eastern Europe market. The Tenderor intends to implement long-term plan of combining operations and cooperation of the Tenderor's capital group and the Company's capital group within a single capital group. Closer collaboration provides benefits by exchanging best practices, sharing knowledge and provide oversight and support on strategic decisions.

The Tenderor has not provided any other or more detailed information on the effect of the Tender Offer on the Company's employment and the location of its operations. Taking into account the content of the Tender Offer as well as the fact, that Tenderor is a professional investor, in the opinion of the Management Board, there are no grounds to conclude that the Tender Offer will have a negative impact on employment at the Company or a change in the location of its operations. As of the date of the Statement, the announcement of the Tender Offer has not had any impact on employment at the Company and its group.

The Management Board approves the Tenderor's declaration that the acquisition of the Shares under the Tender Offer is an element of the Tenderor's long-term strategic investment, as well as its declaration of cooperation within a single capital group. In view of the Management Board, the above statements express the intentions of the Tenderor and are evidence to Tenderor's willingness to positively influence the Company's operations in a direction that will enable its optimal development and expansion, which is undoubtedly consistent with the vision presented by the Company's Management Board in this regard.

Given the above, the Management Board positively assesses the impact of the Tender Offer on the Company's interests.

3. Position of the Management Board concerning the price for the Shares offered in the Tender Offer

With respect to the price offered in the Tender Offer, the Management Board notes that, pursuant to Article 79 of the Act, the price for the Shares in the Company offered in the Tender Offer cannot be lower than:

- (a) the average market price in the three-month period preceding the Announcement, during which the shares were traded on the main market of the WSE;
- (b) the average market price in the six-month period preceding the Announcement, during which the shares were traded on the main market of the WSE;
- (c) the highest value of the objects or rights that were provided by the Tenderor or by entities that are parties to the agreement concluded therewith as referred to in Article 87, section 1(5) of the Act, in exchange for the Shares subject to the Tender Offer in the 12 months prior to the Announcement.

The average market price is the arithmetic mean of the average daily prices of the shares in the Company weighted by trading volume on the WSE during the relevant period.

Pursuant to the Tender Offer document:

- (a) the arithmetic mean of the average daily prices of the Shares weighted by volume in the period of the three months preceding the Announcement during which the Shares were traded on the main market of the WSE is PLN 19.3823 per Share;
- (b) the arithmetic mean of the average daily prices of the Shares weighted by volume in the period of the six months preceding the Announcement during which the Shares were traded on the main market of the WSE is PLN 18.3335 per Share;
- (c) in the period of the 12 months prior to the Announcement, neither the Tenderor, its subsidiaries, parent entities nor third parties referred to in Article 87, section 1(3)(a) of the Act purchased or undertook to purchase, directly or indirectly, any Shares in the Company, for cash or in-kind contributions.

The price offered in the Tender Offer is PLN 24.80 (twenty-four zlotys and eighty groszy) per Share and thus is not lower than the price specified by the Tenderor in the Tender Offer in accordance with (a)-(c) above.

Pursuant to the requirements of Article 80, section 2 of the Act, the Management Board, taking into account in particular both Fairness Opinion, declares that, in its opinion, the price offered in the Tender Offer is fair and reasonable for the Company's shareholders from a financial point of view.

The position of the Management Board, in accordance with Article 80, section 1 of the Act, will be communicated to employees of the Company and the group companies.

Attachments:

1. the Fairness Opinion prepared on 20 July 2023 by mInvestment Banking

Mateusz Juroszek
President of the Management Board

Zdzisław Kostrubala
Member of the Management Board

Marcin Walczysko
Member of the Management Board