

Management Board's report explaining and justifying the legal and economic aspects of the Conversion and indicating the implications for the shareholders and for the employees of the adoption of the form of an SE,

prepared pursuant to Article 37 (4) of the Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European company (SE) (UE Journal of Laws No. 294/1, as amended)

**being an Appendix No. 4 to the
DRAFT TERMS OF CONVERSION**

for

**CI Games Spółka Akcyjna (Public Limited-Liability Company) with its seat in Warsaw
into a European Public Limited-Liability Company (SE)**

Warsaw, dated as of 4 August 2022

1. DEFINITIONS AND INTRODUCTION

1.1. General

The terms used in this Report (as defined below), unless otherwise explained below, have the meaning given to them in the Draft Terms of Conversion of CI Games Spółka Akcyjna with its registered office in Warsaw into a European Company (SE) of 4 August 2022 (the „**Draft Terms of Conversion**”).

The Management Board proposes to transform the Company in accordance with Article 2(4) and Article 37 of the Regulation in conjunction with Article 552 et seq. of the CCC in connection with Article 21(1) of the Act on SE, and Article 22(1)(5) of the Act on SE as a result of which the Company will be transformed from a domestic Public Limited-Liability Company (a joint-stock company) into a European Company (SE), and at the same time amend the Statutes of the Company.

In connection with the preparation of the Draft Terms of Conversion by the Management Board, the Management Board presents this Management Board Report explaining and justifying the legal and economic aspects of the Conversion and indicating the implications for the shareholders and for the employees of the adoption of the form of an SE (the „**Report**”, the „**Management Board Report**”).

1.2. Legal basis of the Report

The Report was prepared by the Management Board on 4 August 2022 on the basis of the provision of Article 37(4) of the Regulation in connection with the planned Conversion.

2. LEGAL AND ECONOMIC ASPECTS OF THE CONVERSION

2.1. Legal matters

As a result of the Conversion, the Company will retain its personal identity (legal continuity) and the legal form of the public limited-liability company (joint-stock company), while the variety of the public limited-liability company (joint-stock company) will change: from a domestic public limited-liability company (joint-stock company), subject to the regulations of the CCC, the Company will become a European public limited-liability company (joint-stock company) subject to the regulation of the CCC, the Regulation, the Act on SE and other relevant legal acts.

As a result of the Conversion, in accordance with the principle of continuity, the Company will continue its activities in the current scope. In particular, the subject of the Converted Company's activity and its registered office will not change.

The functioning of the Converted Company will continue to be governed primarily by the provisions of Polish law, as the law of the country of the registered office (seat) of the Converted Company, and in addition, the provisions of the Regulation, and to the extent not regulated in the Regulation, the provisions of the Act on SE and other relevant legal acts shall apply. After the Conversion, the Converted Company will continue to be subject primarily to the regulation of the CCC.

In accordance with the Draft Terms of Conversion, for the purposes of the Conversion, the Statutes of the Company shall be changed, therefore the Converted Company, its shareholders and its corporate bodies will be subject to new statutory regulations.

In accordance with the Draft Terms of Conversion, in connection with the Conversion, the internal corporate governance system of the Company will change – from the current two-tier model it will change to the one-tier model. In other words, the place of the Management Board and the Supervisory Board will be taken by the Administrative Board, the composition of which will be decided by the General Meeting adopting a resolution on the Conversion of the Company.

In connection with the Conversion, there will be no changes in the listing of the Converted Company's shares on the regulated market operated by the Warsaw Stock Exchange, on which the Company's shares have been and are listed so far.

2.2. Economic matters

The Conversion of the Company is aimed at facilitating access to a wider and more diversified investor base as well as Company's operation in the conditions of listing of the Company's shares on two markets, i.e.: on the regulated market operated by the Warsaw Stock Exchange and on the market operated by the London Stock Exchange (LSE) in the case of the dual listing. The legal form of the SE allows for the introduction of a new corporate governance model in the Company, i.e. one-tier system in which the functions of the Management Board and the Supervisory Board are concentrated within one body – the Administrative Board. The said one-tier system understood in this way is found in the provisions of the CEE related to the so-called simple joint-stock company and in other developed legal orders, in particular in the Anglo-Saxon legal culture, where it is the dominant model. It is therefore a model known and understood by a wide range of investors and potential investors in developed capital markets and in Poland. The adoption of this model in the Company will allow for its better perception on foreign, developed capital markets, and thus increase the exposure of the Converted Company to foreign investors, for whom the Converted Company and its financial instruments will be an even more attractive subject of investment than before.

The share capital of the Company amounts to PLN 1,829,430.15 (in words: one million eight hundred twenty-nine thousand four hundred and thirty zlotys 15/100) and is divided into 182,943,015 ordinary bearer shares of series A, B, C, D, E, F, G, H, I, with a nominal value of PLN 0.01 (in words: one grosz) each share. The share capital of the Converted Company after the Conversion will amount to PLN 1,829,430.15 (in words: one million eight hundred twenty nine thousand four hundred and thirty zlotys 15/100) and will be divided into 182,943,015 ordinary bearer shares of series A, B, C, D, E, F, G, H, I, with a nominal value of PLN 0.01 (in words: one grosz) each share. The nominal value of the conditional increase in the Company's share capital, which after the Conversion may be expressed in euros (EUR), will not change.

The listing market of the Converted Company's shares will not change – they will be listed on the regulated market (parallel market) operated by the Warsaw Stock Exchange, as before. In addition, after the Conversion, the Company will apply for introduction to the market operated by the London Stock Exchange (LSE).

3. IMPLICATIONS OF THE CONVERSION

3.1. Implications of the Conversion for the Company's shareholders

All shareholders of CI Games, S.A. on the Date of Conversion will automatically become shareholders of CI Games, SE. This effect will occur by virtue of the law. Shareholders will not have to make any statements about participation in the Converted Company.

As a result of the Conversion, there will be no subjective changes in the composition of the shareholding structure of CI Games, S.A. or the acquisition of shares in CI Games, SE. The Conversion will not affect the scope of shareholders' capital participation in the Converted Company, i.e. the number of shares held by each shareholder. After the Conversion, each of the shareholders of CI Games, S.A. will have the same number of shares in CI Games, SE. This is due to the fact that an SE is a company of the same type, i.e. a joint-stock company, but of a different variety, i.e. not a "domestic" joint-stock company, but a "European" joint-stock company (in other words, it is the same company, the same legal entity, but in a different form, and therefore not the same company). As a result of the Conversion, there will be no exchange of CI Games, S.A. shares for CI Games, SE shares according to a certain parity, and the legal situation of shareholders will not change.

The shares of the Converted Company will be listed on the regulated market (parallel market) operated by the Warsaw Stock Exchange on the current terms. In addition, the intention of the Management Board is that in the future the shares of the Converted Company will also be listed on another market, operated by the London Stock Exchange (LSE) (dual listing).

The shares of the Converted Company will participate in the dividend on the current terms resulting from Polish law (i.e. from the provisions of the CCC).

As a consequence, the Conversion will not significantly affect the situation of the Company's shareholders. However, the Conversion will involve an amendment to the Statutes of the Company to the extent resulting from the provisions of law.

In addition, the Converted Company will be subject to new legal regulations, i.e. in addition to the existing national law, including in particular the provisions of the CCC, the provisions of the Regulation and the Act on SE will apply to the Company. However, the regulations of Polish law will remain crucial for the Converted Company, as the seat of CI Games, SE will remain in Warsaw.

The Conversion will not affect the total number of shares in the Converted Company or the total number of votes at the General Meeting. Convening General Meetings and participation in them will take place on the current principles resulting from the CCC, unless special provisions result from mandatory regulations otherwise.

The scope of information that the Converted Company will provide as part of the performance of the disclosure obligations of listed issuers will be identical to the current scope, in particular due to the fact that the Converted Company will apply the provisions of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC on the current principles. of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (OJ L No 173, p. 1, as amended). Due to the change in the model of internal corporate governance organization in the Company, i.e. the replacement of the Management Board and the Supervisory Board with the Administrative Board, the Converted Company will adapt to this model the method of applying the "Best Practices of WSE Listed Companies 2021". The obligations of the stock exchange issuer on the Warsaw Stock Exchange will be performed by the Converted Company invariably in Polish and in English as the second language chosen by the issuer.

The manner of performance by the Converted Company of information obligations of stock exchange issuers and communication with shareholders may change in the event that the shares of the Converted Company are listed on more than one market in a country other than the Republic of Poland. However, this does not in any way mean a deterioration in the situation of shareholders; however, this will foster greater transparency of the Converted Company solely for the benefit of shareholders and potential investors.

The Draft Terms of Conversion does not provide for granting any additional rights to the shareholders of the Converted Company.

In conclusion, on the opinion of the Management Board, the Conversion will not affect the situation of the Company's shareholders.

3.2. Implications of the Conversion for the Company's employees

Pursuant to Article 37(9) of the Regulation, the rights and obligations of the Company to be Converted on terms and conditions of employment arising from national law, practice and individual employment contracts or employment relationships and existing at the date of registration (i.e., the Date of Conversion) shall, by reason of such registration be transferred to the SE. Therefore, the situation of the Company's employees after the Conversion will not change. Their employer will be, in place of CI Games, S.A., the Converted Company, i.e. CI Games, SE. The employment contracts already concluded with the Company's employees will not change (with the proviso that the legal form of the employer, which as a result of the Conversion will be the SE, will change). All existing employment contracts concluded by the Company will be performed and terminated on the current terms resulting from Polish law.

As a result of the Conversion, the type or scope of the Company's business activity will not change, therefore the Converted Company will continue to employ new employees. The Management Board does not plan to reduce the number of employees in connection with the Conversion.

Due to the fact that before the Conversion, no form of employee representation operates or has operated in the past in the Company, and the Company's employees are not and were not involved in the process of managing the Company, no changes are expected in this respect in the Converted Company.

As a result of the Conversion, the rules for employee participation in the incentive programs and systems adopted in the Company before the Conversion will not change. Internal legal regulations regarding these programs and systems will be adapted immediately after the Date of Conversion to the new legal form of the Converted Company. However, this will be without prejudice to the rights and obligations of employees and the Converted Company resulting from these regulations.

In conclusion, in the opinion of the Management Board, the Conversion will not affect the situation of the Company's employees.

4. MANAGEMENT BOARD REPORT SIGNING

The Report was prepared by the Management Board and adopted on the basis of the Resolution of the Management Board No. 1/08/2022 of 4 August 2022, which the Management Board confirms hereby by submitting signatures below.

Marek Tymiński

President of the Management Board

David Broderick

Vice-President of the Management Board
