



# STATEMENT OF FOLLOWING GOVERNANCE RULES BY CI GAMES SE IN 2022

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# STATEMENT OF FOLLOWING CORPORATE GOVERNANCE RULES BY CI GAMES SE IN 2022

This Statement of Following Corporate Governance Rules by CI GAMES SE ("Issuer", "Company") in 2022 was prepared pursuant to § 70 section 6 point 5) and § 71 section 4 i 5 of the Regulation of the Minister of Finance of 29 March 2019 on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent (Journal of Laws 2019, 757), Resolution of the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. no. 13/1834/2021 of 9 March 2021 on "Best Practice for GPW Listed Companies 2021 (DPSN2021)" and the Commission Recommendation of 9 April 2014 on the quality of corporate governance reporting ("comply or explain" approach) no. 2041/208/EU.

## 2. THE CORPORATE GOVERNANCE CODE FOLLOWED BY THE COMPANY AND LOCATIONS WHERE THE CODE IS AVAILABLE

In 2022, the Company followed the corporate governance rules included in the document entitled „Best Practice for GPW Listed Companies 2021” (“Best Practice”), as adopted by the Resolution of the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (“GPW”) No. 13/1834/2021 of 9 March 2021 r.

The wording of the code is available to the general public on GPW website, in the service devoted to the corporate governance at <https://www.gpw.pl/dobre-praktyki2021>.

Information on following by the Company of principles included in “Best Practice” is available on the Company’s corporate website at <http://cigames.com/relacje-inwestorskie/> in section “Corporate Governance”.

In 2022 the Issuer’s Management Board initiated the measures required to ensure strict compliance with the “Best Practice” rules.

The Company did not apply or does not apply the principles of corporate governance that go beyond the requirements set out in the “Best Practice”.

The Company does not apply corporate governance rules that go beyond the requirements set out in national law.

## 3. THE SCOPE IN WHICH THE COMPANY DEVIATED FROM THE ABOVE PROVISIONS, SUCH PROVISIONS AND DEVIATION REASONS

A. In 2022 the Issuer followed most corporate governance rules included in the “Best Practice” in whole, except for the rules specified below which were not followed or were followed in a limited scope:

## DISCLOSURE POLICY, INVESTOR COMMUNICATIONS

- a) Rule 1.3.1. according to which companies integrate ESG factors in their business strategy, including in particular environmental factors, including measures and risks relating to climate change and sustainable development.

### JUSTIFICATION:

The said rule is not followed by the Issuer. Due to the nature of the activities carried out by the Company, its impact on environmental issues, in particular climate change, is negligible. The Company conducts business only in office space, and therefore its activity cannot be considered as characterized by above-average emission of greenhouse gases or substances harmful to health. Therefore, the Company does not currently include ESG issues in its business strategy, covering environmental issues, including measures and risks related to climate change and issues of sustainable development. However, the Company is aware of the climatic changes that are taking place, therefore it strives to reduce electricity consumption and to utilize waste generated as part of its operations. As at the date of publication of this statement, the Company has not made a formal environmental impact assessment, however, taking into account the growing importance of non-financial issues for the Company's stakeholders, the Company has taken steps to prepare both the Company and the CI Games Capital Group for full reporting of non-financial data going forward.

- b) Rule 1.3.2. according to which Companies integrate ESG factors in their business strategy, including in particular social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialogue with local communities, customer relations.

### JUSTIFICATION:

The Issuer follows this rule in a limited scope. In its business strategy, the Company does not distinguish between social and employee matters, but the Company respects the principles of gender equality. On the other hand, the working conditions in the Company are adjusted to the activities conducted by it and its scale. The Company proactively cares about relations with customers and business partners. Bearing in mind the increased importance of non-financial issues for the Company's stakeholders, the Company took steps to prepare both the Company and the CI Games Capital Group for full reporting of non-financial data going forward.

- c) Rule no. 1.4. according to which to ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial. ESG information concerning the strategy should among others:

### JUSTIFICATION:

The Issuer follows this rule in a limited scope. The Company has not yet adopted formal solutions related to the assumptions of the strategy in the ESG area. In order to ensure proper communication with

stakeholders, the Company publishes information on its strategy on Company's website, however, due to the type and scope of its activities, it does not present financial and non-financial measures relating to the strategy. The Company, striving to increase the value of the Company and the entire CI Games Capital Group, constantly analyzes the current trends observed on the video game market, in order to adapt the publishing plan to the dynamically changing preferences of players, using its resources and competences, and information relevant to investors, presents in periodic reports.

- d) Rule no. 1.4.1 according to which ESG information concerning the strategy should among others explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks.

### **JUSTIFICATION:**

Taking into account the explanations of the Company presented with regard to the non-application of principles 1.3 and 1.4, the Company indicates that it does not take into account the issues related to climate change in its strategy.

- e) Rule no. 1.4.2 according to which ESG information concerning the strategy should among others present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.

### **JUSTIFICATION:**

Taking into account the explanations of the Company presented with regard to the non-application of principles 1.3 and 1.4, the Company indicates that it does not keep statistics on the ratio of equal remuneration paid to its employees. The amount of remuneration paid in the Company is determined individually on the basis of factors unrelated to the employee's gender. The Company applies the principle of non-discrimination in remuneration.

- f) Rule no. 1.5. according to which Companies disclose at least on an annual basis the amounts expensed by the company and its group in support of culture, sports, charities, the media, social organisations, trade unions, etc. If the company or its group pay such expenses in the reporting year, the disclosure presents a list of such expenses.

### **JUSTIFICATION:**

The Company does not incur any expenses for supporting culture, sports, charities, the media, social organizations, trade unions, etc.

## **MANAGEMENT BOARD, SUPERVISORY BOARD**

- g) Rule no. 2.1., according to which Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.

### JUSTIFICATION:

The Company has not adopted a diversity policy with regard to the management board and the supervisory board. In the opinion of the Company, personnel decisions should be guided by substantive criteria, such as, in particular, qualifications and competences, field of education, specialist knowledge, and professional experience. Differentiation in terms of gender at the level of not less than 30% in a given body of the Company could be the reason for dismissing the current member of the body who was appointed for substantive reasons. In the opinion of the Company, such an appeal would not be justified.

- h) Rule no. 2.2. according to which decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.

### JUSTIFICATION:

The said rule is not applied with regard to the minimum minority participation rate set at a level not lower than 30%. Members of the Company's Supervisory Board are appointed by the General Meeting of the Company, and Members of the Management Board are appointed by the Company's Supervisory Board. When appointing new persons to the Management Board or the Supervisory Board, the Company's bodies are guided by substantive issues (such as in particular: field of education, specialist knowledge, professional experience). The age and sex of the candidate do not constitute a reliable and appropriate criterion for the Company's bodies in the above-mentioned range.

- i) Rule no. 2.11.5 according to which in addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following assessment of the rationality of expenses referred to in principle 1.5.

### JUSTIFICATION:

Due to the fact that the Company does not apply rule 1.5, this rule is also not applied.

- j) Rule no. 2.11.6 according to which in addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following information regarding the degree of implementation of the diversity policy applicable to the

management board and the supervisory board, including the achievement of goals referred to in principle 2.1.

### **JUSTIFICATION:**

Due to the fact that the Company does not apply rule 2.1, this rule is also not applied.

### **INTERNAL SYSTEMS AND FUNCTIONS**

- k) Rule no. 3.2. according to which Companies' organisation includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to the size of the company or the type of its activity.

### **JUSTIFICATION:**

The said rule does not apply to the Company. The Supervisory Board of the Company, on the basis of internal evaluation, decided that it is not necessary to separate units responsible for the tasks of individual systems or functions in the structure of the Company, due to the small scale of operations and the size of the Company.

- l) Rule no. 3.5. according to which persons responsible for risk and compliance management report directly to the president or other member of the management board.

### **JUSTIFICATION:**

The said rule is not followed by the Issuer, because no position responsible for risk management, internal audit and compliance has been created in the organizational structures of the Company.

- ř) Rule no. 3.6. according to which the head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.

### **JUSTIFICATION:**

The said rule does not apply to the Company, as the Company has not appointed an internal auditor.

- m) Rule no. 3.7. according to which principles 3.4 to 3.6 apply also to members of the company's group which are material to its activity if they appoint persons to perform such tasks.

### **JUSTIFICATION:**

The said rule does not apply to the Company. In companies from the CI Games Capital Group, no persons were appointed to perform these tasks.

## GENERAL MEETING, SHAREHOLDER RELATIONS

- n) Rule no. 4.3. according to which companies provide a public real-life broadcast of the general meeting.

### JUSTIFICATION:

The said rule is not applied by the Company. The Company does not provide publicly available real-life broadcast of the general meetings, as such expectations have not been reported by the Company's shareholders so far. If the shareholders of the Company express their interest in broadcasting the general meetings in real-life, the Company will provide such broadcast. At the same time, however, the Company allows all shareholders to exercise their voting rights at general meetings, both in person and through a proxy, without any restrictions.

- o) Rule no. 6.4. according to which the supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account additional workload on the committee.

### JUSTIFICATION:

The rule in question is not fully applied by the Company, as in 2022 the Company's Supervisory Board members received remuneration for serving as Supervisory Board members dependent on their attendance at Supervisory Board meetings. As at the date of this statement, the members of the Company's Supervisory Board in connection with the conversion of the Company into a European company on 17 March 2023 and in accordance with Resolution No. 6/1/2023 of the Company's General Meeting of the Company on the determination of the principles of remuneration of the members of the Supervisory Board receive monthly remuneration.

## 4. DESCRIPTION OF THE MAIN FEATURES OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS USED AT THE COMPANY CONCERNING THE PROCESS OF PREPARATION OF FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

To ensure the correctness, reliability, and compliance of financial statements with the law, CI Games and the CI Games Capital Group have implemented an internal control system for accounting and preparation of financial statements. The Management Board of every company belonging to the CI Games Capital Group is responsible for its internal control system and its effectiveness in the preparation of financial statements. Financial data serving as a basis for financial statements is obtained from the accounting, and financial system used to record transactions under the Company's accounting policy, based on the International Accounting Standards. The Company has implemented and used the proper methods of



securing access to data and the computer-based data processing system, including the storage and protection of accounting books and the accounting documentation.

Once completed, the Company's financial statements are submitted to the Management Board for final verification. Financial statements approved by the Management Board are handed over to the Supervisory Board to perform tasks as specified in the Code of Commercial Companies, that is, their assessment in terms of compliance with the books and documents and the factual circumstances. The Supervisory Board informs the General Meeting of the assessment results in its annual report.

Annual financial statements of the Company are audited by a qualified and licensed entity selected by the Supervisory Board of the Company, which also reviews the semi-annual statements.

The Company's financial statements are published under the appropriate provisions of the generally applicable law. Risk management is based on an effective internal control system in financial reporting, which aims to ensure the adequacy and correctness of financial information contained in the financial statements and periodic reports published by the Company.

In the process of preparation of financial statements by the Company, one of the essential components of control is verification of the financial statement by an independent auditor, responsible in particular by a review of the semi-annual consolidated financial statement and audit of the individual and consolidated annual financial statements of the Company. The independent auditor (certified auditor) is selected by the Supervisory Board, which passes an appropriate resolution for this purpose. In the year 2022, the entity authorized to review and audit the individual and consolidated financial statements of the Company and CI Games Capital Group was UHY ECA Audyt spółka z ograniczoną odpowiedzialnością spółka komandytowa with a registered office in Warsaw (01-377), at ul. Połczyńska 31A, entered in the register of entrepreneurs of the National Court Register under the number KRS: 0000418856, Statistical Identification Number REGON: 120266794, Statistical Identification Number NIP: 6772272888, entered on the list of entities authorized to audit financial statements under the number 3115.

Moreover, a significant role in the process of internal control and risk management concerning the preparation of financial statements at the Company is also played by the Audit Committee of the Supervisory Board of the Company. On 7th November 2017, the Supervisory Board approved the Regulations of the Audit Committee of the Supervisory Board of the Company, amended on 16th September 2021, by the resolution of the Supervisory Board no. 2021/09/16/2. The consolidated text of the Regulations of the Audit Committee is available on the corporate Web page of the Company. On 7th November 2017, the Supervisory Board also approved the Policy for selection of the audit company, available on the corporate Web page of the Company.

## **5. INDICATION OF THE COMPANY'S SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY SIGNIFICANT BLOCKS OF SHARES, TOGETHER WITH AN INDICATION OF THE NUMBER OF SHARES HELD BY THESE ENTITIES, THEIR PERCENTAGE SHARE IN THE SHARE CAPITAL, THE NUMBER OF VOTES RESULTING THEREFROM AND THEIR PERCENTAGE SHARE IN THE TOTAL NUMBER OF VOTES AT THE GENERAL MEETING OF THE COMPANY**

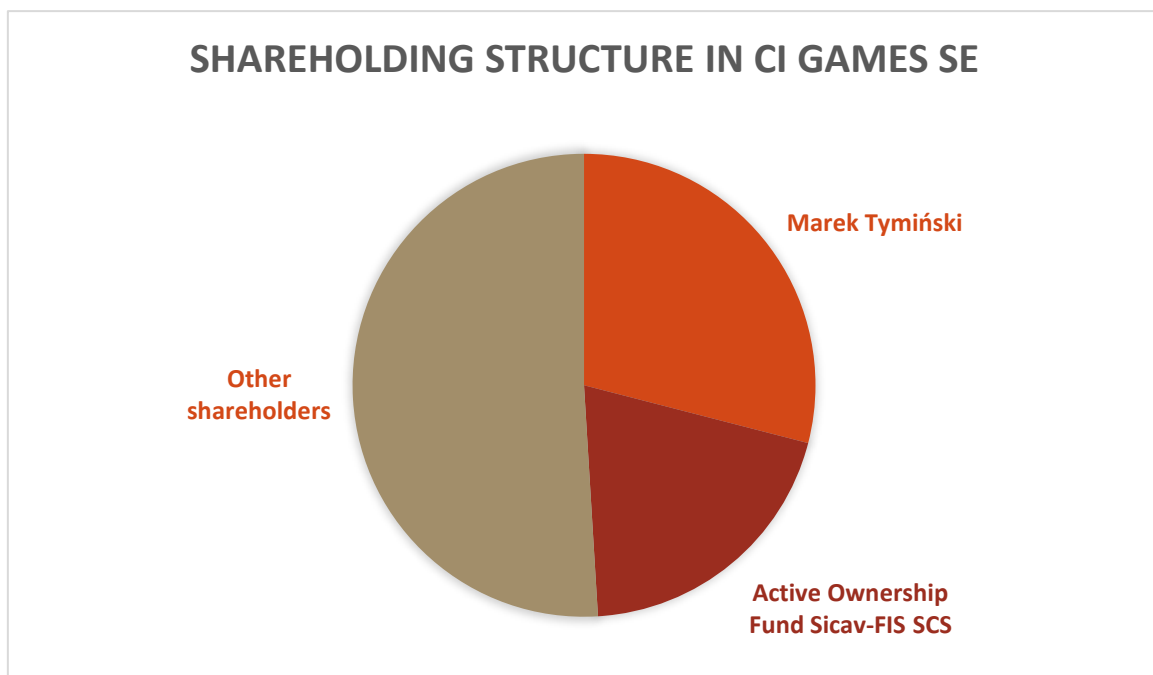
The shareholders of the Company, holding both on 31<sup>st</sup> December 2022 and on the date of preparation and publication of this statement (as a part of the financial statement of the Company for the year 2022)

the Company shares equivalent to at least 5% of the share capital of the Company (the total number of votes in the Company) are: Mr. Marek Tymiński (29.02 % of the total number of votes on the General Meeting of the Company) and Active Ownership Fund Sicav-FIS SCS with a registered office in Luxembourg (20.02 % of the total number of votes on the General Meeting of the Company).

The total number of votes on the General Meeting of the Company as of 31<sup>st</sup> December 2022, and as of the date of disclosure of this statement of the application of corporate governance principles for the year 2022 is 182 943 015 (in words: one hundred and eighty-two million nine hundred and forty-three thousand and fifteen) votes.

As of 31<sup>st</sup> December 2022, and as of the date of disclosure of this statement on the application of corporate governance principles for the year 2022, according to statements submitted to the Company under the applicable legal provisions, the shareholding structure of the Company is as follows:

SPECIFICATION	NUMBER OF SHARES HELD (PCS.)	% SHARE IN THE SHARE CAPITAL	NUMBER OF VOTES AT THE AGM	% SHARE IN THE NUMBER OF VOTES AT THE AGM
Marek Tymiński	53 083 570	29,02 %	53 083 570	29,02%
Active Ownership Fund Sicav-FIS SCS	36 618 931	20,02 %	36 618 931	20,02 %
Other Shareholders	93 240 514	50,96 %	93 240 514	50,96 %
<b>All shareholders</b>	<b>182 943 015</b>	<b>100 %</b>	<b>182 943 015</b>	<b>100 %</b>



## **6. INDICATION OF HOLDERS OF ALL SECURITIES PROVIDING SPECIAL CONTROL RIGHTS IN THE COMPANY, ALONG WITH THE DESCRIPTION OF SUCH RIGHTS**

No Company securities exist which would provide any special rights for their holders. All shares of the Company are ordinary shares with no personal privileges or privileges related to the shares. Such a shareholding structure provides no special control rights. The only factor determining control over the Company exercised by its Shareholders (during the General Meeting) is the number of shares (the fraction in the share capital of the Company, equivalent to the share of each of the Shareholders in the total number of votes in the Company), which is consistent with the general regulations of the Code of Commercial Companies and with the two major principles applicable to public companies: the „one share - one vote” principle and the principle of proportional rights of shareholders based on the number of shares held by them.

## **7. INDICATION OF ANY LIMITATIONS WITH REGARD TO EXERCISING OF VOTING RIGHTS IN THE COMPANY, SUCH AS LIMITATION OF EXERCISING OF VOTING RIGHTS BY HOLDERS OF A SPECIFIC PART OR NUMBER OF VOTES, TIME LIMITATIONS REGARDING THE EXERCISE OF THE VOTING RIGHT OR STATEMENT, ACCORDING TO WHICH THE EQUITY RIGHTS RELATED TO SECURITIES ARE SEPARATED FROM HOLDING OF SECURITIES**

The Company has imposed no limitations regarding exercising voting rights as stated above.

## **8. INDICATION OF ANY LIMITATIONS WITH REGARD TO THE TRANSFER OF OWNERSHIP OF SECURITIES OF THE COMPANY**

As of the date of this statement, the Company has imposed no limitations on the transfer of ownership of the Company's securities.

On March 27, 2023, President of the Company's management board and the Company's majority shareholder, Mr. Marek Tymiński, in order to secure the non-revolving working capital loan agreement between the Company and Powszechna Kasa Oszczędności Bank Polski S.A., established a civil pledge and a registered pledge on 10,400,000 Company shares owned by him.

## **9. A DESCRIPTION OF THE RULES OF APPOINTMENT AND DISMISSAL OF PERSONS MANAGING THE COMPANY AND THEIR RIGHTS, IN PARTICULAR, THE RIGHT TO MAKE DECISIONS CONCERNING THE ISSUE OR BUYOUT OF SHARES**

The rules of appointment and dismissal of persons managing the Company are specified in the Code of Commercial Companies and the Statutes of the Company.

In 2022 the key principles have applied by the Company in this regard were as follows:

- the Supervisory Board determines the number of members of the Management Board, which is within the range of 1 to 5;
- Members of the Management Board are appointed and dismissed by the Supervisory Board for a joint term of office of 5 years;
- The Management Board manages the affairs of the Company and represents the Company before third parties, except for matters reserved to the competencies of the Company's General Meeting or the Supervisory Board.

At the date of hereby statement, the key rules currently in place at the Company for the appointment and dismissal of persons managing the Company are as follows:

- the Supervisory Board determines the number of members of the Management Board, which is within the range of 1 to 6;
- Members of the Management Board are appointed and dismissed by the Supervisory Board for a joint term of office of 3 years;
- The Management Board manages the affairs of the Company and represents the Company before third parties, except for matters reserved to the competencies of the Company's General Meeting or the Supervisory Board.

The Management Board is not authorized to make independent decisions concerning the issue of shares. Under the applicable regulations of law and the Statutes of the Company, the issue of shares and increasing of the Company's share capital requires an appropriate resolution of the General Meeting. Resolutions concerning the issue or buyout of shares are passed by the General Meeting of the Company. Resolutions of the General Meeting concerning the issue of convertible bonds and bonds with pre-emptive rights to acquire shares, amendments to the Statutes, the redemption of shares, increasing and decreasing of the share capital, are made by 3/4 of the votes, under the provisions of the Code of Commercial Companies.

The Company's Management Board is authorized to acquire the Company's shares solely under provisions of the Code of Commercial Companies concerning the acquisition of own shares.

## **10.A DESCRIPTION OF THE PRINCIPLES OF AMENDING THE STATUTES OF THE COMPANY**

The principles of amending the Statutes are specified in the Code of Commercial Companies, Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE) (Official Journal of the EU.L No. 294, p. 1), and the Company's Statutes. The consolidated text of the Statutes has been published on the Issuer's Web page: [www.cigames.com](http://www.cigames.com) in the section "Investor Relations".

As stated in art. 430 § 1 of the Code of Commercial Companies, any amendment to the Statutes requires a resolution of the General Meeting and a register entry. As stated in art. 402 § 2 of the Code of Commercial Companies, an announcement of convening of the General Meeting of the Company, for which the agenda includes a planned amendment of the Statutes, must contain the currently valid provisions of the Statutes and the text of the planned amendments. If justified by a substantial scope of

the planned amendments to the Statutes, the announcement on the convening of the General Meeting may contain a draft of the new consolidated text of the Statutes and a list of the new or amended provisions of the Statutes.

Under the Statutes of the Company, amendment of the Statutes requires a resolution on the subject, passed by a majority of  $\frac{3}{4}$  (three-fourths) of votes of the Company's General Meeting. Under art. 430 § 1 of the Code of Commercial Companies, an amendment to the Statutes requires a resolution of the General Meeting and an entry in the register (National Court Register).

## **11. A DESCRIPTION OF THE MODE OF OPERATION OF THE GENERAL MEETING OF THE COMPANY AND ITS FUNDAMENTAL RIGHTS AND A DESCRIPTION OF SHAREHOLDER RIGHTS AND THE MANNER OF EXERCISING OF THESE RIGHTS**

General Meetings of the Company are held according to the principles specified in the Code of Commercial Companies, the Statutes of the Company, and the Regulations of the General Meeting of Shareholders of the Company. The text of the Statutes of the Company and the text of the Regulations of the General Meeting can be found on the Company's Web page: [www.cigames.com](http://www.cigames.com) in the section "Investor Relations".

General Meetings may be either ordinary or extraordinary. A General Meeting is convened by the Management Board of the Company, and in cases based on provisions of the Code of Commercial Companies - also by the Supervisory Board or Shareholders representing the authorized majority, publishing an announcement on the convening of the General Meeting at least twenty six days before the planned date of the General Meeting. Persons who are Shareholders of the Company sixteen days before the date of the General Meeting are entitled to participate in the General Meeting.

Issues requiring a resolution of the General Meeting have been specified in provisions of art. 393 and the following of the Code of Commercial Companies and in § 35 of the Statutes of the Company,

The General Meeting is chaired by the Chairman, who signs the minutes of the General Meeting prepared in the form of a notarial deed. Shareholders of the Company may participate in the General Meeting and exercise their voting rights in person or through their representatives.

The detailed rights and obligations of Shareholders of the Company as for their participation in the General Meeting of Shareholders and performance of their voting rights are specified in the Code of Commercial Companies and the Statutes of the Company, as well as the valid provisions of the capital market law. The Company respects the rights of Shareholders based on the generally applicable law and specified in the Statutes of the Company.

## **12. THE COMPOSITION AND RULES OF OPERATION OF MANAGEMENT AND SUPERVISORY BODIES OF THE COMPANY AND THEIR COMMITTEES**

### **MANAGEMENT BOARD OF THE COMPANY**

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Marek Tymirski

President of the Management Board  
through 2022

Monika Rumianek	Member of the Management Board until 5 July 2022
Ido Hochman	Member of the Management Board from 24 January 2022 until 31 January 2022
David Broderick	Vicepresident of the Management Board from 1 March 2022

#### **SUPERVISORY BOARD THE COMPANY**

Ryszard Bartkowiak	Chairman of the Supervisory Board through 2022
Adam Niewiński	Member of the Supervisory Board from 6 December 2022
Marcin Garliński	Member of the Supervisory Board through 2022
Grzegorz Leszczyński	Member of the Supervisory Board until 5 September 2022
Rafał Berliński	Member of the Supervisory Board through 2022
Jeremy Michael James Lewis	Member of the Supervisory Board from 5 September 2022

The rules of operation of the management body and the supervisory body of the Company are specified in the Code of Commercial Companies, the Statutes of the Company and the Regulations of the Management Board, and the Regulations of the Supervisory Board. The Statutes and the Regulations of the Supervisory Board can be found on the Company's Web page: [www.cigames.com](http://www.cigames.com) in the section „Investor Relations.”

Throughout the year 2022, the Company's Management Board operated under provisions of the Code of Commercial Companies, the Statutes of the Company, and the Regulations of the Management Board. The President of the Management Board acting independently or two Members of the Management Board acting jointly were (are) authorized to represent the Company, including submission of statements of will in the name of the Company. No proxy has been appointed at the Company.

In connection with the conversion of the Company into a European company on 17 March 2023, the appointment of the following persons to the Company's bodies became effective:

#### **MANAGEMENT BOARD OF THE COMPANY**

Marek Tymiński	President of the Management Board
David Broderick	Vicepresident of the Management Board

#### **SUPERVISORY BOARD THE COMPANY**

Marcin Garliński	Chairman of the Supervisory Board
Adam Niewiński	Member of the Supervisory Board

Artur Osuchowski	Member of the Supervisory Board
Jeremy Michael James Lewis	Member of the Supervisory Board
Florian Schuhbauer	Member of the Supervisory Board

The Company's Management Board is legally bound to act in its best interest; it determines the strategy and key objectives of the activity of the Company and is responsible for their implementation. According to the Code of Commercial Companies, the Management Board manages the Company's affairs.

The Management Board is obliged to operate within the justified economic risk limits. In relation to the Company, Members of the Management Board are subject solely to limitations specified in the Code of Commercial Companies, the Statutes of the Company, the Regulations of the Management Board, resolutions of the Supervisory Board, and resolutions of the General Meeting. The General Meeting and the Supervisory Board must not give binding instructions to the Management Board concerning the management of affairs of the Company.

Resolutions of the Management Board shall be recorded in minutes and shall be adopted by an absolute majority of votes. In the event of an equality of votes, the vote of the President of the Management Board shall be decisive. The Management Board may adopt resolutions in writing or by means of direct remote communication. The detailed rules of proceeding by the Management Board have been specified in the Regulations of the Management Board, adopted by the Management Board, and approved by the Supervisory Board.

The Supervisory Board of the Company constantly supervises all areas of the activity of the Company. The Supervisory Board follows the provisions of the Code of Commercial Companies, the Statutes of the Company, and the Regulations of the Supervisory Board, adopted through a resolution of the Company's General Meeting. Throughout the entire year 2022, the works of the Company's Supervisory Board were managed by its Chairman, Mr. Ryszard Bartkowiak. The Supervisory Board should meet as necessary, at least every quarter of the financial year. Resolutions of the Board of Supervisors are passed by an absolute majority of votes. In the case of equal votes, the voice of the Chairman of the Supervisory Board is decisive. Resolutions of the Supervisory Board are recorded in the minutes and are adopted by an absolute majority of votes. In the event of an equality of votes, the Chairman of the Supervisory Board shall have the casting vote. The Supervisory Board adopts resolutions if at least half of its members are present at the meeting and all members of the Supervisory Board have been notified of the meeting in the prescribed manner. The Supervisory Board may adopt resolutions out of the meeting in writing or by means of direct remote communication. In 2022, the Supervisory Board held 9 meetings.

Throughout 2022, an **Audit Committee** was operating within the Supervisory Board.

#### **AUDIT COMMITTEE OF THE SUPERVISORY BOARD OF THE COMPANY**

Ryszard Bartkowiak *	Member of the Audit Committee through 2022
Rafał Berliński ** ***	Member of the Audit Committee through 2022
Marcin Garliński * ***	Chairman of the Audit Committee through 2022

\* independent members of the Audit Committee.

- \*\* Members of the Audit Committee with knowledge and skills in the field of accounting or auditing of financial statements referred to in the regulations art. 129 section 1 and 3 Act of 11<sup>th</sup> May 2017 on statutory auditors, audit firms and public supervision (Journal of Laws 2020, 1415; „**Act on Statutory Auditors**”), acquired in the course of obtaining higher education and due to the positions held in business entities.
- \*\*\* Audit Committee members with knowledge and skills in the industry in which the Issuer operates, acquired during many years of cooperation with entities from the gaming and IT industry.

Pursuant to the provisions of art. 130 of the Act on Statutory Auditors, the tasks of the audit committee include in particular:

- 1) the monitoring of:
  - a. the financial reporting process,
  - b. effectiveness of the internal control system, as well as risk management and internal audit systems, also with regard to financial reporting,
  - c. performance of financial auditing activities, in particular auditing by the audit firm, taking into consideration the conclusions and findings of the Agency resulting from the inspection carried out in the audit firm;
- 2) control and monitoring of independence of the statutory auditor and the audit firm, especially, if the audit firm provides to the public interest entity services other than auditing;
- 3) informing the supervisory board or other supervisory body of the public interest entity about audit results and explanation of how this audit contributed to reliability of financial reporting in the public interest entity, as well as what was the role of the audit committee in the audit process;
- 4) assessment of independence of the statutory auditor and expressing consent to for his/her provision of acceptable services other than audits in the public interest entities;
- 5) preparation of the policy of selecting the audit firm to conduct the audit;
- 6) preparation of the policy of providing acceptable services other than auditing by the audit firm conducting the audit, its affiliates and by a member of the audit firm’s network;
- 7) determination of procedures of selecting the audit firm by the public interest entity;
- 8) presenting the supervisory board with recommendations regarding the appointment of statutory auditors or audit firms;
- 9) submission of recommendations aimed at ensuring reliability of the financial reporting process in the public interest entities.

In 2022, no non-audit services were provided to the Issuer by the audit firm auditing its financial statements (UHY ECA Audyt spółka z ograniczoną odpowiedzialnością spółka komandytowa, based in Warsaw). In 2022. UHY ECA Audyt spółka z ograniczoną odpowiedzialnością spółka komandytowa with its registered office in Warsaw provided an attestation service consisting in the assessment of the Company's 2021 remuneration report in accordance with Art. 90g. section 10 of the Act of 29 July 2005 on Public Offering and Conditions for Introducing Financial Instruments to the Organised Trading System and on Public Companies (Journal of Laws 2021 item 1983) and an assurance service to verify the



compliance of the Company's consolidated financial statements prepared in the uniform electronic reporting format with the requirements of the Regulation on technical standards for the specification of the uniform electronic reporting format in accordance with Commission Delegated Regulation (EU) 2019/815 of 17 December 2018.

The current **policy of audit company selection** was adopted by the Company on 7<sup>th</sup> November 2017, and published by the Company as the current report no. 66/2017. Under the policy:

the entity authorized to audit the Company's financial statements is selected by the Company's Board of Supervisors, following the Audit Committee's recommendations. It is prohibited to introduce any contractual clauses that would force the Board of Supervisors to select the entity authorized to perform audits from a specific category or list of entities authorized to conduct audits. The Board of Supervisors and the Audit Committee comply with the following guidelines concerning the audit company, during the final selection of the audit company and the preparation of the recommendation, respectively:

- a) confirmation of neutrality and independence of the entity;
- b) ensuring the performance of the required scope of services, taking into account the time limits specified by the Company;
- c) professional qualifications and experience of persons involved in the audit;
- d) the experience of the entity in auditing entities of public interest and auditing entities with a similar profile of operation;
- e) the experience of the entity in auditing financial statements of companies listed on the Warsaw Stock Exchange;
- f) the reputation of the entity authorized to perform audits on financial markets;
- g) the price proposed by the entity authorized to conduct the audit.

The maximum time of continuous commissioning of statutory audits conducted by the same auditing company or an entity related to this audit company or a member of its network must not exceed five years. The key statutory auditor may perform the statutory audit again after at least three years from completing the last statutory audit.

### **THE AUDIT COMPANY SELECTION PROCEDURE TAKES PLACE AS FOLLOWS:**

- a) Based on guidelines provided by the Audit Committee, the Management Board sends letters of inquiry to selected entities authorized to perform audits, provided that these entities meet the requirements concerning the established rotation of the entity authorized to conduct audits and the key statutory auditor;
- b) the letters of inquiry should be sent by the end of the first quarter of the financial year, for which the financial statement is audited;
- c) the offers of auditing companies are presented to the Audit Committee;

- d) members of the Audit Committee analyze the offers of auditing companies received, including, in particular, organization of meetings with selected representatives of auditing companies, which have presented their proposals, and prepare a recommendation for selection of the auditing company by the Board of Supervisors, in which:
  - i. they indicate the auditing company, which is proposed to be entrusted with the statutory audit,
  - ii. they state that the recommendation is free from any influence by third parties,
  - iii. they state that the Company has not entered into agreements containing clauses referred to in art. 66 section 5a of the Act of 29<sup>th</sup> September 1994 on accounting (Journal of Laws of 2021 item 217),
- e) if the selection of the auditing company does not involve the extension of a contract for auditing financial statements, the recommendation of the Audit Committee should provide for at least two options of selection of the auditing company with a justification and an indication of a justified preference of the Audit Committee for one of these;
- f) the auditing company, which is to perform the audit of the Company's financial statements, is selected by the Board of Supervisors, unless the laws and regulations and the Statutes of the Company state otherwise, taking into account the principles of auditing financial statements, based on the generally applicable law;
- g) if the decision of the Board of Supervisors on the selection of the auditing company is different from the recommendation of the Audit Committee, the Board of Supervisors justifies the reasons for non-compliance with the recommendation of the Audit Committee and presents this justification for the information of the Management Board of the Company;
- h) selection of the auditing company by the Board of Supervisors should take place until the end of the second quarter of the financial year, for which the financial statements are to be audited;
- i) the Management Board enters into an agreement with the selected auditing company for performing an audit of the Company's financial statements. The agreement should be concluded within the time limit enabling the auditing company to participate in the stocktaking of assets of the Company;
- j) in the case of a statutory audit, as defined in art. 2 clause 1 of the Act on statutory auditors, auditing companies, and public supervision, the first agreement for audit of a financial statement is concluded with the auditing company for a period not shorter than two years, with the possibility of extending it to subsequent periods of at least two years each. The Company covers the cost of audit of financial statements;
- k) The Board of Supervisors follows the principle of rotation of the key statutory auditor, under the legal provisions in force;
- l) upon selection of the auditing company, the Company's Management Board discloses to the general public the information on appointment by the Board of Supervisors of the entity authorized to audit the Company's financial statements.

## **THE POLICY OF RENDERING ADDITIONAL SERVICES BY THE AUDITING COMPANY, ANY ENTITY RELATED TO THE AUDITING COMPANY, OR ITS NETWORK MEMBER IS AS FOLLOWS:**

- a) neither the statutory auditor nor the auditing company performing the statutory audits of the Company nor the entity related to the auditing Company nor any member of the network, to which the statutory auditor or the auditing company belong, render on behalf of the Company or any entities related to the Company, directly or indirectly, any prohibited services other than auditing of financial statements or financial audit tasks;
- b) prohibited services are not services listed in art. 136 section 2 of the Act on statutory auditors;
- c) rendering of services referred to in letter b) above is only possible to the extent not related to the taxation policy of the Company, after the Audit Committee has conducted an assessment of threats and securing of independence and upon the consent of the Audit Committee;
- d) in appropriate cases, the Audit Committee issues guidelines regarding the services.

A recommendation on the selection of the auditing company to audit the financial statements, that is, UHY ECA Audyty spółka z ograniczoną odpowiedzialnością spółka komandytowa with a registered office in Warsaw, met the conditions specified in the provisions of the general law and was prepared following the selection procedure organized by the Issuer, meeting the applicable criteria.

In 2022, the Audit Committee held 4 meetings dedicated to the performance of obligations of the Audit Committee.

## **13. INDICATION OF MATERIAL PROCEEDINGS BEFORE COURTS, COMPETENT AUTHORITIES FOR ARBITRATION PROCEEDINGS OR PUBLIC ADMINISTRATION BODIES, PERTAINING TO LIABILITIES AND CLAIMS OF THE COMPANY OR ITS SUBSIDIARIES**

On 17 October 2019, CI Games S.A. submitted in the District Court in Warsaw a statement of claim against E.P. Retail sp. z o.o., E.P. Office 2 sp. z o.o., E.P. Office 1 sp. z o.o. and E.P. Apartments sp. z o.o. with a registered office in Warsaw for payment in association with unlawfully collected funds from a bank warranty and overpaid operating costs and for the issue of the subject of the lease. The value of the object of litigation is PLN 893,008.72 (in words: eight hundred ninety three thousand eight zloty 72/100). On 30 March 2023 the District Court dismissed the claim in its entirety. The Company intends to appeal against the judgment.

On 21 April 2023, the Company received a lawsuit filed by the E.P. Retail sp. z o.o., E.P. Office 2 sp. z o.o., E.P. Office 1 sp. z o.o. and E.P. Apartments sp. z o.o. in the District Court in Warsaw, whereby demand payment of PLN 483,636.15 and EUR 542,645.83 with interests. The claim consists of claims for contractual penalties, damages and reimbursement under the rental agreement concluded on 10 November 2017. The Company, after a detailed review of the claims and documentation, will file a response to the claim in which it will dispute the claims.

Marek Tymiński, President of the Management Board

David Broderick, Vice President of the Management Board

Warsaw, 27 April 2023