



CI GAMES CAPITAL GROUP ANNUAL REPORT FOR 2024

Management Board Report on the activities of CI Games SE
and CI Games Capital Group for 2024

Warsaw, 23th April 2025

This report is translation of the Polish version. In case of discrepancies between the language versions, Polish version shall prevail



LETTER FROM THE CEO

Letter to Shareholders - Players First, always

2024 was a defining year for CI Games—a year of focus, transformation, and laying the groundwork for long-term growth. As we look back, the progress we made across the company reflects our deep commitment to delivering exceptional games and building enduring franchises. At the center of this vision is *Lords of the Fallen*, one of our strongest IPs to date, with a passionate global fanbase and the creative momentum to scale far beyond its current reach.

Just days ago, on April 17, 2025, we launched “*Lords of the Fallen*” v2.0—a major milestone that capped off more than a year of continuous post-launch development. While many developers might have moved on after the initial release, our team stayed fully committed, delivering over 50 updates and fundamentally reshaping the player experience. That persistence paid off: v2.0 not only brought “*Lords of the Fallen*” back into the spotlight, but earned it a place among the top 10 charts on both Steam and PS5, signaling a successful global re-entry and a powerful comeback.

This achievement is a direct result of our Players First mindset. We listened closely, acted decisively, and never compromised on quality. *Lords of the Fallen* v2.0 is proof that when you stay committed to players and focused on execution, the results follow.

Internally, we made significant structural changes to empower this success. In 2024, we unified our studios and removed internal barriers, aligning our teams behind a single creative and strategic direction. This evolution was essential to unlocking the full potential of our talent and enabling faster, more agile development across all projects.

Every lesson from “*Lords of the Fallen*” (2023), every system, and every improvement feeds directly into “Project 3” (the next “*Lords of the Fallen*”)—now in active development—and beyond. Nothing is lost in transition. We are building on our foundation, not resetting it.

Commercially, we’ve already seen the impact of our renewed focus. By the end of this week, “*Lords of the Fallen*” will sell over 200,000 digital copies since v.2.0 launch—compared to around 650,000 across the previous 18 months. This performance reflects the power of long-term commitment, the strength of our IP, and the effectiveness of our transparent, authentic marketing approach. We’ve elevated our brand, and it’s resonating with players and the industry alike.

Looking ahead, our strategy remains clear. We are fully focused on scaling “*Lords of the Fallen*” into a leading franchise in video games and beyond that. Development is progressing on “Project 3” (the next “*Lords of the Fallen*”), and we are also advancing “Project H”, continuing to build upon the “*Sniper Ghost Warrior*” (SGW) franchise, and supporting the creative growth of United Label S.A. While “*Lords of the Fallen*” remains the strategic centerpiece, we believe these additional projects can complement and enhance our portfolio.

Additionally, we continue to recognize the potential in select past-initiated projects that currently receive limited investment. These titles remain part of our broader strategic consideration, with their long-term value carefully assessed in the context of our evolving priorities.

2024 was about putting the right structure, focus, and commitment in place. With “*Lords of the Fallen*” v2.0 now in players’ hands and the road ahead clearly defined, 2025 marks the beginning of the next chapter—one where CI Games is fully aligned, creatively energized, and focused on delivering at the highest level.

Thank you for your continued trust and support.

Sincerely,

Marek Tyminski

Founder and Chief Executive Officer

CI Games

Players First



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I. THE PROFILE OF CI GAMES GROUP

1. General information: name, headquarters and principal activity of CI Games

CI Games Group's parent company:

- CI Games European Company (“the Issuer”, “the Dominant Entity”, “the Company”, “CI Games”) was registered on 1st June 2007 as City Interactive S.A. On 7th August 2013, the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register which recorded the change of the Company’s name from the previous name to CI Games S.A. On 17.03.2023 CI Games SE was registered in the Register of Entrepreneurs of the National Court Register by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, under KRS number 0001025884.
- The registered office of the Company is located in Warsaw at Rondo Daszyńskiego 2B.
- The core business activity of the Company consists of production, publishing and distribution of video games
- Tax identification number (NIP): 1181585759.
- Statistical identification number (REGON): 017186320.
- The Company has been established for an unlimited period of time.

2. Growth Strategy

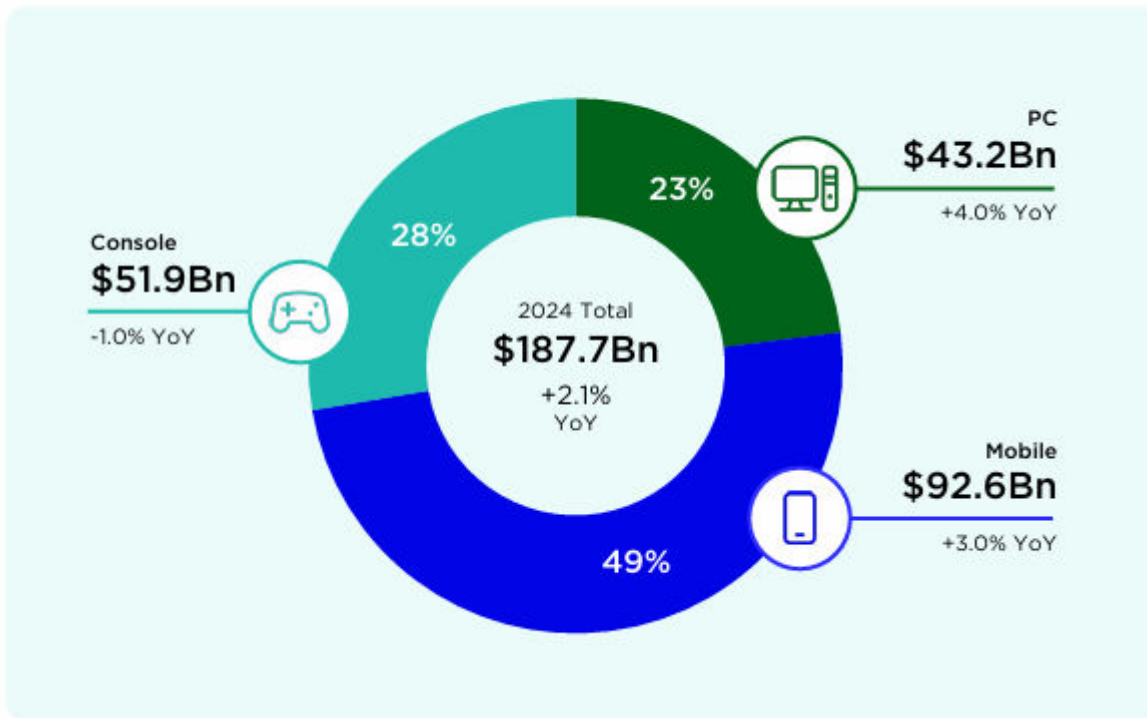
- The studio will continue to develop both new and existing IPs with strong global sales potential to ensure continued financial growth.
- On 27th September 2024, the Group adopted an update of the Company’s development strategy for 2025-2028 to drive future sustainable returns, develop higher quality games which leverage our prior investments more efficiently and ensure we have an expand addressable market for our new releases: a focused product roadmap with major releases in each of the next 3 years; a player-first and efficient new operating model and a finance strategy to deliver the product roadmap
- CI Games is developing all current and future titles using Unreal Engine 5, all of which will include a multiplayer component to increase revenue and community development potential.

3. Market Overview

According to Newzoo’s market analysis, the global gaming industry generated \$187.7 billion in 2024, marking a +2.1% year-over-year (YoY) growth. The total market is projected to grow at a CAGR (2022-2027) of +3.1%, reaching \$213.3 billion by 2027. Notably, the PC gaming sector is expected to see steady growth after 2025, accounting for 22% of the total market by that time. Meanwhile, console gaming revenues are set to experience significant growth, contributing 30% of total industry revenue.

2024 Game revenues

Per segment



The PC gaming segment will grow by +4.0% YoY, reaching \$43.2 billion. 2023 was a crucial year for both public and private gaming companies, delivering strong revenues. However, the mobile gaming sector needs more time to adapt to shifts in the mobile market. Key challenges include monetization tied to privacy concerns, user acquisition strategies, and a more open ecosystem. Online multiplayer titles like League of Legends, Fortnite, and Counter-Strike play a crucial role in sustaining high player engagement and continuously attracting new audiences. Additionally, games like Roblox and Fortnite are evolving, reinventing themselves to capture the growing Generation Z and Alpha player base.

The console gaming segment is expected to see the highest growth, primarily driven by the launch of Grand Theft Auto VI in 2025, which is expected to boost demand for hardware upgrades. Game publishers are heavily investing in new titles for PlayStation 5 and Xbox Series X|S, aiming to capitalize on the peak user base. The 2025 release calendar looks strong, featuring new Nintendo games and Monster Hunter Wilds.

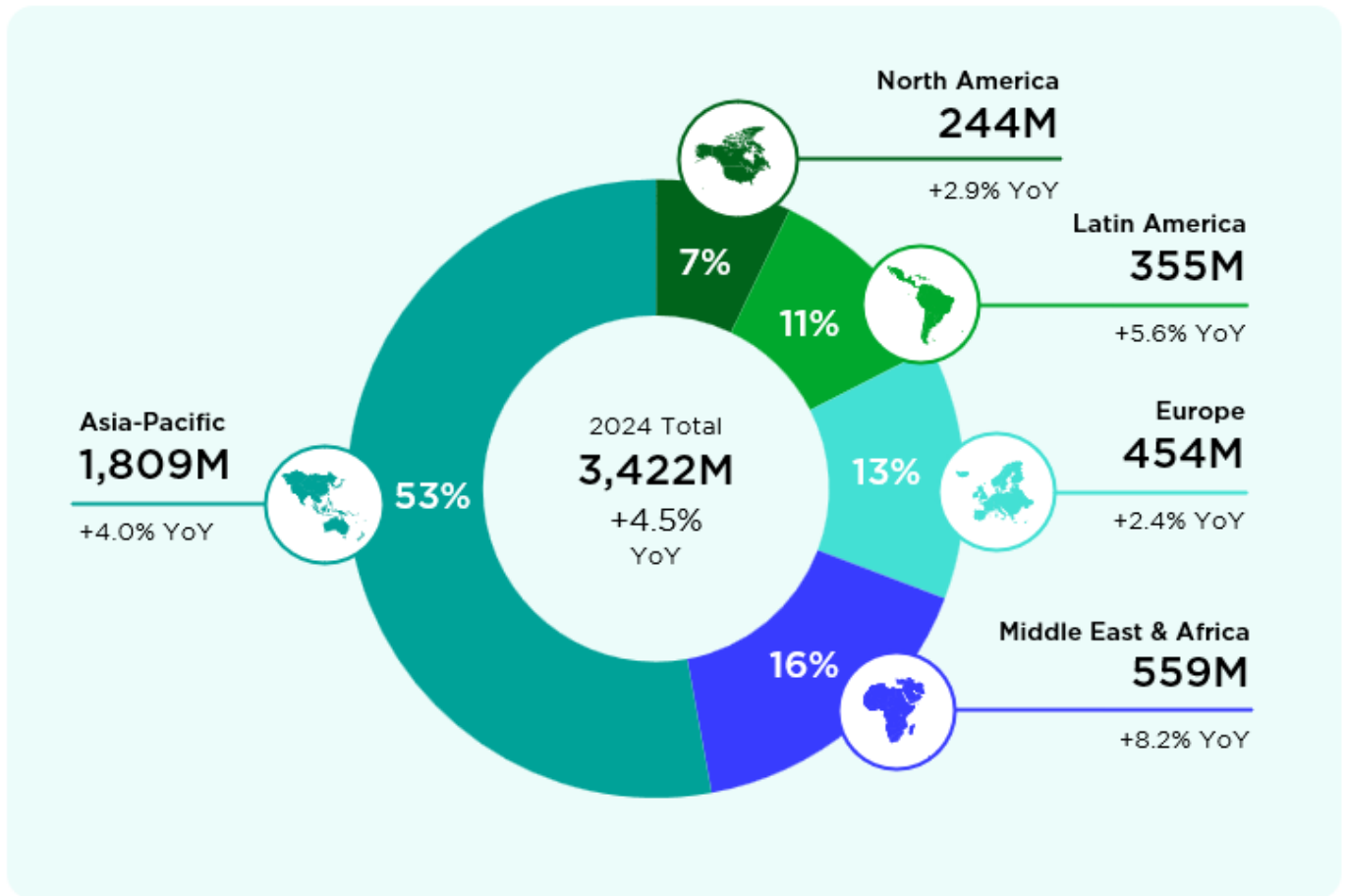
PC gaming growth in North America is expected to outpace previous years, with even stronger growth anticipated in Europe. The GTA VI release in 2026 will further boost premium PC game revenues, with overall gaming expenditures continuing to rise in the following years.

While the mobile gaming market rebounded in 2023 thanks to major releases, new monetization models are unlikely to significantly expand the overall market size.

The Asia-Pacific region remains the largest market, although growth in East Asia is slowing. Smaller markets, such as Central and Southeast Asia, show higher potential. In China, the PC and mobile gaming markets are stagnating, though surprise hits like Black Myth: Wukong could temporarily boost PC gaming revenues. Meanwhile, the mobile segment is seeing only marginal growth, despite successful titles like DnF Mobile and AFK Journey.

2024 Global players

Per region



Newzoo estimates that the global gamer population reached 3.42 billion in 2024, representing a 4.5% YoY increase. The growth in PC gamers will significantly drive this upward trend. Despite market shifts, gamers remain an active and expanding consumer group.

Interestingly, while players are spending fewer hours gaming, revenue per hour of gameplay has increased. According to Newzoo's projections, the number of gamers worldwide will continue to rise, reaching 3.76 billion by 2027. Between 2024 and 2027, annual player growth across all segments is expected to range between +2% and +4% per year.

Source: Newzoo Report

4. Our Games

„Lords of the Fallen”

„Lords of the Fallen” is a dark fantasy action-RPG game released on 13th October 2023 for PC, PS5 and Xbox Series X/S. The title was developed using state-of-the-art UE5 engine technology.

„Lords of the Fallen” has received over fifty post-launch updates since its release, largely informed by community feedback. As a result, sentiment around the title and franchise has consistently improved throughout 24/2, as (tracked by industry-recognised tool, Player XP. Steam recent user reviews reached 81% positive mid-December 2024 following the late-year releases of Version 1.6 and 1.7, while EFIGS Steam reviews when viewed in isolation reached 89% positive.



„Lords of the Fallen” surpassed 4.5 million players in March 2025, including those playing through Microsoft Game Pass subscription. This growing playerbase will provide a captive primary audience when marketing future instalments in the franchise.

On April 17, 2025, CI Games released Version 2.0, the definitive edition of “Lords of the Fallen” — a major free update for all owners on PC, PS5, and Xbox Series X|S and the culmination of over 50 post-launch updates to date. Developed largely in response to community feedback, the update introduced several highly requested features, including share progression co-op, a dedicated jump button and an enhanced combat system, in addition to a number of surprise features such as a free friend’s pass. Since the launch of Version 2.0, “Lords of the Fallen” will cross 200K additional digital units sold within just 10 days. In the first five days on Steam, it drove 1,000%+ increase in unit sales compared to the January promotion with the same discount (5-day comparison), and saw the game re-enter Steam’s global top ten sellers. On consoles, sales increased by 860%+ on Xbox and 500%+ on PlayStation compared to the previous week of the same Spring promotion (5-day comparison).

„Project 3”

Development of „Project 3” continues to plan, with a scheduled release of 2026. The title will be available for PlayStation 5, Xbox X/S and PC consoles.

The brand and marketing strategy is currently in development, with a high-profile announcement scheduled for Summer 2025.

„Sniper Ghost Warrior”

The latest installment of the first person sniping franchise – “Sniper Ghost Warrior Contracts 2” – crossed the 2 million unit threshold in Q2, 2024, with cumulative sales reaching 2,371k by close of year. The series has now sold over 17.5 million units in total.

United Label S.A.

The company continued to maximize revenues from its existing portfolio through new sales channels and commercial opportunities. In September 2024, Sci-fi RPG, Beyond Galaxyland - a one-man development project launched in September 2024 was released.

Action-RPG, Tails of Iron, released on 17th September 2021, surpassed 600k units and 1.75m players in January and March 2025, respectively. It sold almost double the units in 2024 vs 2023, and generated an increase in revenue.

Sequel, Tails of Iron 2, launched on 28th January 2025 for PC, PS4, PS5, Xbox One, Xbox Series X/S, and Nintendo Switch. It has sold 73k units, with net revenue 6% ahead of Tails of Iron at the 9 week post-launch mark.

Three new titles from third party development teams will be published by United Label in the next two years;

- first person sci-fi adventure game, Tempus Vitae (working title);
- isometric dark fantasy soulslike, Fowl Scourge (working title);
- and Tails of Iron 3.

5. Information on seasonal or cyclical nature of business activity of the Issuer in the presented period

Due to diversified sources of revenues and the specific nature of the video games market, CI Games Capital Group is characterized by variability of revenues from sales in the trading year, determined mainly by introduction of new products on the market.

A game production cycle at the Company is usually 12 to 36 months long. In the case of simultaneous production of two games, the premieres of these games feature significant asymmetric cyclicity. Thus the publishing cycle of the Company, in which new game premiere dates are determined, is characterized by irregularity. The Issuer establishes the dates of premiere sales of the games to select the most favorable competitive environment, including in the context of known publishing plans of competitive entities, to achieve the maximum financial benefits associated with the game release.

As a result, it is a typical phenomenon in the entire video games sector that producers record significantly higher revenues and profits in the period directly following the release of a new game, and a rather natural decrease in revenues in the following months. It is obviously an effect of high seasonality and cyclicity of activity, experienced by the video game sector around the world.

6. Products, services, sales markets, suppliers and purchasers

CI Games Group produces and publishes games for the global video game market. The Group primarily handles distribution for its own titles, however, in some cases, it sells licenses for software distribution in select territories at specific time.

Products of CI Games Group are available in all countries through digital distribution platforms. The share of domestic sales increases in the years of a game release, when the largest sales are noted in the physical products category.

Structure of consolidated sales revenues of the CI Games Group in value terms:

Revenues	2024	Share (%)	2023*	Share (%)
Sales of physical products	1,141	1%	51,437	22%
Digital sales	79,184	98%	184,224	78%
Other sales	463	0	682	0
Total	80,788	100%	236,343	100%

* transformed data

Structure of unit sales revenues of CI Games in terms of value:

Revenues	2024	Share (%)	2023*	Share (%)
Sales of physical products	(1,028)	-1%	46,930	21%
Digital sales	74,952	101%	177,442	79%
Other sales	30	0	0	0
Total	73,954	100%	224,372	100%

* transformed data

The highest sales of physical products are noted in the first months from the release of a game. In 2024, there were no new releases therefore share of physical products accounted for insignificant share in total revenues for this year.

Territorial distribution of sales revenue of CI Games Group per regions (in value terms):

Revenues	Consolidated		Individual	
	2024	2023*	2024	2023*
Export	80,788	235,913	73,924	223,942
<i>share (%)</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>
Domestic	0	430	30	431
<i>share (%)</i>	<i>-</i>	<i>-</i>	<i>0</i>	<i>-</i>
Total	80,788	236,434	73,954	224,372

* transformed data

Clients whose share in CI Games sales in 2024 exceeded 10%:

- Microsoft Corporation (37% of consolidated and 40% standalone sales value) – an entity unrelated to the Group, Xbox platform for digital sales.
- Sony Interactive Entertainment (31% of consolidated sales value and 32% of standalone sales value) – three legal entities from Europe, USA, Japan, unrelated to the Group, PlayStation platform for digital sales;
- Valve Corporation (23% of consolidated sales value and 25% of standalone sales value) – an entity unrelated to the Group, Steam platform for digital sales of games;

The Group has a dispersed base of suppliers, none of which exceeded the 10% threshold in the value of purchases in 2024, while purchases from CI Games MP accounted for 27% of gross purchases in stand-alone CI Games and CI Games UK Ltd accounted for 14% of gross purchases in stand-alone CI Games.

Key suppliers of the Group include: subcontractors delivering game production components, companies that render services in physical game production, suppliers of marketing services.

The remaining counterparties did not exceed the designated materiality level of 10%.

7. Key events in the Group in 2024

- On 02.01.2024, the non-revolving working capital loan in the amount of PLN 20 milion was repaid and closed, and on 31.01.2024 the multi-purpose credit limit in the amount of PLN 29 milion was repaid and closed.
- On 18.01.2024, On 18.01.2024, CI Games announced that it would be implementing a targeted round of redundancies, affecting approximately 10% of employees across the Group to preserve business strength and stability.
- On 21.02.2024, the Supervisory Board of the Company adopted a resolution to dismiss the Vice President of the Management Board, Mr. David Broderick, from the Management Board of the Company as of 21.02.2024.
- On 22.02.2024, the Management Board of the Company decided not to continue the process of potential introduction of the Company's shares to trading on the capital market operated by the London Stock Exchange.
- On 21.03.2024, the Extraordinary General Meeting of the Company adopted a resolution on increasing the Company's share capital through the issuance of series M ordinary bearer shares, depriving existing shareholders of all pre-emptive

rights to all series M shares, dematerialization of series M shares and rights to series M shares, applying for admission and introduction of series M shares and/or rights to series M shares to trading on a regulated market operated by the Warsaw Stock Exchange, authorization to conclude an agreement on registration of the series M shares and/or rights to the series M shares with the securities depository, and amendment of the Company's Articles of Association, on the basis of which it was decided to increase the Company's share capital to no more than PLN 2,195,316.15, i.e. by no more than PLN 365,886.00, through the issuance of no more than 36,588,600 series M ordinary bearer shares with a par value of PLN 0.01 each. On 26.04.2024, the Management Board passed a resolution to suspend implementation of the Extraordinary General Meeting's resolution until 03.06.2024. On 29.05.2024, passed a resolution to extend the suspension of the execution of the Extraordinary General Meeting's resolution, without indicating the end date of the suspension period. On 18.09.2024, the Management Board adopted a resolution regarding the final waiver of the implementation of the resolution of the Extraordinary General Meeting.

- On 21.03.2024, "Tails of Iron 2" (a game from United Label S.A. portfolio), sequel to the successful 2021 action-RPG, was announced with a trailer during the Future Spring Showcase streamed to 8.5 million live viewers. On 5 December 2024, United Label S.A. in the current report number 19/2024 announced that the release date of the game "Tails of Iron 2: Whiskers of Winter" had been set for 28 January 2025.
- On 10.04.2024, CI Games SE concluded with PKP BP S.A. a multi-purpose credit limit agreement for a maximum amount of PLN 15,000,000. The loan was granted for the period from 10.04.2024 to 09.04.2025.
- On 24.04.2024, „Lords of the Fallen” was updated to Version 1.5 - the culmination of over 30 post-launch updates. This coincided with the release of the 'Master of Fate' update which introduced an advanced game modifier system allowing players to customise a range of mechanics to make the game easier or more difficult. The release was very well received by players, community and influencers alike, generating over 150 press articles, over 900 thousand organic YouTube views of the trailer, and saw the game achieve its highest Twitch CCU since launch.
- On 29.04.2024, CI Games announced a second targeted round of layoffs following a business optimization program launched in January this year, involving the restructuring of some 30 positions across production. The Hexworks team and the development of „Project 3” were not affected.
- On 29.04.2024, the adventure-RPG, “Beyond Galaxyland” (a game from United Label S.A. portfolio), was announced, generating 95 press articles and over 130 thousand organic YouTube views. The premiere of the game "Beyond Galaxyland" took place on 28.09.2024.
- On 03.05.2024 CI Games signed the agreement with Microsoft Corporation, with its registered office in Washington, USA to provide the games „Lords of the Fallen” and “Sniper Ghost Warrior Contracts 2” from the Company’s portfolio in the Game Pass program conducted by Microsoft Corporation in year 2024.
- On 10.05.2024 r. the Company announced that it has rescinded the original deadline of 10.05.2024 for the launch of the vertical slice stage of the game being developed under the “Project Survive”.
- On 10.06.2024, the National Securities Depository S.A., in response to the Parent Company's request, issued a statement on entering into an agreement with CI Games to register in the securities depository under ISIN code PLCTINT00109 up to 10,061,865 series C subscription warrants with no par value, issued free of charge.
- On 14.06.2024, the Company signed a binding term-sheet with Epic Games Inc. to granting by the Company to Epic Games Inc. the right for exclusive global distribution of the sequel to the game „Lords of the Fallen” on the PC platform for the entire product life cycle.
- On 22.07.2024, the redemption of all 60 series F bonds of the Company with a total nominal value of EUR 6,000,000 plus accrued interest was settled.
- On 02.09.2024 United Label S.A. has entered into another agreement for the production of a game in the “Tails of Iron” series with Odd Bug Studio Limited, headquartered in Manchester, UK. Based on this agreement, Odd Bug Studio Limited will develop another game in the “Tails of Iron” series, which will be released by United Label S.A.

- On 05.09.2024, United Label S.A. entered into an agreement with Whiteboard Games Corporation for the production, release, distribution and marketing of the game “Tempus Vitae”. On the basis of this agreement, United Label S.A. will fully finance the production and marketing of the game.
- On 27.09.2024, CI Games published an update of its development strategy for 2025-2028.
- On 03.10.2024, the National Securities Depository S.A., in response to the Parent Company's request, issued a statement on entering into an agreement with the Company to register in the securities depository up to 10,061,865 series J ordinary bearer shares of the Company under ISIN code PLCTINT00117.
- On 28.10.2024, as a total of 3,518,560 series J ordinary bearer shares (ISIN PLCTINT00117) taken up in exchange for series C subscription warrants were recorded in the securities accounts of eligible persons and the Company's share capital was increased by an amount equal to the nominal value of the shares taken up, i.e. by PLN 35,185.60. The Company's share capital was increased from PLN 1,829,430.15 to PLN 1,864,615.75.
- On 15.11.2024, the Company purchased 13,918 shares of United Label S.A. increasing its shareholdings in the company's share capital and the total number of votes to 95.00%. On 11.12.2024, CI Games announced a compulsory buyout of 63,748 shares of United Label S.A. representing a total of 5.00% of the share capital pursuant to Article 82 section 1 of the Act of July 29, 2005 on public offering and conditions for introducing financial instruments to organized trading and on public companies. The price of the compulsory buyout was PLN 18.04 per share subject to compulsory buyout. The compulsory buyout began on 12.12.2024, while the settlement of the compulsory buyout took place on 17.12.2024. As a result, CI Games has held 100% of the shares in the share capital and 100% of the votes at the general meeting of United Label S.A. since 17.12.2024.
- On 21.12.2024, United Label S.A. concluded an agreement for the production of the game “Fowl Scourge” with Void Cup Games Inc. based in Canada. On the basis of this agreement, United Label S.A. will fully finance the production and marketing of the game.
- On 23.12.2024, in connection with the registration in the securities accounts of entitled persons of a total of 4,363,305 ordinary bearer shares of series J with a nominal value of PLN 0.01 each (ISIN: PLCTINT00117), acquired in exchange for series C subscription warrants, these shares were issued within the meaning of Article 451 §2 of the Commercial Companies Code. In connection with this, the share capital of the Company was increased from PLN 1,864,615.75 to PLN 1,908,248.80.
- On 09.01.2025, the Extraordinary General Meeting of United Label S.A. adopted resolution 4/1/2025 on the withdrawal of all shares of United Label S.A. from trading in the alternative trading system on the NewConnect market operated by the Warsaw Stock Exchange. In implementation of the resolution, on 10.01.2025 the Management Board of United Label S.A. submitted an application to the Polish Financial Supervision Authority pursuant to Article 91 section 1 of the Act of 29 July 2005 on public offering and conditions for introducing financial instruments to an organised trading system and on public companies for permission to withdraw the company's shares from trading in the alternative trading system on the NewConnect market operated by the Warsaw Stock Exchange S.A. The application concerns all shares of United Label S.A. admitted to such trading, i.e. 1,275,000 ordinary bearer shares.
- On 17.02.2025 the Extraordinary General Meeting of CI Games appointed a new member of the Supervisory Board, Mr Nicholas Beliaeff.
- On 11.03.2025, the Management Board of the Warsaw Stock Exchange S.A. adopted a resolution on the admission and introduction to exchange trading on the GPW parallel market as of 18.03.2025 of 7,881,865 series J ordinary bearer shares of the Company, designated by the National Depository for Securities S.A. with the code PLCTINT00117. On 13.03.2025, the National Depository for Securities S.A. issued a statement on the assimilation of 7,881,865 shares previously designated with the ISIN code: PLCTINT00117 with the remaining shares of the Company in circulation, designated with the ISIN code: PLCTINT00018. The series J shares were introduced to trading on 18.03.2025.
- On 21.03.2025, the Issuer concluded with Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna with its registered office in Warsaw three non-revolving working capital loan agreements, each in the amount of PLN 8,500,000.00 and in

the total amount of PLN 25,500,000, and annex No. 1 to the multi-purpose credit limit agreement of 10.04.2024, according to which the credit limit was increased by PLN 9,500,000.00 to PLN 24,500,000.00, and the credit period was extended until 09.04.2027. Details of the concluded credit agreements are described in Chapter V point 8.

8. Description of factors of events, with particular emphasis on extraordinary events, that influenced the financial results achieved

Between 1st January and 31th December 2024, material events affecting the Group's financial performance included the signing of an agreement with Microsoft Corporation and the entry of the game „Lords of the Fallen” in the Game Pass program on 31.05.2024, which resulted in growth in sales revenue in the second quarter of 2024.

9. External and internal factors impacting the Group's development

The Group operates on the international market and is thus to a certain extent dependent on the international economy, although the sector itself is more resilient to economic crises than other branches of the economy.

The most significant external factors that exert impact on the development of the Group include the regulatory factor, which is associated with the current state of legal - including tax - regulations. A substantial role is also played by virtual media in promotion of individual titles, as well as the increasing share of digital channels at the expense of the traditional distribution channels. Moreover, video game market producers are becoming increasingly competitive, which exerts direct impact on salary levels in the sector and recruitment and maintenance of highly qualified staff, contractors, and subcontractors.

The Company focuses its activity on projects which attract potential customers at a sufficient large scale. Such projects include the sequel of „Lords of the Fallen”, „Project 3” and “Sniper Ghost Warrior Evolve”.

Simultaneous implementation of several projects allows for diversification of revenues, stabilization of results in between the releases of own titles, as well as effective use of own resources. In this context, it is significant to secure the financing to grow the business of the Parent Entity and CI Games Group.

The Group intends to stand up to new challenges leveraging its own resources and a developed network of partners. This model will allow for much greater flexibility in decision-making and implementation of new projects.

A detailed description of factors which may influence activity of the Group, can be found in Chapter IV of this report.

10. Information about noteworthy contracts for the conduction business of CI Games Capital Group

- Agreement with Microsoft Corporation based in Washington, United States signed on 03.05.2024, the subject of which is the provision in 2024 of the games „Lords of the Fallen” and "Sniper Ghost Warrior Contracts 2" from the Company's portfolio in the Game Pass program run by Microsoft Corporation.
- Binding agreement with Epic Games Inc. concluded on 14.06.2024 regarding the granting by the Company to Epic the right to exclusive global distribution of the next part of the game „Lords of the Fallen” on the PC platform for the entire sales cycle of the product.
- Publishing agreements concluded by United Label S.A. with independent publishers: Whiteboard Games Corporation, Odd Bug Studio Ltd, Void Cup Games Inc. for the distribution of their games worldwide.

II. CONSOLIDATED FINANCIAL DATA

1. Profitability of the business

Consolidated profit and loss account

	2024		2023*	
	PLN'000	EUR'000	PLN'000	EUR'000
Net revenues from sales	80,788	18,770	236,343	52,191
Gross profit on sales	22,456	5,217	127,935	28,252
<i>Sales margin (%)</i>	27.8%	27.8%	54.1%	54.1%
Selling costs	(11,702)	(2,719)	(85,476)	(18,876)
General and administrative costs	(14,098)	(3,275)	(17,203)	(3,799)
Net result on other activities and net impairment losses	(579)	(135)	(1,826)	(403)
Profit (loss) from operating activities	(3,923)	(911)	23,430	5,174
<i>Operating margin (%)</i>	-4.9%	-4.9%	9.9%	9.9%
EBITDA*	42,871	9,960	89,557	19,777
<i>EBITDA (%)</i>	53.1%	53.1%	37.9%	37.9%
Gross profit (loss)	(5,913)	(1,374)	18,225	4,025
<i>Gross profit (%)</i>	-7.3%	-7.3%	7.7%	7.7%
Net profit (loss)	(6,614)	(1,537)	7,560	1,669
<i>Net margin (%)</i>	-8.2%	-8.2%	3.2%	3.2%

* transformed data

**EBITDA calculated as operating profit adjusted for depreciation and amortization recognized in the Profit and Loss Account.

On 13.10.2023, the Company launched the game „Lords of the Fallen”, which had a significant impact on the Group's financial results in 2023. The year 2024 was a period without a new premiere, which resulted in lower revenues compared to the previous year. In 2024, the game „Lords of the Fallen” generated 61% of the Group's consolidated revenues. The game "Sniper Ghost Warrior Contracts 2" accounted for 20% of sales, while titles from the United Label S.A. portfolio accounted for 6% of sales value.

Production costs consisted of mainly amortization cost of „Lords of the Fallen”, not capitalized production costs related to this game, engine cost and also costs incurred in United Label S.A. including amortization costs of the games from United Label's portfolio and royalties paid to development studios.

Decrease in Sales margin from 54.1% in 2023 to 27.8% in 2024 resulted mainly from high amortization cost in total production costs.

The decrease in selling costs in 2024 (by PLN 73.8 million) was mainly due to the intensive marketing campaign of the game „Lords of the Fallen”, launched before its release in 2023.

General and administrative costs decreased by 18% compared to 2023, which was primarily the result of a decrease in recruitment costs and external legal services. This decrease was partially compensated by an increase in IT costs. In Q1 2024, the Company also incurred one-off costs related to the termination of the contract with the Vice President of the Management Board.

In 2024, the loss from operating activities amounted to PLN 3.9 million. At the same time, the reported EBITDA reached PLN 42.9 million, which corresponds to an EBITDA margin of 53.1%.

The Group recorded a net loss of PLN 6.6 million (net margin -8.2%) in 2024.

2. Balance sheet structure

Consolidated balance sheet

	as of 31.12.2024		as of 31.12.2023*	
	PLN'000	EUR'000	PLN'000	EUR'000
Non-current assets	209,367	48,998	188,678	43,394
Current assets	24,591	5,755	78,828	18,130
Total assets	233,958	54,753	267,506	61,524
Equity	155,637	36,423	152,790	35,140
Initial capital	1,908	447	1,829	421
Liabilities	78,321	18,329	114,716	26,384
Non-current liabilities	48,576	11,368	23,053	5,302
Current liabilities	29,745	6,961	91,663	21,082
Total equity and liabilities	233,958	54,753	267,506	61,524

* transformed data

The balance sheet total of the CI Games Group as of 31.12.2024 amounted to PLN 234.0 million and decreased by PLN 33.5 million (a decrease of 13%) compared to the balance at the end of 2023, as a result of a decrease in working capital.

As of 31.12.2024 fixed assets increased by PLN 20.7 million, mainly due to expenditures on current projects and loans granted to employees for shares' purchase (PLN 9.9 million), which are presented as long term receivables.

Current assets decreased by PLN 54.2 million (by 69%), mainly due to a decrease in receivables (including a correction of the previous year in the amount of PLN 8.6 million) and cash.

As of 31.12.2024, total equity and liabilities decreased by PLN 33.5 million (by 13%) mainly due to the repayment of bank loans in the amount of PLN 30.9 million, bonds convertible into shares (PLN 26.7 million) and a decrease in the balance of trade liabilities, which was increased after the game's release. At the same time, the long-term portion of liabilities increased by PLN 25.5 million

due to the recognition of advances for game production in this item, which was partially offset by a decrease in the deferred income tax provision by PLN 8.8 million.

Assets structure

Ratio	31.12.2024	31.12.2023*
Intangible assets / Assets	80.6%	63.1%
Property, plant and equipment/ Assets	0.5%	0.5%
Trade receivables / Assets	3.7%	14.4%
Inventories/ Assets	0.2%	0.6%
Cash and cash equivalents / Assets	2.7%	11.3%
Deferred income tax assets/ Assets	3.5%	5.9%

* transformed data

As of 31.12.2024, the largest item in the asset structure were intangible assets amounting to PLN 188.6 million (80.6% of total assets as of 31.12.2024), which increased by PLN 19.9 million during the year. The main item of intangible assets was Development work in progress (PLN 117.3 million - net value) and costs of completed development work (PLN 64.0 million).

The decrease in trade and other receivables by PLN 30.0 million as of 31.12.2024 compared to the balance at the end of 2023 resulted mainly from the high level of trade receivables at the end of 2023, related to the premiere of the game in October 2023 and record sales recorded in the fourth quarter of 2023.

As of 31.12.2024, cash decreased as a result of loan and bond repayments and development expenditures. At the end of 2024, the deferred tax asset balance decreased by PLN 7.6 million compared to 31.12.2023, mainly as a result of the settlement of the tax loss resulting from the one-time tax depreciation of the game „Lords of the Fallen” in 2023.

Structure of equity and liabilities

Ratio	31.12.2024	31.12.2023*
Own equity	58.3%	79.3%
Long term liabilities	8.4%	2.6%
Short term liabilities	33.3%	18.1%

* transformed data

The equity of the CI Games Group as of 31.12.2024 amounted to PLN 155.6 million (an increase of PLN 2.8 million compared to the balance at the end of the previous year). The increase in equity resulted from the increase in share capital in connection with the issue of series J shares for key employees (PLN 9.9 million) and was offset by a net loss and an adjustment for previous years.

As of 31.12.2024, long-term liabilities increased by PLN 25.5 million, mainly as a result of the recognition of advances from Epic Games Inc. In turn, short-term liabilities decreased by PLN 61.9 million, which was the effect of the repayment of bank loans, bonds convertible into shares and a decrease in the balance of trade liabilities, which were increased after the game's release.

3. Cash flow

Statement of cash flow

	2024		2023*	
	PLN'000	EUR'000	PLN'000	EUR'000
Net cash flows from operating activities	89,520	20,798	71,106	15,702
Net cash flows from investing activities	(77,957)	(18,112)	(82,994)	(18,327)
Net cash flows from financing activities	(35,581)	(8,267)	35,435	7,825
Net cash flows	(24,018)	(5,580)	23,547	5,200

* transformed data

In 2024, net cash flow from operating activities amounted to PLN 89.5 million and resulted mainly from the conversion of receivables into cash, which were reduced by the payment of short-term liabilities (including the 2023 marketing campaign).

In 2024, net cash flow from investing activities amounted to PLN (78.0) million, almost the majority of which concerned expenditures on game production – "Project 3", "Survive" and "Project H".

Net cash flow from financing activities amounted to PLN (35.6) million. This item mainly consists of repayments of two bank loans (PLN 30.9 million), bonds convertible into shares with interest (PLN 27.8 million) and payments under financial lease netted with the taking out of a new loan in the amount of PLN 15 million.

III. INDIVIDUAL FINANCIAL DATA

1. Profitability of the business

Individual profit and loss Account

	2024		2023*	
	PLN'000	EUR'000	PLN'000	EUR'000
Net revenues from sales	73,954	17,182	224,372	49,548
Gross profit on sales	18,013	4,185	118,702	26,213
<i>Sales margin (%)</i>	24.4%	24.4%	52.9%	52.9%
Selling costs	(9,221)	(2,142)	(80,465)	(17,769)
General and administrative costs	(13,385)	(3,110)	(16,473)	(3,638)
Net result on other activities and net impairment losses	(499)	(116)	(2,716)	(600)
Profit (loss) from operating activities	(5,092)	(1,183)	19,048	4,206
<i>Operating margin (%)</i>	-6.9%	-6.9%	8.5%	8.5%
EBITDA**	41,074	9,543	85,221	18,819
<i>EBITDA (%)</i>	55.5%	55.5%	38.0%	38.0%
Gross profit (loss)	(6,576)	(1,528)	13,055	2,883
<i>Gross profit (%)</i>	-8.9%	-8.9%	5.8%	5.8%
Net profit (loss)	(7,381)	(1,715)	2,967	655
<i>Net margin (%)</i>	-10.0%	-10.0%	1.3%	1.3%

* transformed data

**EBITDA calculated as operating profit adjusted for depreciation and amortization recognized in the Profit and Loss Account.

On 13.10.2023, the Company released „Lords of the Fallen”, which had significant impact on the Company’s financial performance in 2023. In turn, 2024 was a period without a new premiere, which translated into lower revenues compared to the previous year. In 2024, the game „Lords of the Fallen” generated 60% of CI Games' revenues. The game "Sniper Ghost Warrior Contracts 2" accounted for 24% of sales.

The costs of goods sold mainly included: amortization of development work related to the game „Lords of the Fallen”, non-capitalized costs of work on this game, license fees for the engine. The decrease in sales margin from 52.9% in 2023 to 24.4% in 2024 resulted mainly from the significant cost of amortization in the entire production costs.

Selling costs in 2024 decreased to PLN 9.2 million from PLN 80.5 million in 2023. This decrease was mainly due to the intensive marketing campaign of the „Lords of the Fallen” game, carried out before its premiere in 2023.

General costs in 2024 decreased by 18.7% compared to 2023, which was primarily the result of a decrease in recruitment costs and external legal services. This decrease was partially compensated by an increase in IT costs. In Q1 2024, the Company also incurred one-off costs related to the termination of the contract with the Vice President of the Management Board.

In 2024, the loss from operating activities amounted to PLN 5.1 million. At the same time, the reported EBITDA reached PLN 41.1 million, which corresponds to an EBITDA margin of 55.5%.

The Company recorded a net loss of PLN 7.4 million in 2024.

2. Balance sheet structure

Individual balance sheet

	as of 31.12.2024		as of 31.12.2023*	
	PLN'000	EUR'000	PLN'000	EUR'000
Non-current assets	219,772	51,433	200,057	46,011
Current assets	21,411	5,011	66,723	15,346
Total assets	241,183	56,443	266,780	61,357
Equity	150,781	35,287	147,053	33,821
Initial capital	1,908	447	1,829	421
Liabilities	90,402	21,157	119,727	27,536
Non-current liabilities	48,576	11,368	23,052	5,302
Current liabilities	41,826	9,788	96,675	22,234
Total equity and liabilities	241,183	56,443	266,780	61,357

* transformed data

CI Games' balance sheet total as of 31.12.2024 amounted to PLN 241.2 million and decreased by PLN 25.6 million (a decrease of 10%) compared to the balance at the end of 2023 as a result of a decrease in current assets.

Fixed assets increased by PLN 19.7 million comparing the balance as of 31.12.2024 to the balance at the end of the previous year. The main items that had an impact on this were the depreciation of the „Lords of the Fallen” game, netted with expenditures on current projects and a decrease in the deferred income tax asset.

Current assets decreased by PLN 45.3 million (by 68%), mainly as a result of a decrease in receivables (including an adjustment of the previous year in the amount of PLN 8.6 million) and cash. As of 31.12.2024, total liabilities decreased, mainly due to the repayment of bank loans in the amount of PLN 30.9 million, bonds convertible into shares (PLN 26.7 million) and a decrease in the balance of trade payables, which was increased after the game's release. At the same time, the long-term part of liabilities increased by PLN 25.5 million due to the recognition of advances for the production of the game in this item, which was partially offset by a decrease in the deferred income tax provision by PLN 8.8 million.

Asset structure

Ratio	31.12.2023	31.12.2022
Intangible assets/assets	76.8%	62.6%
Property, plant and equipment / Assets	0.4%	0.4%
Trade receivables / Assets	7.4%	15.9%
Inventories/Assets	0.2%	0.6%
Cash and cash equivalents / Assets	0.9%	8.4%
Assets due to income tax / Assets	3.8%	6.6%
Other assets / Assets	0.5%	0.5%

* transformed data

As of 31.12.2024, the largest item in the asset structure were intangible assets amounting to PLN 185.2 million (76.8% of total assets as of 31.12.2024), which increased by PLN 18.3 million during the year. The main item of intangible assets was Development work in progress (PLN 119.4 million - net value) and costs of completed development work (PLN 65.8 million).

The decrease in trade and other receivables by PLN 24.5 million as of 31.12.2024 compared to the balance at the end of 2023 resulted mainly from the high level of trade receivables at the end of 2023, related to the premiere of the game in October 2023 and record sales recognized in Q4 2023.

As of 31.12.2024, cash decreased (from PLN 22.4 million to PLN 2.3 million) which was the result of repayments of loans and bonds and expenditures on development works, with a simultaneous decrease in the value of sales in 2024. At the end of 2024, the balance of the deferred tax asset decreased by PLN 8.6 million compared to the balance as of 31.12.2023, mainly as a result of the settlement of the tax loss resulting from the one-time tax depreciation of the game „Lords of the Fallen” in 2023.

Structure of equity and liabilities

Ratio	31.12.2024	31.12.2023*
Equity capital	62.5%	55.1%
Long-term liabilities	20.1%	8.6%
Current liabilities	17.3%	36.2%

CI Games' equity as of 31.12.2024 amounted to PLN 150.8 million (an increase of PLN 3.7 million compared to the balance at the end of the previous year). The main factor of the increase was an increase in share capital by PLN 9.9 million as a result of the issue of series J shares for key employees. This increase was partially offset by the incurred net loss and adjustments relating to previous years.

As of 31.12.2024, long-term liabilities increased by PLN 25.5 million, mainly as a result of the recognition of advances from Epic Games Inc. In turn, short-term liabilities decreased by PLN 54.8 million, which was the effect of repayment of bank loans, bonds convertible into shares and a decrease in the balance of trade liabilities, which were increased after the game's release.

3. Cash flow

Statement of cash flow

	2024		2023*	
	PLN'000	EUR'000	PLN'000	EUR'000
Net cash flows from operating activities	88,169	20,485	60,955	13,461
Net cash flows from investing activities	(74,896)	(17,401)	(77,842)	(17,190)
Net cash flows from financing activities	(33,453)	(7,772)	35,316	7,799
Net cash flows	(20,180)	(4,688)	18,429	4,070

* transformed data

In 2024, net cash flow from operating activities amounted to PLN 88.2 million and resulted mainly from the conversion of receivables into cash, which were reduced by the payment of short-term liabilities (including the 2023 marketing campaign).

In 2024, net cash flow from investing activities amounted to PLN (74.9) million, of which almost the majority related to expenses for game production – "Project 3", "Survive" and "Project H".

Net cash flow from financing activities amounted to PLN 33.5 million. This item mainly consists of repayments of two bank loans (PLN 30.9 million), bonds convertible into shares with interest (PLN 27.8 million) and payments under financial lease netted with the taking out of a new loan in the amount of PLN 15 million.

IV. MANAGEMENT OF BUSINESS RISK OF THE GROUP

In the opinion of the Management Board of CI Games S.E., no serious circumstances exist, which would suggest inability or existence of serious threats to capability of the Company or the Group to continue or operation in the foreseeable future.

Described below are the key risk factors from the perspective of CI Games Group. Apart from the risk factors presented below, there is a possibility of emergence of other factors, not described below, which have not been identified or which the Group is not aware of. Materialization of risk factors described below, and unidentified ones, may exert negative impact on operating activity of the Group and its financial results or hinder implementation of the Group's strategy, thus influencing its situation.

1. Risk factors related to business environment of the Group

Risks associated with the economic situation

A vast majority of sales of the Group's products are generated on foreign markets - mainly in the territories of North and South America, as well as the key markets of Europe, Asia and Africa.

The global economic situation is of limited significance for activity and results generated by the Group. Impact on the level of sales achieved is exerted by GDP growth rate, the level of disposable income and expenditures of households, salaries, the state fiscal and monetary policy, as well as the level of investment expenditures of enterprises. Worsening of the economic condition of the global market may imply a reduction of consumer spending of households, decreased demand for entertainment products and services. A potential slowdown on the global market may, on the other hand, exert negative impact on profitability expected by the group, as well as the planned development dynamics. Analogical factors impact the level of sales on the Polish market.

The emergence of circumstances described above may have a negative effect on the perspectives for development, results achieved, and financial situation of the Group. Negative trends and events related to the economic situation are beyond control of the Group. The potential negative phenomena emerging on selected markets may translate to the Group's results despite the geographic diversification of its sales structure. However, it should be underlined that the video games market, in which the Group operates, while characterized by high competitiveness and dynamics, is visibly less resilient to potential crisis than other trades. This has been confirmed by research conducted in recent years. To reduce the risk associated with the macroeconomic conditions, the Group has been developing its activity on a global scale.

Risk related to the war in Ukraine

The war in Ukraine started on 24.02.2022. The international community responded by introducing sanctions against Russia and many companies withdraw from Russian and Belarus markets. These elements may result in risk of deterioration of the Polish and global economies, thus decreasing spending on entertainment. As described in the risk above related to economic situation, this risk is beyond the Group's control.

The Group is monitoring the situation and its potential negative consequences.

Risk associated with the condition of the gaming industry

The video games market, within which CI Games Capital Group operates, is characterized by high competitiveness and dynamics, in particular, quick technological changes, as well as changes in consumer interests and behaviors. Individual companies in CI Games Group, as well as the Group itself, engaging in business activity, are to a certain extent dependent on macroeconomic factors and the general macroeconomic situation. In the opinion of the Management Board of the Company, the video games sector is relatively resilient to potential crises. In order to reduce the risk being discussed, the Group develops its activity on a global scale, engaging on its own in publishing activity in all of the key markets in the world. In recent years, the entertainment sector has developed dynamically, and it is being estimated that the value of the video games market has become higher than that of the film industry. Moreover, research conducted so far shows that even in the period of global economic slowdown (2007-2011 and 2020), demand for video games grew year after year. Due to the above, in the opinion of the Management Board of CI Games

S.E., the risk associated with the macroeconomic situation, although recognized (identified) by the Company is of lesser significance for operations of the Company and the Group, and as such, it does not weaken competitiveness of the Company.

Competition risk

The video games market is characterized by a high level of competitiveness. Due to the diversified business model, encompassing development, publishing and distribution of games, the Group is exposed to competition in each of these fields. As for its publishing activity, the Group competes with other entities, both on the global and the domestic market, to be able to sign licenses for attractive titles. In the case of a final product such as a video game, the competition is also global, but focused on acquiring - and sometimes also maintaining - the end client being the recipient (addressee) of video games, that is, the consumer. At present, consumers are offered numerous new products, often featuring similar themes, which results in the risk of reduced interest in individual games of the Group to the advantage of its competitors. A competitive market thus requires constant efforts to improve the quality of products and to search for new market niches and game themes, which could attract a wider audience. Moreover, consolidation processes among entities, which are the Group's competitors, may result in the strengthening of their market position, and thus weaken the position of the Group on the domestic and international markets. Bigger entities usually have at their disposal higher publishing or marketing budgets, which may be of great importance for the success of the game.

The Group makes effective use of its key advantages: an experienced team, a global distribution network, a cost advantage, which is associated with a lower profitability threshold in comparison with other – much bigger – producers. The flat organizational structure, on the other hand, provides the advantage of flexibility, and fast acting, effective management.

Risk associated with the game distribution channels

The Group's products are distributed using traditional channels (sales of boxed products) and digital channels. In recent years, significance of digital channels has increased over the world (in particular, web-based platforms and platforms dedicated to selected consoles), which is associated with specific risk factors. There is a risk of limited access to some platforms, operating on the basis of exclusivity models. In such cases, the group of potential customers may be limited, which, on the other hand, may influence the level of revenues of the Group from distribution of games through such platforms. Moreover, there is a small risk of a change in the mode of distribution of games for individual platforms, particularly in the case of console games, such as switching from distribution using traditional channels to a subscription-based model, in which a player is provided access to a range of games in exchange for a fixed subscription fee. This may influence the level of revenues generated for the Group by a given title, particularly in the period of adaptation after the distribution mode has been changed. An increase in the significance of digital game distribution channels creates favorable conditions for illegal distribution of the Group's products without its consent and knowledge. Illegal acquisition of Group's products by consumers may exert negative impact on the sales levels and financial results of the Group. There is also a risk of exclusion from a given digital platform in association with a failure to comply with all of the regulatory conditions of its use.

Use of such platforms by the Group is associated with a legal risk due to the necessity to accept their regulations, which are usually subject to third country legislation (foreign legal systems). Therefore, the Group carefully selects its suppliers of digital platforms used for sales of games, favoring those entities which have a history of long-term cooperation with the Group. This allows for substantial mitigation of the risk of sudden changes in the rules of cooperation with suppliers of such digital platforms, which would be unfavorable for the Group, allowing the Group to respond early to any potential changes in the rules of cooperation (e.g. changes in regulations, tax legislation etc.)

Risk of changing trends

The CI Games Capital Group operates in the area of new technologies and virtual entertainment, in which the product life cycle is relatively short. It is impossible to rule out the risk of new solutions emerging in the market, which would make the products offer less attractive, hindering generating the appropriate level of proceeds. In order to limit this risk, we have applied the strategy of following the trends and offering products that have been tested and appreciated by consumers. A trend- setting strategy would be more costly and risky.

The main activity of the Group in this regard consists of constant monitoring of the market in terms of development of new technologies (e.g. 3D) and management of segments created by newly developed consoles, mobile devices, and the Internet.

Risk of legislative changes

Activity of the Group may be subject to the threat of very frequent changes in legislation in Poland and around the world. This particularly applies to legal regulations and interpretations in the field of protection of intellectual property, capital market, labor law and social insurance, taxation law, as well as company law. In some countries, there is a recurring topic of prohibition imposed on video games containing components of abuse. Therefore, there is a risk of amendment of legal provisions in any of the countries, in which the Capital Group offers its products, which might exert negative influence on results of activity of the Group.

Materialization of this risk is beyond the control of the Group and may exert negative influence on its results, although the Issuer monitors on ongoing basis the compliance of regulations applied by the Company and the current legislation. In addition, the Group engages in activities aimed at elimination of this risk through cooperation with specialized law firms around the world and through product civil liability insurance, applicable to its entire catalog of products published.

Risk of changes in tax legislation

Changes in both domestic and foreign taxation law are of significance for the Group. Practices of revenue authorities and judicial decisions in the field of taxation law are not uniform. This gives rise to the risk of adoption by tax authorities of an interpretation of legal provisions different from that applied by the Group, which may lead, among other things, to arrears with revenue offices.

As many contracts concluded by the Group are based on legislation other than Polish law, there is a tax risk resulting from being subject to foreign tax jurisdictions in relation to direct sales to consumers, the risk of correct determination of the payment obligation of withheld tax, proper reporting of taxation plans etc.

The Polish taxation system is characterized by unclear provisions and frequent amendments over short periods of time. Oftentimes, these provisions lack a consistent interpretation, which may lead to the risk of differences in their interpretation between the Group and the tax authorities. In the case of occurrence of such situation, the proper tax authority may impose upon the Group or any of its companies an obligation to pay tax and interest on outstanding tax, and in specific situations, establish the so-called additional tax obligation, which may exert a significant negative impact on financial results of the Group. Moreover, the tax authorities may verify correctness of tax statements submitted by the Group, specifying the amount of the tax obligation, in principle, during a period of five years from the end of the year, in which the tax payment was due. In the case if tax authorities adopt an interpretation of tax regulations different from the interpretation, which served as a basis for calculation of the tax obligation by the Group, this situation may have a significant negative impact on the financial standing of the Group.

Products of the Group are subject to a VAT rate in the amount specified in legal provisions of the state in which they are sold. The risk related to taxation of products (games) may be due to changes in tax rates, which are significant from the Group's perspective.

An additional risk for the Group is associated with changes in indirect tax rates, which may negatively influence the financial condition of the Group. Potential changes in VAT rates may have a negative impact on the profitability of products sold due to reduction of demand among the final users.

Labor law risk

Activity of the Group may be influenced by amendments to legal provisions on employment, including employment of foreigners, most of all with regard to requirements concerning social benefits for employees, provided by the employer. Amendments in this regard may exert impact on the level of costs incurred by the Group. In addition, activity of the Group may be significantly influenced by raises of minimum wages required by legislators in individual countries, as well as amendments to labor law and social welfare law, resulting in restrictions imposed upon hiring of employees on the basis of civil law contracts and the obligation to pay social insurance premiums on civil law contracts that may increase the labor costs of the Group.

The currency risk

Since the Group bears a part of the costs of operation in currencies other than PLN, mainly USD and EUR (PLN constitutes the Issuer's functional and presentation currency), the risk factor faced by the Group is the risk of unfavorable changes in exchange rates. This risk is applicable, in particular, to PLN exchange rates to USD and EUR, as revenues from sales of products are settled in these currencies. Appreciation of the zloty in relation to USD and EUR may exert negative impact on selected items of the financial statement, including, in particular, revenues of sales, which - as the operating costs are incurred partially in PLN, may also exert negative impact on financial results of the Group.

The Parent Entity partially secured itself against the foreign currency risk by incurring liabilities in these currencies.

Risk of technological changes

Technological changes related to, among others, the development of artificial intelligence may significantly affect the operations of the Group and the entire video game industry. The development of new tools in the field of AI brings a number of changes, including in the field of work organization, internal operations and contact with players, including positively through increased work efficiency and reduced operating costs.

2. Risk factors related to activity of the Group

Risk associated with loss of key employees

Successful Group activity depends largely on knowledge and experience of its employees and co-workers. This is typical for the video game industry, as the so-called intellectual copyrights are its key asset. On the market, it is difficult to acquire qualified specialists from the development (game production) industry. Moreover, recruitment of new employees and co-workers is associated with a period of learning of their new duties, resulting in a temporarily lower effectiveness of work.

Risk associated with loss of key clients

Trade activity is conducted on the basis of well-developed retail network channels in Poland and strict cooperation with foreign distributors, having their registered offices around the world. There is a risk of termination of distribution contracts or bankruptcy of companies being the formal purchasers of goods, for which the Group is a creditor. In order to minimize the risk of incurring losses, the Parent Entity has subsidiaries, which are responsible for constant development of distribution opportunities and strict cooperation with distributors. At present, the key role in this regard in the Group is played by a subsidiary seated in New York – CI Games USA Inc.

Risks associated with suppliers

One of the risk categories associated with suppliers is placement of titles on specific console platforms and cooperation with their owners in the process of certification of new titles. A failure to obtain the certification and the possibility of giving a notice of termination of publishing contracts for consoles are the main two risk components, which really exist and may influence the financial results of the Capital Group. It should be underlined, however, that the Group makes particular effort in order to ensure thorough fulfillment of all its obligations based on contracts concluded between these entities and the Group companies. Payments related to publishing of games for consoles constitute the main amount of trade receivables of the Group in the reporting period and are implemented in accordance with all applicable time limits.

Risk associated with completion of development plans

The growing costs of game production may result in increased demand for external financing. The Parent Entity is able to obtain financing from the financial sector if a need arises to finance additional projects.

The strategy of the Group also includes development of publishing operations concerning games created by external development studios on the basis of their creative concepts (the indie segment). A subsidiary of the Issuer is responsible for implementation of the



Group's strategy in this regard – United Label S.A, which has signed publishing contracts (agreements for exclusive licenses for the territory of the entire world) with four development studios, located in the United Kingdom and in France. Each of these production studios is at least partially involved in financing their productions (one of them finances it entirely).

A failure to implement the Group's strategy in whole, or in part, may influence the Group's revenues and cash flows in the Group but is not a threat to the stability of the Group and its ability to generate revenues as such.

The risk of copyright claims

Within the framework of production and publishing activity, the Group establishes cooperation with individual external entities rendering services on the basis of various legal relationships (contracts for cooperation – B2B, contracts for specific tasks, other similar contracts). Contracts concluded by the Group vary not only in terms of their type or legal nature, but also in terms of the law and jurisdiction applicable to these contracts or the potential associated litigations, security measures used etc. Contracts concluded by the Group usually contain provisions on use or acquisition by the Company of copyrights to results of these contracts, constituting works as defined by proper legal regulations, provisions on prohibition of competition, confidentiality obligations with regards to specific categories of information etc. In relation to contracts concluded by the Group concerning creation of graphics (assets), maps, models, scenarios, music works and similar and purchase of licenses (e.g. for software), the Group recognizes the risk of a situation, in which transfer of copyrights would have legal defects, be ineffective or fail to provide for the possibility of further resale. Moreover, copyright basics requires precise indication of all fields of use, to which such transfer pertains, and it is not effective if made on the basis of a general clause referring to “all known fields of use”. Therefore, there is a risk that in the case of a failure to recognize a potential field of use, a given work will be used illegally. There is also the risk of third parties transferring their copyrights to works to the Group effectively while copying solutions already available on the market and transferring them as “their own”. Most contracts concluded by entities of the Group pertain to acquisition of copyrights; therefore, it is not possible to exclude the possibility of effective acquisition of these rights being questioned by third persons, and thus claims made by such persons against the Group or its companies with regards to copyrights.

In order to mitigate this risk, the Group uses the services of law firms specializing in protection of intellectual property and registers the trademarks of its products. Submitting an application for protection of trademarks in the territory of the European Union and other countries around the world, we check its availability on individual markets and estimate the risk of violation of third-party copyrights.

The risk of wrong estimation of expenditures and future sales

The Group operates both in the publishing and in the production segment. In the case of publishing activity, the cost of effecting distribution of a game is relatively lower in comparison with its production from scratch. However, in both cases, profitability of a given game and the associated possibility of covering expenses incurred in association with its publishing or in the production process is related directly to market success, which can be measured by the size of demand, the number of products sold and revenues from sales. There is a risk that the Group will wrongly assess the commercial potential of a new title, for instance, a game is not accepted by one of the certification systems, the age category imposed is different than expected, or its promotion is ineffective and the title fails to achieve a market success. This, on the other hand, will have a negative impact on revenues from sales and financial results of the Group.

The Company assesses consumer tastes on the basis of knowledge of market trends, historic data and experience of the Management Board and the staff to match the games with the publishing catalog and engage in production of titles characterized by a high commercial potential and can be published for many platforms. The Group estimates the potential for sales of new titles with due diligence on the basis of many years of experience. Due to the high number of variables that must be estimated prior to the planned product release date, it is not possible to eliminate entirely the risk of wrong estimation of the number of copies and future sales.

Risk of new game titles

The Group's activity is focused on the production of video games. Activity of this kind requires substantial expenditures for development and marketing costs, which limits the Group's ability to diversify the risk and distribute it among different products

(titles). As a result, there is risk concentration in the relatively few game titles that are awaiting their debut at a given time. As a result of this risk concentration, if the sales level is lower than expected, the Group is exposed to the risk of a decrease in the level of revenues from sales, and the resulting lower net results and liquidity problems.

Risk of game production delay

Shifts and delays in the release of computer games is a normal phenomenon on the market of computer games. Production of computer games is a complex and costly process, based largely on creative and artistic work, which results in the risk of wrong estimation of the schedule of works on a given title, the risk of technical problems related to programming (e.g. failure of the game to meet the quality requirements or problems with its proper functioning) or lack or insufficient level of financing.

The video games market is driven by expectations associated with the debut of new products. There is a risk that some products will be finished later than planned. This may result in a negative impact on the cash flows generated and the financial result in individual periods.

Internal factors that may result in shifting the release date of the new game are related to defining the time necessary to complete the game production process so that it meets the quality requirements. Publishing a game which fails to meet the Group's high-quality standards, could exert negative impact on revenues from sale of a given product, at the same time damaging its image.

An external factor, which may influence the decision on shifting the release date is the market situation, as the optimum time of publishing of a game – taking into account the publishing schedules of other publishers around the world – is a significant component of the decision-making process. Another significant risk factor is delays of suppliers or subcontractors in preparation of the ordered game components.

A shift in the release date is often related to the marketing component of a “long-awaited game”, which exerts positive influence on the process of building of image of the product.

Both in the case of the publishing and production activity of the Company, changes to the original schedule of works may delay the release of a given game, which may, in turn, shift the time of sales of the finished product or – in an extreme case – result in withdrawal from such sales. This, on the other hand, may result in a reduction of revenue from sales and exert negative impact on financial condition of the Group. Although the Group conducts its publishing activity in cooperation with carefully selected development studios, it should be kept in mind that the Group exerts no constant direct control over the production process, which limits its impact on the associated risk. It is also impossible to rule out the possibility that one or more games developed by external studios and published by the Group will generate revenues with a delay in relation to the plan established by the Group or will not be distributed at all.

Risk associated with production of console, smart phone and tablet games

Production of games for consoles and devices with iOS systems requires undergoing a certification system with the platform owner. There is a risk of termination of cooperation with the platform owner, a delay or a failure to obtain certification for the game produced, which may delay the release.

The liquidity risk

The Group may be exposed to a situation in which it is not able to settle its financial liabilities. Moreover, the Group is exposed to the risk of failure by its key business partners to meet their contractual obligations to the Group, in particular, with regard to timely settlement of their liabilities by distributors of games published by the Group. This phenomenon may exert a negative impact on the financial liquidity of the Group, resulting e.g. in the necessity to make impairment allowances for receivables. In order to minimize the risk of undermining or losing financial liquidity, the Group conducts systematic analysis of its financing structure, caring to maintain the proper level of cash necessary for timely settlement of its current liabilities.

V. INFORMATION ON CORPORATE GOVERNANCE

1. Composition of governing bodies of the Issuer

Management Board of the Parent Entity in 2024 was as follows:

Marek Tymiński	CEO, President of the Management Board
David Broderick	Vice President of the Management Board until 21.02.2024

Composition of the Supervisory Board of the Company in the period from 1.01.2024 to 24.04.2025 was as follows:

Michael Foley	Chairman of the Supervisory Board
Artur Osuchowski	Member of the Supervisory Board until 25.06.2024
Marcin Garliński	Member of the Supervisory Board
Adam Niewiński	Member of the Supervisory Board
Jeremy M.J. Lewis	Member of the Supervisory Board
Florian Schuhbauer	Member of the Supervisory Board
Nicholas Beliaeff	Member of the Supervisory Board from 17.02.2025

On 21.02.2024, Mr. David Broderick was dismissed from the Management Board of the Company pursuant to the resolution of the Supervisory Board of the Company. On 25.06.2024 Mr. Artur Osuchowski resigned from the position of the Member of the Supervisory Board.

On 17.02.2025, the General Meeting of the Company appointed Mr. Nicholas Beliaeff as a member of the Supervisory Board.

On 23.09.2024, the Supervisory Board of the Company adopted a resolution on appointing Mr. Michael Foley as a member of the Audit Committee for the current term of office and on appointing Mr. Marcin Garliński as the Chairman of the Audit Committee for the current term of office. The Audit Committee in its current composition meets the independence criteria and the requirements specified in Article 129 of the Act of 11 May 2017 on auditors, audit firms and public supervision.

Michael (Mike) Foley	Chairman of the Supervisory Board, Member of the Audit Committee from 23.09.2024.
Artur Osuchowski	Member of the Supervisory Board until 25.06.2024, Chairman of the Audit Committee from 01.01.2024 to 25.06.2024
Marcin Garliński	Member of the Supervisory Board, Chairman of the Audit Committee since 23.09.2024
Adam Niewiński	Member of the Supervisory Board, Member of the Audit Committee for the whole of 2024
Jeremy M.J. Lewis	Member of the Supervisory Board

Florian Schuhbauer

Member of the Supervisory Board

Nicholas Beliaeff

Member of the Supervisory Board from 17.02.2025

2. The shareholding structure of the Parent Entity

The shareholding structure is determined on the basis of formal notices issued by shareholders who control at least 5% of the total number of votes at the General Meeting of Shareholders. The percentage share in the Company's share capital and in the total number of votes at the General Meeting is calculated on the basis of the most recent notices received from Company shareholders as of the date of publication of this report.

On 3.10.2024, the Company received a notification pursuant to Article 69 of the Act on Public Offering and Conditions for Introducing Financial Instruments to Organized Trading and on Public Companies regarding the indirect acquisition of 36,618,931 shares in CI Games SE by Active Ownership Group Ltd. in connection with the reorganization of the AOC group. According to the notification received, Member of the Supervisory Board Florian Schuhbauer is the dominant entity of Active Ownership Advisors GmbH, which, together with Active Ownership Management Ltd, co-controls the shareholder Active Ownership Fund Sicav-FIS SCS, which holds 36,618,931 shares in the Issuer.

On 28.10.2024, in connection with the registration in the securities accounts of entitled persons of a total of 3,518,560 ordinary bearer shares of series J with a nominal value of PLN 0.01 each (ISIN: PLCTINT00117), acquired in exchange for series C subscription warrants, the Company's share capital was increased by an amount equal to the nominal value of the acquired shares, i.e. by PLN 35,185.60. The Company's share capital was increased from PLN 1,829,430.15 to PLN 1,864,615.75.

On 28.10.2024, the Company received a notification from the President of the Management Board of the Company - Mr. Marek Tymiński in connection with the acquisition of 3,018,560 series J shares in exchange for series C subscription warrants.

On 23.12.2024, in connection with the registration in the securities accounts of entitled persons of a total of 4,363,305 ordinary bearer shares of series J with a nominal value of PLN 0.01 each (ISIN: PLCTINT00117), acquired in exchange for series C subscription warrants, the Company's share capital was increased by an amount equal to the nominal value of the acquired shares, i.e. by PLN 43,633.05. The Company's share capital was increased from PLN 1,864,615.75 to PLN 1,908,248.80.

Share capital– structure	Number of shares and number of votes	% of votes in the share capital of the Company and in the total number of
Marek Tymiński	56,102,130	29.40%
Active Ownership Fund Sicav-FIS SCS	36,618,931	19.19%
Other shareholders	98,103,819	51.41%
Total	190,824,880	100.00%

3. Ownership of CI Games shares or rights to shares by persons managing and supervising the Company

Ownership of CI Games shares by members of managing and supervising bodies as of the date of publication of this report:

Person	Position	As of 31.12.2024	Status as of the date of publication of the report
Marek Tymiński	CEO, President of the Management Board	56,102,130	56,102,130
Marcin Garliński	Member of the Supervisory Board	40,000	2,200

Marek Tymiński, the President of the Management Board of CI Games S.E., holds 56,102,130 shares of the Parent Entity, representing 29.40% of the Issuer's share capital and 29.40% of the total number of votes at the Company's general meeting. As part of the implementation of the 2021-2023 incentive program, Marek Tymiński, on 21.03.2024, took up 3,018,560 series C subscription warrants entitling them to exchange for series J shares. On 28.10.2024, the Company received a notification from Mr. Marek Tymiński in connection with the acquisition of 3,018,560 series J shares in exchange for series C subscription warrants. As of the date of publication of the report, Mr. Marek Tymiński holds 56,102,130 shares of the Issuer.

On 02.01.2025, the Company received a notification from a Member of the Supervisory Board of the Company – Mr. Marcin Garliński, provided in accordance with Article 19 of the MAR Regulation. According to it, on 02.01.2025, Mr. Marcin Garliński sold 37,800 shares of the Issuer, and as a result, as of the date of publication of the report, he holds 2,200 shares of the Issuer.

According to the best knowledge of the Company, the remaining members of the Supervisory Board hold no shares of the Company in 2024 and as of the date of the release of this report.

CI Games' management and supervisory personnel do not directly hold any shares in CI Games' affiliates.

4. Information on contracts with the entity authorized to audit financial statements

On 4.03.2024, CI Games entered into an agreement with Grant Thornton Polska Prosta spółka akcyjna, with its registered office in Poznań, for the semi-annual review and audit of the separate and consolidated financial statements for 2024-2025. The appointment of this entity was made by CI Games' Supervisory Board by resolution dated 12.12.2023, based on the recommendation of the Audit Committee of the Company's Supervisory Board, in accordance with the Company's policy and procedure for the appointment of an audit firm.

The appointed entity is registered in the list of entities authorized to audit financial statements, maintained by the National Chamber of Statutory Auditors under registration number 4055.

Remuneration of the authorized entity to audit the financial statements of the Company and the Group	Annual net remuneration (PLN)
Audit of annual financial statements of CI Games SE, United Label SA and consolidated financial statements of CI Games Capital Group	134,000
Review of financial statements	58,000
Other attestation services related to Remuneration Report	8,000
Total	200,000

5. Information on contracts known to the Issuer, which may result in future changes in proportions of shares held by the existing stockholders and bondholders

Section 6 below describes the executed incentive program based on series J shares acquired in exercise of rights from series C subscription warrants and the incentive program based on series K shares acquired in exercise of rights from series D subscription warrants. As a result of the implementation of these programs, there may be a change in the proportion of shares held by existing shareholders.

6. Information on employee share plan control system

In 2024, the following incentive programs were in operation at the Company, i.e. the 2021-2023 Incentive Program introduced by the Company's General Meeting on 22.06.2021 and the 2023-2025 Incentive Program introduced by the Company's General Meeting on 29.06.2023.

The 2021-2023 Incentive Program

On 22.06.2021, Ordinary General Meeting of the Company adopted resolution no. 19/1/2021 on the establishment of an incentive program addressed to key employees and contractors of CI Games Group, including Members of the Managing Board of CI Games S.E.

Pursuant to this resolution the Company and CI Games Group have adopted a new incentive program based on series J shares. Execution of this program is dependent on CI Games Group financial results, i.e. achievement by the Company and by CI Games Group of one of the following two specific targets, depending on whichever is reached first:

- i) combined net profit of CI Games Group in the fiscal years 2021-2022 totaling PLN 40,000,000 (forty million zloty),
- ii) combined net profit of CI Games Group in fiscal years 2021-2023 totaling PLN 65,000,000 (sixty five million zloty).

In the event one of these targets is achieved, entitled persons were to be granted a total of no more than 13,720,726 (thirteen million seven hundred and twenty thousand seven hundred and twenty six) series C subscription warrants with the right to take up 13,720,726 (thirteen million seven hundred and twenty thousand seven hundred and twenty six) ordinary series J bearer shares. However, in the event where one of these targets is exceeded by every additional and consecutive PLN 5,000,000 (five million zloty), the number of warrants granted in connection with the execution of the related goal of the program could be increased by 0.5 percentage points, with the provision that such number may not exceed 7.5% of the total number of Company's shares upon the date of adoption of its incentive program, i.e. 22.06.2021. As a result of the execution of this incentive program, entitled persons serving as the Company's Management Board Members may be granted no more than 50% of the warrants, of which a maximum of 30% of all warrants may be granted to the Company's Chief Executive Officer.

The persons participating in the incentive program were indicated by the Management Board of the Company, and in relation to the Members of the Management Board – the entitled persons were indicated by the Supervisory Board of the Company.

The C series subscription warrants were acquired free of charge, while the J series shares – at an issue price of PLN 1.26 per share. The issue price was set as the weighted average price of the Company's shares on the regulated market on which the Company's shares are listed in the first quarter of 2021, reduced by 10%, i.e. PLN 1.26. The regulations of the above-mentioned incentive program were adopted by the Annual General Meeting of the Company by resolution No. 19/1/2021 of 22.06.2021. Based on resolution No. 20/1/2021 of the Annual General Meeting of the Company of 22.06.2021, the Company issued series C subscription warrants, which entitled their holders to subscribe for series J shares (in the ratio of one warrant – one share), excluding in full the subscription rights of the current shareholders of the Company. On the basis of this resolution, a conditional increase in the Company's share capital for the purposes of the above-mentioned incentive program was also adopted. The conditional share capital of the Company amounts to PLN 137,207.26 (in words: one hundred thirty-seven thousand two hundred seven zlotys and 26/100). In accordance with the regulations of the incentive program, series J shares will be subject to a partial lock-up in such

a way that: (i) within 30 (thirty) days from the date of acquisition of series J shares, the program participant will be able to sell no more than 1/3 of the shares acquired by the participant; (ii) within the next 30 (thirty) days from the end of the period referred to in letter (i) above, the program participant will be able to sell the remaining shares, but in a number not greater than 1/3 of the shares acquired by the participant; (iii) within the next 30 (thirty) days from the end of the period referred to in letter (ii) above, the program participant will be able to sell the remaining shares acquired by the participant, provided that the participant sold some of them within the deadlines indicated above, or sell all of the shares acquired by the participant, provided that he/she did not sell some of them within the deadlines indicated above.

The Company has concluded agreements on participation in the incentive program with persons indicated by the Management Board and with members of the Management Board of the Company indicated by the Supervisory Board. On 29.09.2023, the Management Board and the Supervisory Board of the Company adopted executive resolutions on the final verification of the objectives of the incentive program addressed to key employees and associates of the CI Games Capital Group, including members of the Management Board of CI Games SE, establishing the final list of eligible employees and associates of the Company to participate in the incentive program and granting subscription warrants, in which resolutions it was stated that the CI Games Capital Group achieved a total net profit for the financial years 2021-2022 in the amount of PLN 46,918,000, therefore, Objective 1 of the Incentive Program, i.e. the total net profit of the CI Games Capital Group in the financial years 2021-2022, was achieved and the Company was entitled to grant a total of up to 10,061,865 series C subscription warrants. CI Games offered eligible employees and associates 10,061,865 series C subscription warrants. On 10.06.2024, the National Depository for Securities S.A. issued a statement no. 554/2024 on concluding an agreement with the Company on registration in the securities depository of up to 10,061,865 registered subscription warrants of series C. The warrants were assigned the ISIN code PLCTINT00109. In the exercise of the offers submitted by the Company to acquire series C warrants, eligible persons acquired a total of 9,581,865 warrants.

On 28.10.2024, in connection with the registration in the securities accounts of entitled persons of a total of 3,518,560 series J ordinary bearer shares with a nominal value of PLN 0.01 each (ISIN: PLCTINT00117), acquired in exchange for series C subscription warrants, the Company's share capital was increased by an amount equal to the nominal value of the acquired shares, i.e. by PLN 35,185.60. The Company's share capital was increased from PLN 1,829,430.15 to PLN 1,864,615.75. On 23.12.2024, in connection with the registration in the securities accounts of entitled persons of a total of 4,363,305 ordinary bearer shares of series J with a nominal value of PLN 0.01 each (ISIN: PLCTINT00117), acquired in exchange for series C subscription warrants, the Company's share capital was increased by an amount equal to the nominal value of the acquired shares, i.e. by PLN 43,633.05. The Company's share capital was increased from PLN 1,864,615.75 to PLN 1,908,248.80.

Participants of the incentive program in the exercise of rights from series C warrants acquired a total of 7,881,865 series J shares.

As of the date of publication of this report, the incentive program for 2021-2023 has been completed.

The 2023-2025 Incentive Program

On 29.06.2023, Ordinary General Meeting of the Company adopted resolution no. 21/2/2023 on the establishment of an incentive program addressed to key employees and contractors of CI Games Group, including Members of the Managing Board of CI Games SE. Pursuant to this resolution the Company and CI Games Group have adopted a new incentive program based on series J shares. Execution of this program is dependent on CI Games Group financial results, i.e. achievement by the Company and by CI Games Group of one of the following two specific targets, depending on whichever is reached first:

- i) total net profit of the CI Games Group in fiscal years 2023-2024 in excess of PLN 150,000,000 (one hundred and fifty million zlotys),
- ii) total net profit of the CI Games Group in fiscal years 2023-2025 in excess of PLN 250,000,000 (two hundred and fifty million zlotys).

If the targets are met, the entitled persons will be granted a total of no more than 9,000,000 (nine million) series D subscription warrants with the right to subscribe for 9,000,000 (nine million) series K ordinary bearer shares. In the event that one of these objectives is achieved by each additional 25,000,000 (twenty-five million zlotys) more, the number of warrants allotted in

connection with the performance of the related program objective will be increased by 1,000,000 (one million), not to exceed 13,000,000 (thirteen million) warrants in total.

In the event of a material change in the ownership structure of the Company (i.e., a significant change in the shareholding structure of the Company) in relation to the structure existing on the date of adoption of the Resolution of the General Meeting no 21/2/2023 of 29th June 2023, in such a way that after the date of adoption of the said resolution, more than 50% (fifty percent) of the total number of shares in the Company will become the property of one or more shareholders acting in concert, other than the majority shareholder of the Company on the date of adoption of the resolution who is also a member of the Management Board, the shares will not be issued to entitled participants, regardless of whether the Company has already concluded participation agreements with these participants. In the case referred to in the first sentence, the Company shall without any delay, at the first possible date in accordance with the regulations, and unconditionally pay in money to the participants referred to in the previous sentence the amounts corresponding to the product of the difference between the issue price and weighted average (market) price per share over the last 30 (thirty) calendar days until the said change of ownership, multiplied by the number of shares to which these participants were entitled in accordance with the regulations, relevant executive resolutions or participation agreements, and multiplied by the number of full calendar months from the General Meeting as of 29th June 2023 till the change of ownership divided by 24 (twenty-four).

Persons who will participate in the incentive program will be designated by the Company's Management Board, and with respect to the Company's Management Board Members, the entitled persons will be designated by the Company's Supervisory Board. Shares issued under the incentive program will be taken up by entitled participants of the program in exercise of rights from series D subscription warrants. Series D subscription warrants will be acquired free of charge, while series K shares will be acquired at an issue price of PLN 3.50 per share.

Pursuant to resolution no. 22/2/2023 of the Ordinary General Meeting of the Company dated 29.06.2023 the Company will issue series D subscription warrants, which will entitle their holders to subscribe for series K shares (in the ratio of one warrant - one share), with full exclusion of the pre-emptive rights of the Company's existing shareholders. In addition, a conditional increase in the Company's share capital for the purposes of the aforementioned incentive program was adopted on the basis of this resolution. The Company's conditional share capital issued for the purposes of this program is 13,000,000 (thirteen million). Series K shares, once issued and taken up by entitled persons, will be introduced to trading on the regulated market operated by the Warsaw Stock Exchange.

Pursuant to the terms and conditions of the incentive program, series J shares will be subject to partial lock-up in such a way that: a) within the period of 45 (forty-five) days from subscription for the shares, the Shareholder can transfer no more than 1/3 of the shares subscribed for by him/her (partial lock-up); b) within the period of subsequent 45 (forty-five) days from expiry of the period referred to in letter a) above, the Participant can transfer the remaining shares, not exceeding, however, 1/3 of the shares subscribed for by him/her (partial lock-up); c) within the period of subsequent 45 (forty-five) days from expiry of the period referred to in letter b) above, the Participant can transfer the remaining shares if he/she transferred a part of them within the time limits specified in letters a)-b) or transfer all shares subscribed for by him/her if he/she did not transfer them under letters a)-b) above.

The duration of the incentive program, referred to above, covers the years 2023-2026.

7. Convertible bonds issuance

On 29.06.2023, the Annual General Meeting of the Company adopted Resolution No. 23/2/2023 on the issue of bonds convertible into shares, depriving the Company's shareholders of the subscription rights to series F convertible bonds in their entirety, conditionally increasing the Company's share capital, depriving the Company's shareholders of the subscription rights to series L shares in their entirety and amending the Company's Articles of Association. In accordance with this resolution, the Company could issue registered bonds, in one or more series, unsecured, convertible into ordinary bearer shares of series L with a total nominal value of these bonds of no more than EUR 10,000,000 (ten million euros) with a nominal value of EUR 100,000 (one hundred thousand euros) each bond.

The bondholder was entitled to:

- (a) pay interest on the interest payment dates specified in the terms of issue;
- (b) payment on the redemption date (or on the earlier redemption date, as defined above) of the nominal value of each bond subject to redemption (together with the interest accrued to that date and not previously paid);
- (c) acquisition of ordinary bearer shares of the Company, series L, with a nominal value of PLN 0.01 (one grosz) each.

For the purposes of the bond issue, a conditional increase in the Company's share capital was also adopted. The conditional share capital of the Company issued for the purposes of the bond issue amounted to PLN 90,000 (ninety thousand zlotys). The purpose of the conditional increase in share capital was to grant holders of convertible bonds the right to acquire up to 9,000,000 (nine million) series L shares with a nominal value of PLN 0.01 (one grosz) each, excluding in full the subscription rights of the current shareholders of the Company.

In implementation of the resolution of the General Meeting on 14.07.2023, the Management Board adopted a resolution on the issue of up to 60 (sixty) series F registered bonds, convertible into series L ordinary bearer shares of the Company, with a total nominal value of bonds of up to EUR 6,000,000 (six million euros) with a nominal value of EUR 100,000 (one hundred thousand euros) each bond.

On 20.07.2023, the Management Board of the Company adopted a resolution on the allocation of 60 (sixty) series F bonds, registered, unsecured, not in the form of a document, convertible into ordinary bearer shares of series L, with a nominal value equal to the issue price of EUR 100,000 (one hundred thousand euros) each bond and a total nominal value of EUR 6,000,000 (six million euros), interest at a fixed annual interest rate of 8%.

The proceeds from the bond issue were used by the Company to finalize the production of the game „Lords of the Fallen” and to promote this game.

On 22.07.2024, the redemption of all 60 series F bonds of the Company with a total nominal value of EUR 6,000,000 together with due interest and the cancellation of the series F bonds of the Company took place. The bonds were redeemed by the Company on time, in accordance with the Company's obligations under the Terms of Issue of Series F Bonds. Upon redemption, the bonds are subject to cancellation by operation of law, which results in the expiry of all rights and obligations arising therefrom.

8. Loan liabilities

On 02.01.2024, the Company repaid and closed a non-revolving credit facility in the amount of PLN 20 million related to financing the production of „Lords of the Fallen” at PKO BP S.A.

On 10.04.2024, CI Games SE signed a multi-purpose credit limit agreement with PKO BP S.A. in the amount of PLN 15 million (hereinafter: “Multi-purpose Credit Limit Agreement”). The credit was granted for the period from 10.04.2024 to 09.04.2025 in PLN or in EUR according to the credit disbursement order submitted by the Company. On 21.03.2025, the Company concluded Annex No. 1 to the Multi-purpose Credit Limit Agreement (“Annex 1”), pursuant to which the credit limit was increased by PLN 9,500,000.00 to PLN 24,500,000.00, and the credit period was extended until 9.04.2027. The security for the loan pursuant to Annex 1 is: a) a blank promissory note issued by the Company together with a promissory note declaration, b) a repayment guarantee granted by Bank Gospodarstwa Krajowego (“BGK”), c) a registered pledge and a civil pledge on the Company's shares held by the shareholder Marek Lech Tymiński, d) an assignment of receivables.

On 21.03.2025, the Company concluded a non-revolving working capital loan agreement with PKO BP in the amount of PLN 8,500,000.00 (hereinafter: “Non-revolving Working Capital Loan Agreement 1”). The loan was granted for the period from 21.03.2025 to 30.09.2026. The loan security in accordance with the Non-revolving Working Capital Loan Agreement 1 is: a) a BGK loan repayment guarantee, b) a blank promissory note issued by the Company together with a promissory note declaration.

On 21.03.2025, the Company concluded a non-revolving working capital loan agreement with PKO BP in the amount of PLN 8,500,000.00 (hereinafter: "Non-revolving Working Capital Loan Agreement 2"). The loan was granted for the period from 21.03.2025 to 31.10.2026. The loan is secured in accordance with the Non-revolving Working Capital Loan Agreement 2 by: a) a BGK loan repayment guarantee, b) a blank promissory note issued by the Company together with a promissory note declaration.

On 21.03.2025, the Company concluded a non-revolving working capital loan agreement with PKO BP in the amount of PLN 8,500,000.00 ("Non-revolving Working Capital Loan Agreement 3"). The loan was granted for the period from 21.03.2025 to 30.11.2026. The loan security in accordance with the Non-revolving Working Capital Loan Agreement 3 consists of: a) a BGK loan repayment guarantee; b) a blank promissory note issued by the Company together with a promissory note declaration.

9. Contracts concluded between the Issuer and managing persons, providing for a compensation in the case of their resignation or dismissal without a material reason or if their withdrawal or dismissal results from merger of the Issuer by acquisition

On 02/09/2022, the Supervisory Board adopted Resolution No. 2022/09/02/4 on determining an additional benefit for the President of the Management Board of the Company, pursuant to which President of the Management Board Marek Tyminski was granted the right to a one-time severance payment in the gross amount of PLN 1,115,520 in the event of dismissal of Mr. Marek Tyminski from the position of President of the Management Board of the Company or resignation of Mr. Marek Tyminski from the position of President of the Management Board of the Company, and a cash severance payment in the gross amount of EUR 243,683 by the subsidiary CI Games Mediterranean Projects SL, payable in the event of dismissal or resignation of Mr. Marek Tyminski from his position at CI Games Mediterranean Projects SL. Accordingly, on 14.09.2022, an agreement was concluded between the Company and the CEO regarding the payment of a one-time severance package, and an annex to the employment contract (dated 01.07.2020) was signed between the managing director of CI Games Mediterranean Projects SL, Mr. Marek Tyminski, and CI Games Mediterranean Projects SL and CI Games S.A. on 14.09.2022. Under this annex, Mr. Marek Tyminski was granted the right to a one-time severance payment of EUR 300,000 gross in the event of his dismissal or resignation.

On 02.09.2022, the Supervisory Board passed a resolution on the establishment of an additional benefit for the Vice President of the Company's Management Board, and on 14.09.2022 a relevant agreement was concluded, according to which Vice President David Broderick was granted the right to receive a one-time severance payment in the gross amount of EUR 110,000.00 in the event of his dismissal from the position of Vice President of the Company's Management Board or resignation from the position of Vice President of the Company's Management Board. In connection with the dismissal of Mr. David Broderick on 21.02.2024 from the Company's Management Board, the one-time severance payment was paid by the Company.

10. Remuneration of members of the Management Board and Supervisory Board of CI Games

Information on remuneration is described in Note 37 of the 2024 Consolidated Financial Statements.

In addition, in connection with the Incentive Program for 2021-2023 adopted at the Company, the President of the Management Board on 21.03.2024 accepted an offer to acquire 3,018,560 series C subscription warrants convertible into series J shares free of charge. On 28.10.2024, the President of the Management Board acquired 3,018,560 series J shares in exchange for series C subscription warrants.

Information on all liabilities arising from pensions and benefits of a similar nature for former managing and supervising persons or former members of administrative bodies and on liabilities incurred in connection with these pensions, indicating the total amount for each category of the body.

As at 31.12.2024, the Company does not have the above-mentioned liabilities.

11. Information on significant transactions entered into by the Issuer or their subsidiary with related entities

All of the transactions presented below were executed on market conditions. Transactions of the Parent Company with companies belonging to the Group

Transactions in 2024 and balances as of 31.12.2024 [PLN'000]	Costs*	Revenues	Receivables	Liabilities and provisions
CI Games USA Inc.	128	(1,378)	4,189	56
Business Area Sp. z o.o.	6	1	-	-
Business Area Sp. z o.o. Sp.J.	141	6	-	2,041
CI Games S.A. Sp.J.	-	1	-	191
United Label S.A.	3,550	802	1,523	1,096
CI Games UK Limited	11,062	11	-	989
CI Games Bucharest Studio SRL	808	-	-	17
CI Games Mediterranean Projects SL	44,743	2	-	14,776
Total	60,438	(555)	5,712	20,055

*including capitalized costs

Transactions of the Parent Company with entities related personally to Mr. Marek Tymiński – the majority shareholder of CI Games S.E., who exerts direct or indirect control over the following entities:

Transactions in 2024 and balances as of 31.12.2024 [PLN'000]	Costs	Revenues	Receivables	Liabilities
Fine Dining Sp. z o.o.	-	-	27	-
RAZEM	-	-	27	-

Transactions of the Issuer with entities related personally to Members of the Supervisory Board and Members of the Management Board of the Parent Entity:

Transactions in 2024 and balances as of 31.12.2024 [PLN'000]	Costs	Revenues	Receivables	Liabilities
Marek Tymiński	5	-	3,803	-
Katarzyna Niewińska	5	-	-	-
Total	10	-	3,803	-

Transaction with the shareholder, Active Ownership Fund Sicav-FIS SCS, relates to issuance of convertible bonds series F:

Transactions in 2024 and balances as of 31.12.2024				
[PLN'000]	Costs	Revenues	Receivables	Liabilities
Active Ownership Fund Sicav-FIS SCS	1,389	-	-	-
Total	1,389	-	-	-

12. Information on organizational or capital ties between the Issuer and other entities and specification of key domestic and foreign investments

As of 31.12.2024, the CI Games Capital Group consisted of the following entities:

CI Games S.E. with a registered office in Warsaw. The share capital is PLN 1,908,248.80. A Parent Entity, engaged in publishing and production activity, managing the CI Games production studio in Warsaw.

United Label S.E. with a registered office in Warsaw. Share capital: PLN 127,500, 100% shares held by CI Games S.E. The company is conducting publishing activity.

CI Games USA Inc. with a registered office in the state of Delaware, the United States. Share capital: USD 50,000. 100% shares held by CI Games S.E. CI Games USA Inc. is one of the key subsidiaries in the Group, engaged in distribution and marketing activity on the markets of North and South America.

Business Area sp. z o.o. with a registered office in Warsaw. The company has been included in consolidation from the third quarter of year 2010: Share capital: PLN 5,000. 100% shares held by CI Games S.E.

Business Area sp. z o.o. sp.j. with a registered office in Warsaw. The company has been subject to consolidation starting from the first quarter of year 2015. 99.99% of the shares in the company are held by CI Games S.E.; the remaining 0.01% are held by Business Area sp. z o.o.

CI Games S.A. sp.j. with a registered office in Warsaw. 99.99% shares in this company are held by Business Area sp. z o.o. sp.j.; the remaining 0.01% shares are held by CI Games S.E.

CI Games UK Limited with a registered Office in London, Great Britain. 100% shares held by CI Games S.E.

CI Games Mediterranean Projects, S.L. with a registered office in Barcelona, Spain. 75% shares in this company are held by CI Games S.E.

CI Games Bucharest Studio S.R.L with the seat in Bucharest, Romania. 100% shares owned by CI Games S.E.

13. Changes in the basic principles of management of enterprise of the Issuer and the Capital Group

In 2024, there were no other significant changes in the basic management principles of the Company and its Group of Companies. In particular, the Company and its Group companies have not decided to participate in the Group of Companies in accordance with the provisions of the Commercial Companies Code.

On 21.02.2024, the Company's Supervisory Board passed a resolution to dismiss Mr. David Broderick from the Company's Management Board.

On 07.06.2024 Mr. Darren Newnham resigned from the position of President of the Management Board and membership in the Management Board of United Label S.A. On 10.06.2024, the Supervisory Board of United Label S.A. passed a resolution to appoint Mr. Marek Tyminski as President of the Management Board of United Label S.A.

14. Specification of material proceedings before courts, competent authorities for arbitration proceedings or public administration bodies

On 21.04.2023, the Company received a lawsuit filed by 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. The subject of the dispute is a claim for payment of a contractual penalty, compensation for damages and reimbursement of costs resulting from the lease agreement concluded by the Company with the plaintiffs on 10.11.2017. The Company filed a response to the lawsuit, in which it disputed the claims as unfounded and unproven. On 27.11.2023, the plaintiffs partially withdrew the lawsuit regarding compensation for lost rent, therefore, as of the date of publication of this report, the value of the subject of the dispute is PLN 1,852,959.67, and the case is pending.

In 2024, the Issuer's subsidiary CI Games MP S.L. was sued by two employees employed at CI Games MP S.L. The employees' claims were related to the termination of the employment contract by CI Games MP S.L. On 21.11.2024, CI Games MP S.L. concluded a settlement with one of the employees, which exhausts all of his claims against CI Games MP S.L. On 14.01.2025, CI Games MP S.L. concluded a settlement with the employee as part of the second ongoing proceedings. As of the date of publication of this report, both cases are closed.

On 24.01.2025, the Issuer's subsidiary CI Games MP S.L. received a lawsuit from an employee employed at CI Games MP S.L. regarding claims for a total amount of EUR 157,607.70 related to the employee's participation in the incentive program for 2021-2023. In the Company's opinion, the employee's claims are unfounded, as the employee acquired the Issuer's shares under the incentive program for 2021-2023. The date of the planned hearing was set for 22.02.2027.

15. Information on significant settlements due to court cases

As of the date of publication of this report, the Management Board of the Issuer has no information on any pending proceedings involving the Parent Entity or its subsidiaries, the value of which would (jointly or individually) constitute at least 10% of equity of the Issuer.

16. Information on non-payment of credits or loans or violations of significant terms and conditions of any loan or credit agreements, with regard to which no remedial action had been taken until the end of the reporting period

As of December 31, 2024, there were no material breaches of loan agreements, that the Company has in PKO BP SA.

17. Information on changes in classification of financial assets as a result of a change of the purpose or use of these assets

In 2024, no changes took place in classification of financial assets due to a change in the purpose or use of these assets.

18. Information on changes in conditional liabilities or conditional assets that took place since the end of the last financial year

On 02.01.2024, the Company repaid and closed a non-revolving credit facility in the amount of PLN 20 million related to financing the production of „Lords of the Fallen” at PKO BP S.A.

On 10.04.2024, CI Games SE signed a multi-purpose credit limit agreement with PKO BP S.A. in the amount of PLN 15 million (hereinafter: “Multi-purpose Credit Limit Agreement”). The credit was granted for the period from 10.04.2024 to 09.04.2025 in

PLN or in EUR according to the credit disbursement order submitted by the Company. On 21.03.2025, the Company concluded Annex No. 1 to the Multi-purpose Credit Limit Agreement ("Annex 1"), pursuant to which the credit limit was increased by PLN 9,500,000.00 to PLN 24,500,000.00, and the credit period was extended until 9.04.2027. The security for the loan pursuant to Annex 1 is: a) a blank promissory note issued by the Company together with a promissory note declaration, b) a repayment guarantee granted by Bank Gospodarstwa Krajowego ("BGK"), c) a registered pledge and a civil pledge on the Company's shares held by the shareholder Marek Lech Tymiński, d) an assignment of receivables.

On 21.03.2025, the Company concluded a non-revolving working capital loan agreement with PKO BP in the amount of PLN 8,500,000.00 (hereinafter: "Non-revolving Working Capital Loan Agreement 1"). The loan was granted for the period from 21.03.2025 to 30.09.2026. The loan security in accordance with the Non-revolving Working Capital Loan Agreement 1 is: a) a BGK loan repayment guarantee, b) a blank promissory note issued by the Company together with a promissory note declaration.

On 21.03.2025, the Company concluded a non-revolving working capital loan agreement with PKO BP in the amount of PLN 8,500,000.00 (hereinafter: "Non-revolving Working Capital Loan Agreement 2"). The loan was granted for the period from 21.03.2025 to 31.10.2026. The loan is secured in accordance with the Non-revolving Working Capital Loan Agreement 2 by: a) a BGK loan repayment guarantee, b) a blank promissory note issued by the Company together with a promissory note declaration.

On 21.03.2025, the Company concluded a non-revolving working capital loan agreement with PKO BP in the amount of PLN 8,500,000.00 ("Non-revolving Working Capital Loan Agreement 3"). The loan was granted for the period from 21.03.2025 to 30.11.2026. The loan security in accordance with the Non-revolving Working Capital Loan Agreement 3 consists of: a) a BGK loan repayment guarantee; b) a blank promissory note issued by the Company together with a promissory note declaration.

As of the date of this report, there were no other conditional assets nor conditional liabilities.

19. Information on credit or loan sureties or warranties granted by the Issuer or by any of its subsidiaries – in total, to a single entity or a subsidiary of this entity, if the total value of the existing sureties or warranties constitutes the equivalent of at least 10% of equity of the Company

In 2023, neither the Company nor any of its subsidiaries granted any loans or credit sureties or warranties for the amount equivalent to at least 10% of the Company's equity.

20. Information on issue, buyout and repayment of non-equity and equity securities

In 2023 the Company issued series F bonds convertible into L shares, which are described in detail in Chapter V, section 7.

On 21.03.2024, the Extraordinary General Meeting of the Company adopted a resolution on increasing the Company's share capital through the issuance of series M ordinary bearer shares, depriving existing shareholders of all preemptive rights to all series M shares, dematerialization of series M shares and rights to series M shares, applying for admission and introduction of series M shares and/or rights to series M shares to trading on a regulated market operated by the Warsaw Stock Exchange, authorization to conclude an agreement on registration of the series M shares and/or rights to the series M shares with the securities depository, and amendment of the Company's Articles of Association, on the basis of which it was decided to increase the Company's share capital to no more than PLN 2,195,316.15, i.e. by no more than PLN 365,886.00, through the issuance of no more than 36,588,600 series M ordinary bearer shares with a par value of PLN 0.01 each. On 26.04.2024, the Management Board adopted a resolution on suspending the execution of the resolution of the Extraordinary General Meeting until 3.06.2024. On 29.05.2024, the Management Board adopted a resolution on extending the suspension of the execution of the resolution of the Extraordinary General Meeting, without specifying the end date of the suspension period. On 18.09.2024, the Management Board adopted a resolution on the final waiver of the execution of the resolution of the Extraordinary General Meeting.

21. Information on one or many transactions entered into by the Issuer or any of their subsidiaries with related entities, if these are significant individually or jointly and were concluded on non-market conditions, indicating their value

Significant transactions with related entities have been described in the point 11 of this Chapter. Transactions were executed with related entities on the basis of market conditions and they were typical and routine-based transactions.

22. Information on paid (or declared) dividends, in total and per share, by category of ordinary and privileged shares

The Company did not pay dividends in 2024.

The Issuer's Management Board recommends covering the loss for 2024 in the amount of PLN 7,380,563.96 from profits from future years.

23. Information about impact of the war in Ukraine on the financial statements of the Group

The war in Ukraine did not have impact on the financial statements of the Company nor the Group. There is no risk of going concern as the Group's operations in Russia and Ukraine are limited.

24. Other information, which, in the opinion of the Management Board of the Company, is significant for assessment of its employment, assets, financial situation, financial result and any changes to the above and information, which is significant for assessment of ability of the Issuer to fulfil their obligations in the reporting period

This clause has been described in the next point.

25. Indication of events and factors that occurred after the date of the annual financial statements, not included in this report, which may nevertheless exert significant impact on the future financial results of the Issuer

In the short term - the Group will continue to sell its most important franchise – „Lords of the Fallen” game, as well as other games from the back catalogue: “Sniper Ghost Warrior Contracts”, “Sniper Ghost Warrior Contracts 2” and games from the United Label S.A. portfolio (“RÖKI”, “tails Souls”, “Tails of Iron”, “Beyond Galaxyland”, „Tails of Iron 2”). Most of the sales will be generated in digital sales channels.

Medium and long-term plans include further development of „Lords of the Fallen” and „Project 3”.

The Group realizes most of its sales revenues in foreign currencies (mainly EUR and USD) and, as a result, currency exchange rates will affect its financial results in the future.

The Group will further develop its product portfolio at both CI Games and United Label S.A. The Group is working on several internally developed game concepts, some of which may be approved for full commercial production and publication. The Group is also in publishing discussions with various development studios around the world.



On April 17, 2025, CI Games released Version 2.0, the definitive edition of “Lords of the Fallen” — a major free update for all owners on PC, PS5, and Xbox Series X|S and the culmination of over 50 post-launch updates to date.

VI. STATEMENT OF FOLLOWING CORPORATE GOVERNANCE RULES BY CI GAMES SE IN 2024

This Statement of Following Corporate Governance Rules by CI GAMES SE (“**Issuer**”, “**Company**”) in 2024 was prepared pursuant to § 70 section 6 point 5) and § 71 section 4 i 5 of the Regulation of the Minister of Finance of 29th 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 9th March 2021 on “Best Practice for GPW Listed Companies 2021 (DPSN2021)” and the Commission Recommendation of 9th April 2014 on the quality of corporate governance reporting (“comply or explain” approach) no. 2041/208/EU.

1. The corporate governance code followed by the company and locations where the code is available

In 2024, 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 9th 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 2024 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.

2. The scope in which the company deviated from the above provisions, such provisions and deviation reasons

In 2024 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

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, with a predominance of remote work, 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.

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.

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.

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.

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.

Rule no. 1.5. according to which Companies disclose at least on an annual basis the amounts expended 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

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.

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.

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

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

Rule no. 3.2. according to which Companies' organization 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.

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.

Rule no. 3.6. according to which the head of internal audit reports organizationally 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.

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

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 a 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.

3. 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 the 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 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 2023, the entity authorized to review and audit the individual and consolidated financial statements of the Company and CI Games Capital Group was Grant Thornton Polska Prosta Spółka Akcyjna with its registered office in Poznań at ul. abpa Antoniego Baraniaka 88 E, entered under the KRS number 0001002477 into the Register of Entrepreneurs maintained by the District Court Poznań – Nowe Miasto and Wilda in Poznań, 8th Commercial Division of the National Court Register, Tax Identification Number NIP: 782-25-45-999, entered on the list of entities authorized to audit financial statements under the registration number 4055.

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.

4. 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 31.12.2024 and on the date of preparation and publication of this statement (as a part of the financial statement of the Company for the year 2024) 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 (29.40 % 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 (19.19 % 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 31.12.2024, and as of the date of disclosure of this statement of the application of corporate governance principles for the year 2024 is 182,943,015 (in words: one hundred and eighty-two million nine hundred and forty-three thousand and fifteen) 190,824,880 (in words: one hundred ninety million eight hundred twenty-four thousand eight hundred eighty) votes.

As of 31.12.2024, and as of the date of disclosure of this statement on the application of corporate governance principles for the year 2024, 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	56,102, 130	29.40%	56,102, 130	29.40%
Active Ownership Fund Sicav-FIS SCS	36,618,931	19.19%	36,618,931	19.19%
Other Shareholders	98,103, 819	51.41%	98,103 ,819	51.41%
All shareholders	190, 824,880	100%	190, 824,880	100%

5. Indication of holders of all securities providing special control rights in the company, along with the description of such rights

There are no Company securities 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.

6. 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.

7. 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.

Participants in the 2021-2023 incentive program, in exercising their rights from series C warrants, acquired a total of 7,881,865 series J shares, in relation to which a restriction on the transferability of shares applies (lock-up). In execution of the provisions of the incentive program regulations, series J shares were subject to a lock-up based on tripartite lock-up agreements concluded between the Issuer, the brokerage house and the shareholder holding series J shares. In accordance with the concluded lock-up agreements, a conditional lock-up was established on series J shares for the period of: (i) 30 days from the date of deposit of series J shares in the brokerage account - in relation to 1/3 of the shares, (ii) 60 days from the date of deposit of series J shares in the brokerage account - in relation to 1/3 of the shares, and (iii) 90 days from the date of deposit of shares in the brokerage account - in relation to 1/3 of the shares.

8. 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 2024, the key rules 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 the provisions of the Code of Commercial Companies concerning the acquisition of its own shares.

9. 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 8th 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 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 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).

10. 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 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.

11. The composition and rules of operation of management and supervisory bodies of the company and their committees

Management board of the company

Marek Tymiński – President of the Management Board through 2024

David Broderick – Vice-President of the Management Board through until 21st February 2024

Supervisory board of the company

Michael Foley – Chairman of the Supervisory Board

Marcin Garliński – Member of the Supervisory Board

Jeremy Michael James Lewis – Member of the Supervisory Board

Adam Niewiński – Member of the Supervisory Board

Artur Osuchowski – Member of the Supervisory Board (until 25.06.2024)

Florian Schuhbauer – Member of the Supervisory Board

Nicholas Beliaeff – Member of the Supervisory Board (from 17.02.2025)

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 in the „Investor Relations” section.

Throughout the year 2024, the Company's Management Board operated under the 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 to the Company.

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. The work of the Supervisory Board of the Company was

managed throughout 2024 by the Chairman Mr. Michael Foley. 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 2024, the Supervisory Board held 4 meetings.

Audit committee of the supervisory board of the company

Throughout 2024, there was a separate Audit Committee within the Supervisory Board.

Composition of the Audit Committee of the Supervisory Board until 25.06.2024:

Artur Osuchowski¹² – Chairman of the Audit Committee (during the period 01.01.2024 - 25.06.2024)
Adam Niewiński¹² – Member of the Audit Committee (during the period 01.01.2024 - 31.12.2024),
Marcin Garliński¹³ – Member of the Audit Committee (in the period 01.01.2024 - 31.12.2024).

Composition of the Audit Committee of the Supervisory Board from 23.09.2024:

Marcin Garliński¹³ – Chairman of the Audit Committee (during the period 23.09.2024 - 31.12.2024),
Adam Niewiński¹² – Member of the Audit Committee (in the period 01.01.2024 - 31.12.2024),
Michael Foley¹²³ – member of the Audit Committee (during the period 23.09.2024 - 31.12.2024).

- 1) independent members of the Audit Committee.
- 2) 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 11th 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.
- 3) 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. procesu sprawozdawczości finansowej, 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 2024, no non-audit services were provided to the Issuer by the audit firm auditing its financial statements (UHY ECA Audyt spółka z ograniczoną odpowiedzialnością, based in Warsaw). In 2024 UHY ECA Audyt spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw provided an attestation service consisting in the assessment of the Company's 2023 remuneration report in accordance with Art. 90g. section 10 of the Act of 29th 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).

The current policy of audit company selection was adopted by the Company on 7th 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:

- 1) confirmation of neutrality and independence of the entity;
- 2) ensuring the performance of the required scope of services, taking into account the time limits specified by the Company;
- 3) professional qualifications and experience of persons involved in the audit;
- 4) the experience of the entity in auditing entities of public interest and auditing entities with a similar profile of operation;
- 5) the experience of the entity in auditing financial statements of companies listed on the Warsaw Stock Exchange;
- 6) the reputation of the entity authorized to perform audits on financial markets;
- 7) 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 29th 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, Grant Thornton Polska Prosta Spółka Akcyjna with its registered office in Poznań at ul. abpa Antoniego Baraniaka 88 E, entered under the KRS number 0001002477 into the Register of Entrepreneurs maintained by the District Court Poznań - Nowe Miasto and Wilda in Poznań, 8th Commercial Division of the National Court Register, Tax Identification Number NIP: 782-25-45-999, entered on the list of entities



authorized to audit financial statements under the registration number 4055, 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.

The Committee meets at least three times a year, including at least once with the participation of the auditor conducting the audit of the Company's financial statements, on dates set by the Committee Chairman. At least once a year, the Committee should meet exclusively with representatives of the internal and external auditors.

In 2024, the Audit Committee held 4 meetings dedicated to the performance of obligations of the Audit Committee.

12. 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 21.04.2023, the Company received a lawsuit filed by 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. The subject of the dispute is a claim for payment of a contractual penalty, compensation for damages and reimbursement of costs resulting from the lease agreement concluded by the Company with the plaintiffs on 10.11.2017. The Company filed a response to the lawsuit, in which it disputed the claims as unfounded and unproven. On 27.11.2023, the plaintiffs partially withdrew the lawsuit regarding compensation for lost rent, therefore, as of the date of publication of this report, the value of the subject of the dispute is PLN 1,852,959.67, and the case is pending.

On 24.01.2025, the Issuer's subsidiary CI Games MP S.L. received a lawsuit from an employee employed at CI Games MP S.L. regarding claims for a total amount of EUR 157,607.70 related to the employee's participation in the incentive program for 2021-2023. In the Company's opinion, the employee's claims are unfounded because the employee acquired the Issuer's shares under the incentive program for 2021-2023. The planned hearing date has been set for 22.02.2027.



VII. APPROVAL OF THE MANAGEMENT REPORT FOR 2024

Management Board of CI Games SE

Marek Tymiński

CEO, President of the Management Board

Warsaw, 23rd April 2025

