

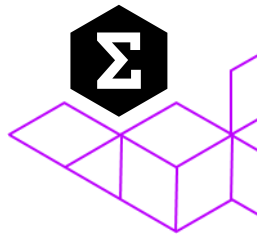
Entain

Entain CEE Acquisition of STS

13 June 2023



STS Acquisition Strategic Rationale



1

An exciting opportunity to acquire an attractive asset in a high-growth regulated market within CEE

2

STS is the #1 sports-betting operator in Poland

3

Adding another leading business to Entain CEE, which is expected to provide attractive synergies from our CEE platform

4

Acquisition expected to be earnings accretive in the first full year of ownership

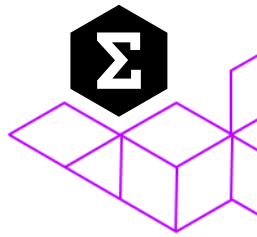
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Mateusz Juroszek will remain as CEO of STS and join the board of Entain CEE – further driving regional growth and our CEE strategy

6

Incremental potential upside if Polish online casino market fully liberalises

STS Acquisition Overview



Key Terms

- Entain CEE is launching a tender offer to acquire up to 100% of STS, the leading Polish sports-betting operator, at a purchase price of PLN 24.80 a share – valuing the equity value of STS at approximately £750m and the enterprise value at approximately £690m¹
 - Enterprise multiple of <10x FY24 EBITDA based on consensus EBITDA post expected synergies
- STS's CEO Mateusz Juroszek and his father Zbigniew Juroszek, who through their respective family foundations hold approximately 70% of STS's share capital, have entered into a binding agreement to irrevocably accept the Offer
 - They will also re-invest a proportion of their proceeds into Entain CEE in return for a 10% economic stake in Entain CEE²
- The net cash cost of the transaction payable by Entain is approximately £450m

Approvals & Timetable

- Tender offer document expected to be published in mid-July, with the acceptance period expected to commence shortly afterwards
- Acquisition conditional upon antitrust approval and is expected to complete in Q3 2023
- The acceptance threshold of the offer is set at 50%
 - This threshold will be met due to the irrevocable undertakings of the Juroszek Foundations to tender their c.70% shareholding into the offer

Financing

- Entain plc will raise approximately £600m (representing c.7.9% of Entain's issued share capital) of equity financing, c.£450m of which will be used to fund Entain's cash portion of the STS consideration, with the remainder to fund further near-term acquisitions

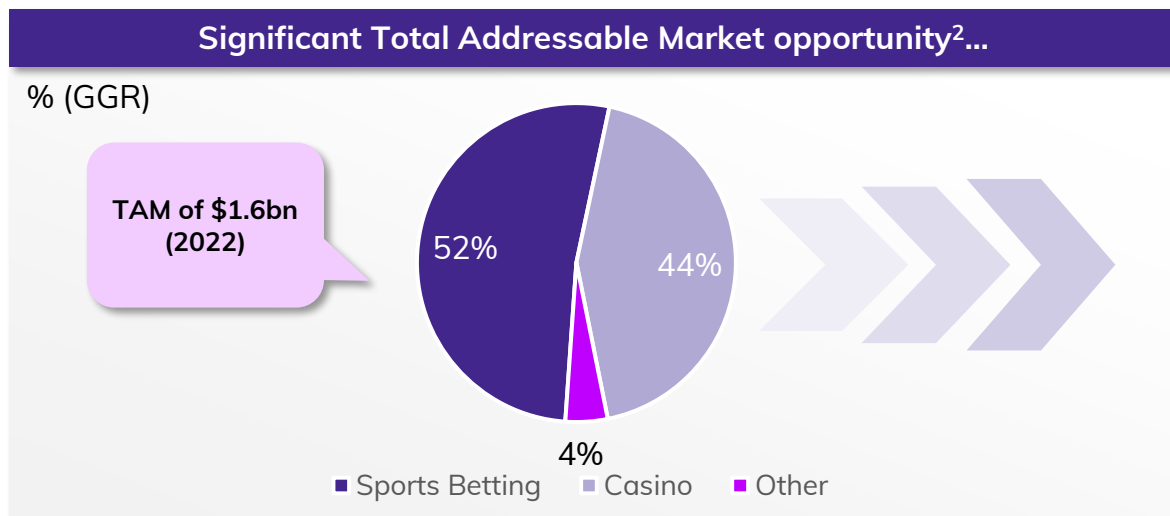
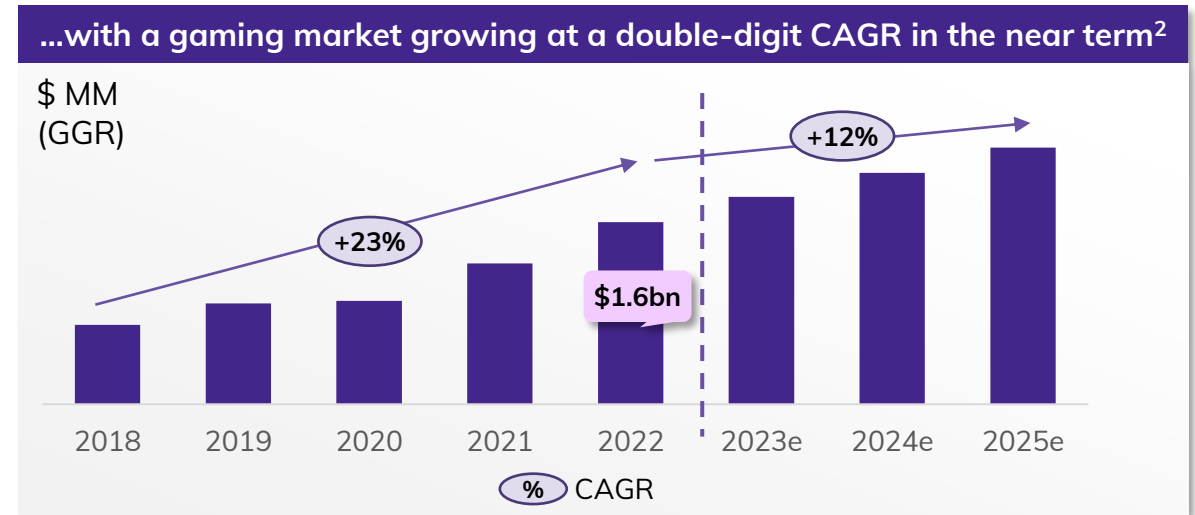
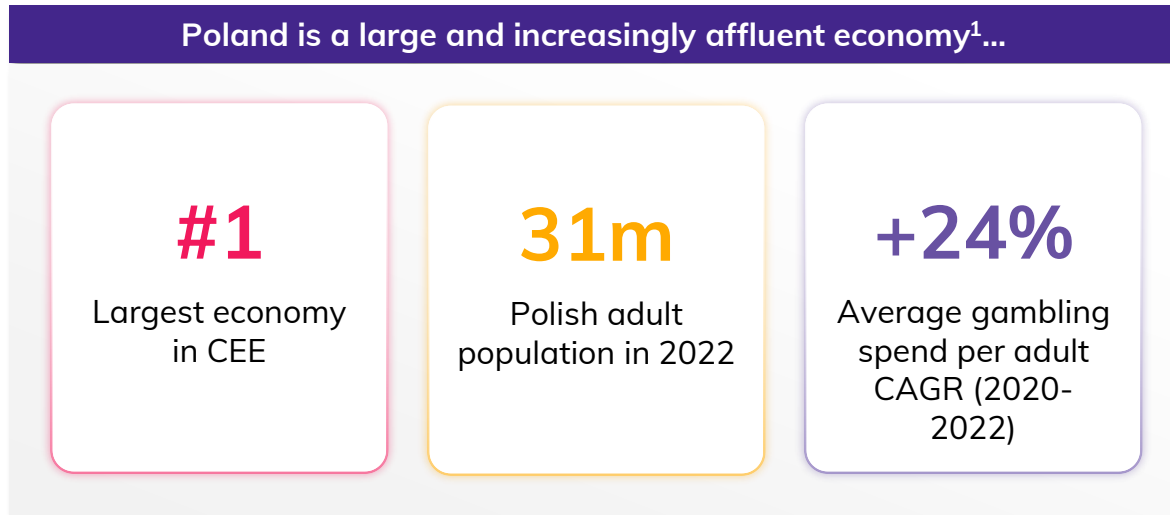
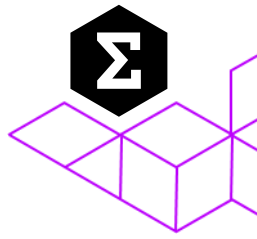
Synergies & Accretion

- The STS transaction is expected to be earnings accretive in its first full year of ownership for Entain
- £10m+ of run-rate synergies are expected from the transaction over the medium term, from 2024

(1) Based on a GBPPLN exchange rate of 5.21

(2) Reinvestment will follow the completion of the offer. Up to half of this stake is subject to clawback should STS not achieve certain financial hurdles in 2023. Depending on the level of acceptances to the tender offer, the relevant Foundations' economic interest in Entain CEE may be initially higher (up to 11.5%) with a corresponding pro rata impact on the Entain and EMMA holdings. However, this will be diluted back to 10% thereafter in due course (and by mid-January 2025 in any event).

Significant Polish Market Opportunity

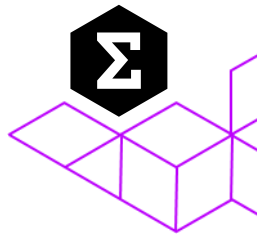


...with potential upside from online casino liberalisation

- The online casino market is currently not fully liberalised in Poland
- As a licensed and regulated operator, STS would be well-positioned to benefit from the opportunity to enter the online casino market should this market fully liberalise in the future

(1) Data per H2GC. Average gambling spend per adult in local currency.
 (2) Data per H2GC. Total Addressable Market (TAM) is based on gross win across land based and interactive, excluding lotteries.

STS Is The Leading Player In Poland...



Leading operational performance in a high-growth market...

#1

Sports-betting operator in Poland

+24%

NGR CAGR (FY20 to FY22)

2m

Registered players (FY22)
(+19% YoY)

783k

Active users (FY22)
(+19% CAGR, FY20 to FY22)

PLN 663m

NGR (FY22)

...underpinned by a diverse product portfolio with a focus on growth categories

SPORTS BETTING

- Bets on 70+ different sports disciplines, 300,000+ in-play (live) events per year, and over 1.5 million pre-match events

BETGAMES

- Exclusive live dealer games and odds allowing customers to bet on poker, baccarat, and other games

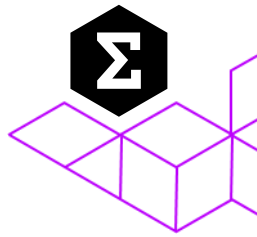
VIRTUAL SPORTS

- Betting on the results of virtual sports such as football, basketball, horse racing and dog racing

ESPORT

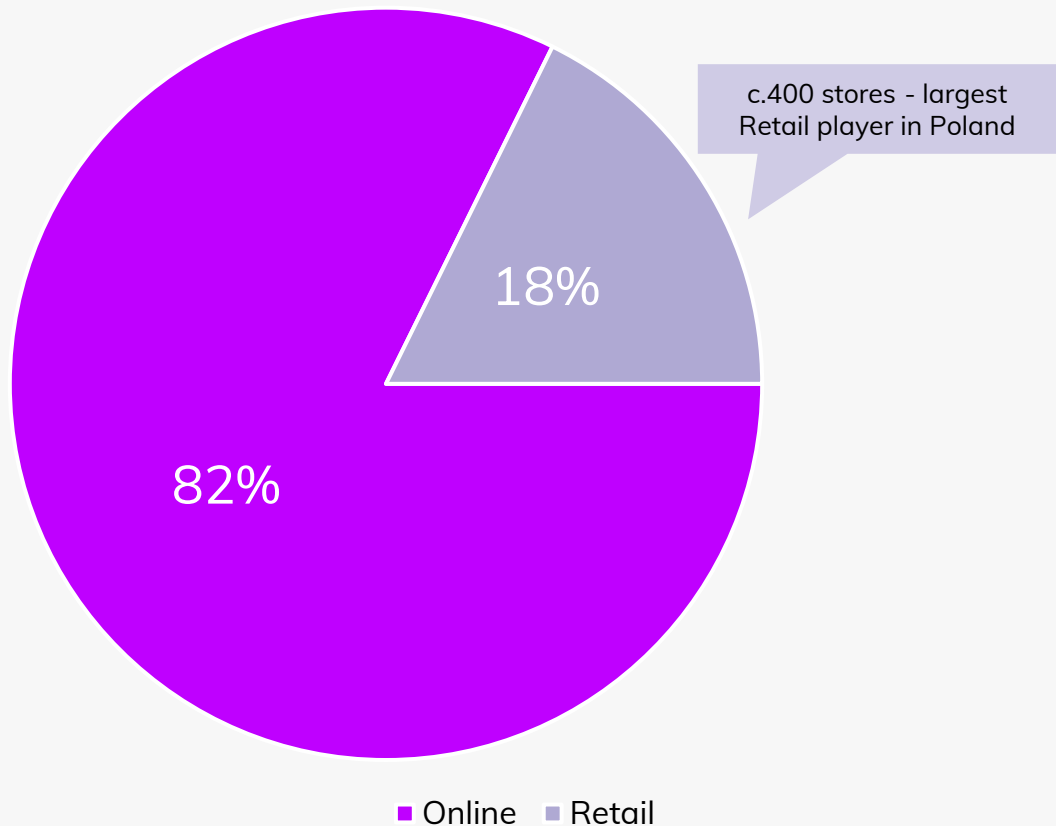
- Betting on esports (i.e. Counter Strike, Fortnite)
- STS was the first bookmaker in Poland to introduce this

...With Omnichannel Presence and Innovative Product Offering Driving Strong Active User Growth



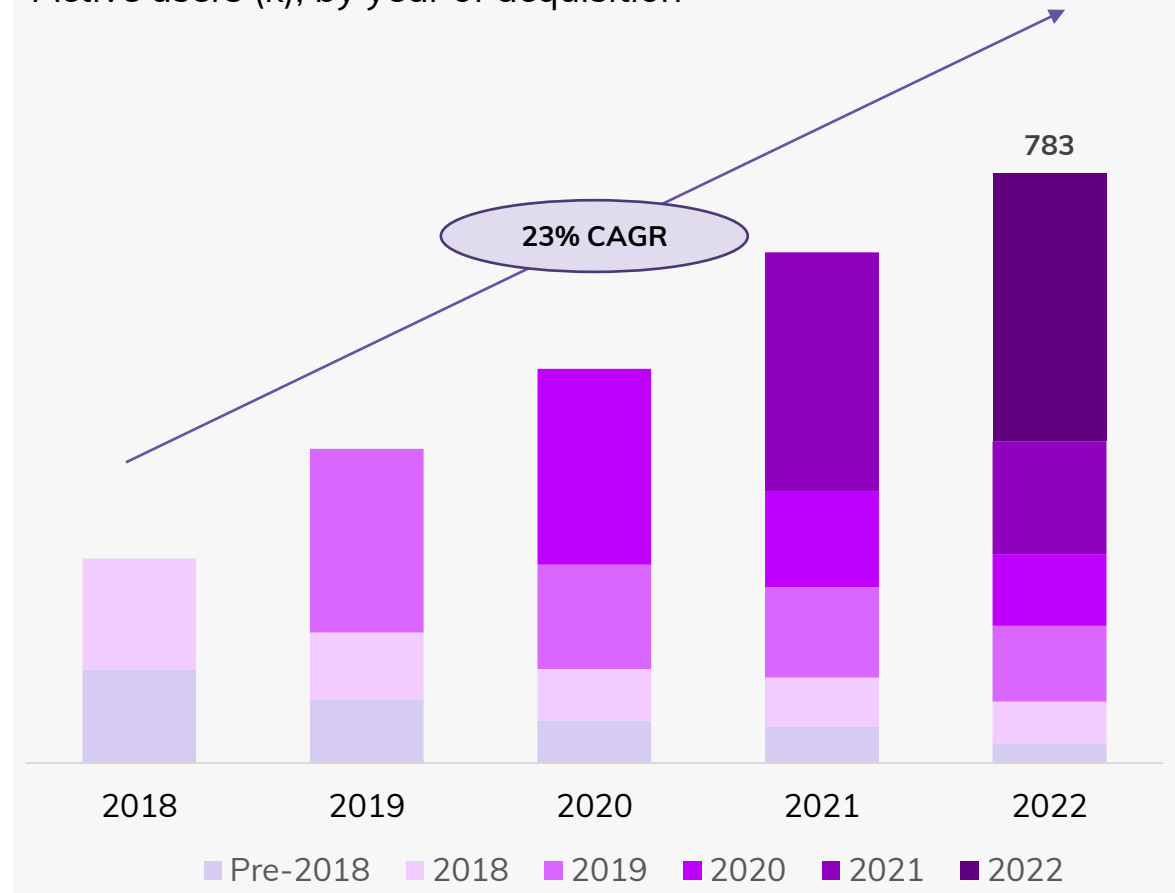
Omnichannel offering led by substantial online business...

% of NGR¹



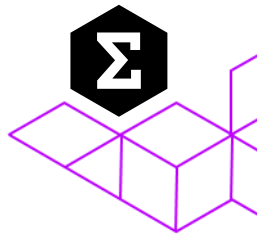
...with robust active user growth YoY

Active users (k), by year of acquisition

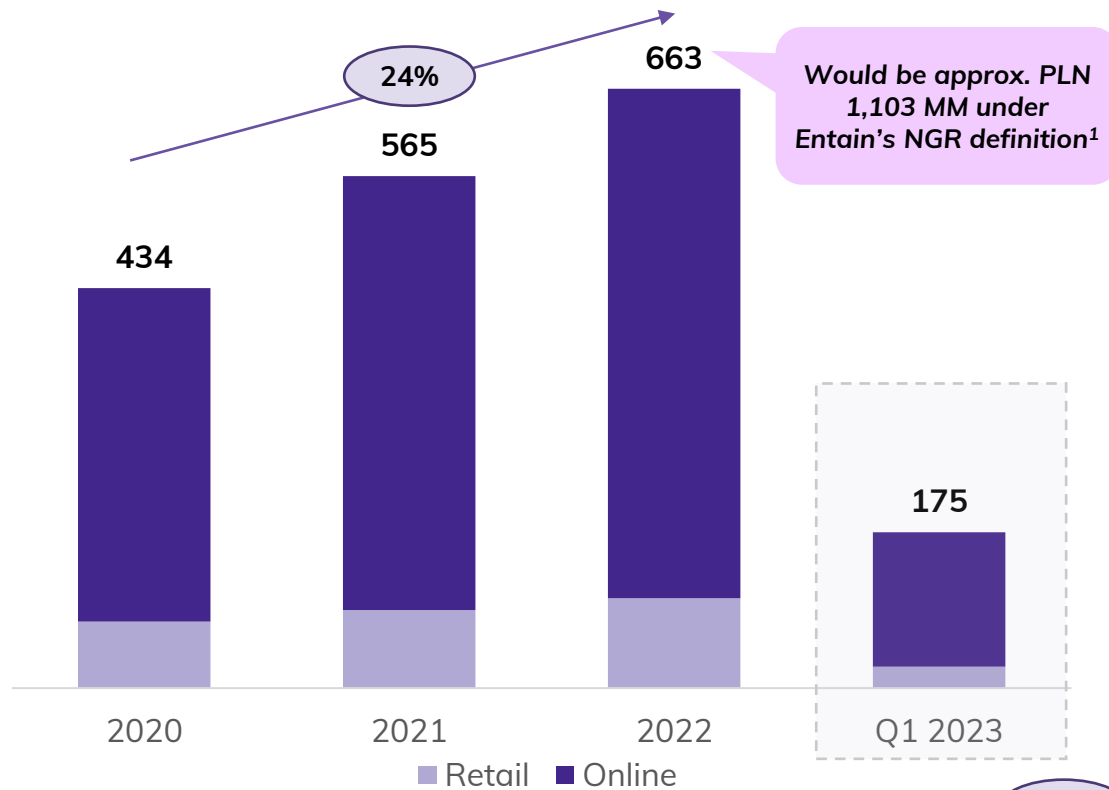


(1) FY2022, as per STS NGR definition.

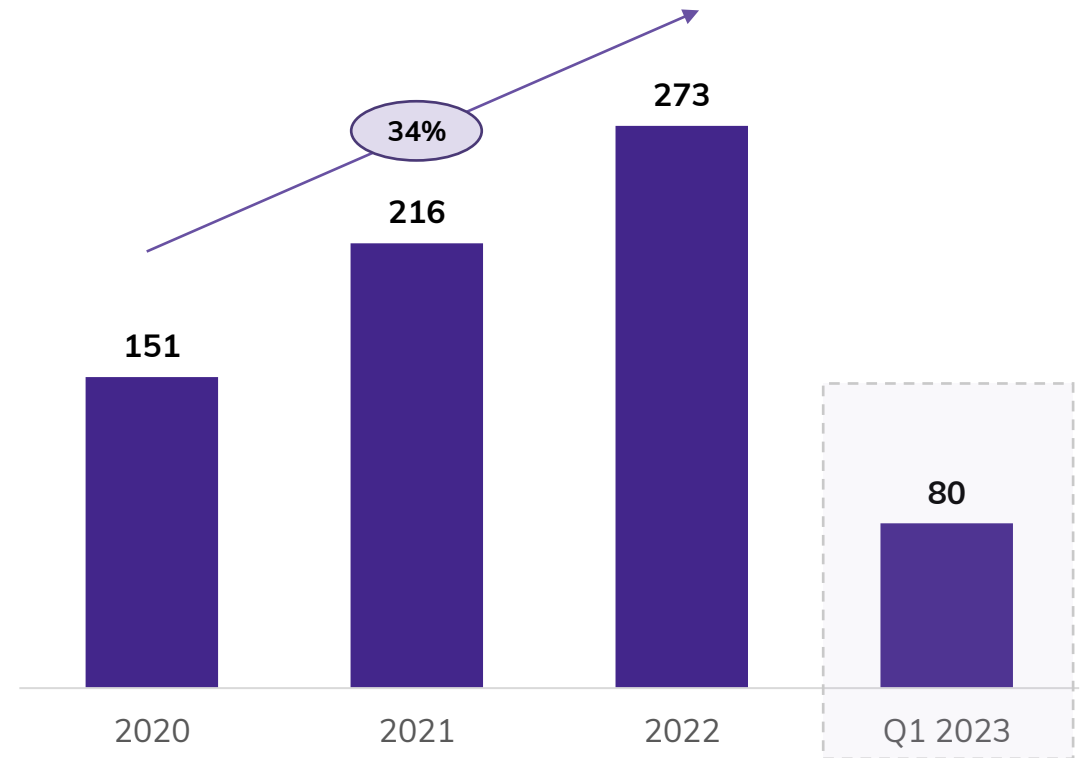
STS Has Grown At A High Double Digit CAGR, Demonstrating a Strong Financial Profile



Net Gaming Revenue (NGR)¹
PLN MM

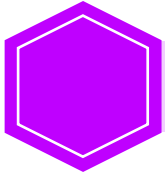
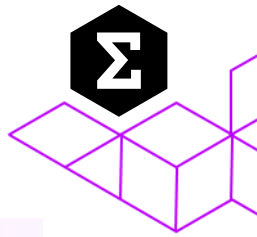


Adjusted EBITDA²
PLN MM

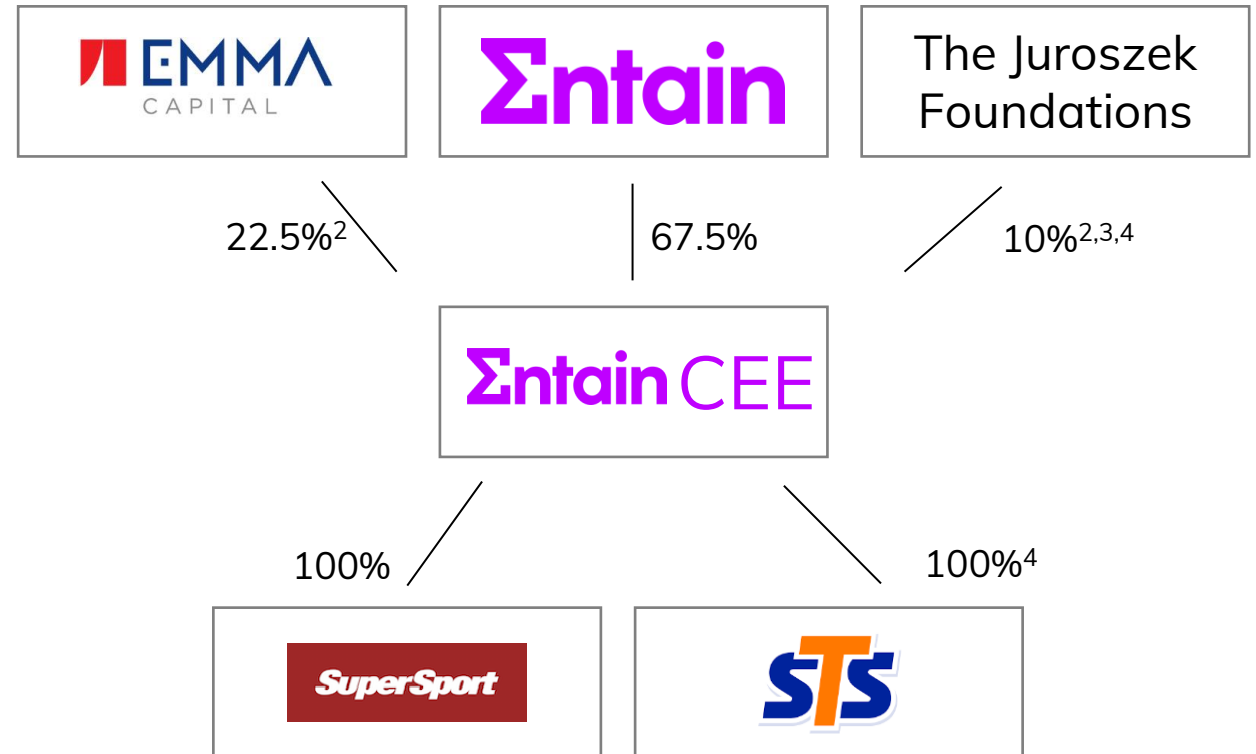
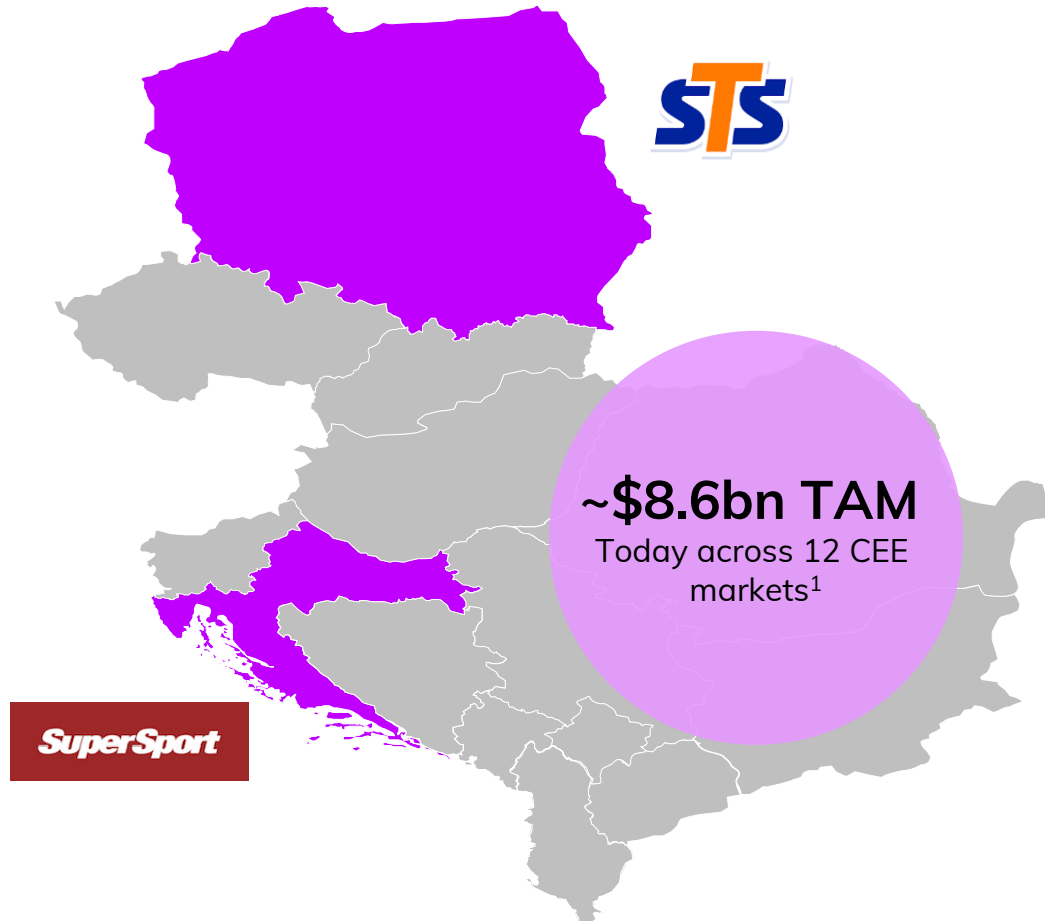


(1) Retail and Online NGR and subsequent totals per STS reported NGR, which differs from Entain NGR accounting in that it deducts gaming tax prior to NGR but does not deduct bonuses prior to NGR.
 (2) As per STS definition of Adjusted EBITDA, which is STS NGR less bonuses, consumption of materials and energy costs, external services costs, employee payroll & benefits costs, and other misc. costs.

STS – the Second Acquisition of a Market Leader By Entain CEE



The addition of another leading asset into Entain CEE further multiplies the growth potential of Entain CEE



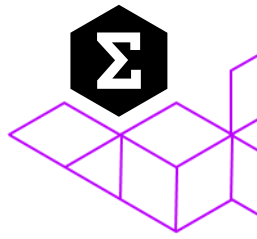
(1) Data per H2GC for market sizes in 2022 - estimates for Bosnia, Montenegro, and North Macedonia as compiled through internal competitive intelligence sources. Total Addressable Market (TAM) is based on gross win across land based and interactive, excluding lotteries.

(2) Minority shareholdings have no voting rights. Following the Juroszek Foundations' re-investment, Entain CEE will have 7 board seats, 4 of which will be held by Entain plc, 2 by EMMA, and 1 by the Juroszek Foundations.

(3) 10% holding held across 2 foundations. Up to half of the 10% stake is subject to clawback by Entain CEE should STS not achieve certain financial hurdles in the current financial year.

(4) Assuming 100% of shares purchased in tender offer.

Summary Of Key Equity Placing Terms



Placing Size

- ◆ Approximately £600m / ~7.9% of issued share capital / 46m of new ordinary shares – primarily to finance the STS acquisition (£450m¹) as well as to fund further near-term acquisitions

Placing Structure

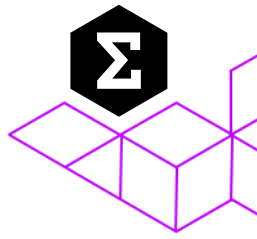
- ◆ Non-pre-emptive cash placing conducted through an accelerated bookbuild to institutional investors
- ◆ Securities Act exempt offering to limited number of QIBs within the meaning of Rule 144A and under Regulation S
- ◆ Separate retail offering through PrimaryBid

Timing

- ◆ Transaction launch: 13 June 2023

(1) Entain approximate net cash consideration payable inclusive of investment by Juroszek Foundations in Entain CEE. FX rate of 5.21 PLNGBP.

Continuing to Seize the CEE Opportunity



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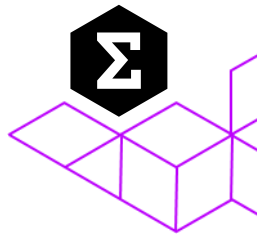
Incremental potential upside if Polish online casino market fully liberalises

Appendix



Entain

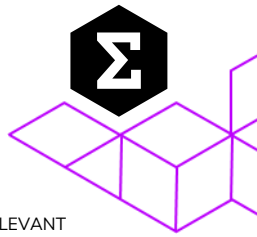
Acquisition of STS – Indicative Deal Financing Summary¹



Total tender offer consideration payable	= £750m
Equity investment in Entain CEE by Juroszek Foundations	£160m
Net cash consideration payable - Entain plc <i>(75% of net total)</i>	£450m
Net cash consideration payable – EMMA Capital <i>(25% of net total)</i>	£140m

(1) All amounts shown are approximate. Assuming 100% of STS shares purchased in tender offer. FX rate of 5.21 PLNGBP.

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