



## **REPORT ON THE ACTIVITIES OF THE SUPERVISORY BOARD**

**Ten Square Games S.A., headquartered in Wrocław  
for the financial year 2024**

Wrocław, April 7, 2025

**Report on the activities of the Supervisory Board of Ten Square Games S.A.  
for the financial year 2024**

---

**Table of contents**

I.	Activities of the Supervisory Board of Ten Square Games S.A. in 2024.....	3
1.	Composition of the Supervisory Board .....	3
2.	Information on the fulfillment of independence criteria by members of the Supervisory Board .....	4
3.	Statistical data on the activities of the Supervisory Board in 2024 .....	4
4.	Summary of the activities of the Supervisory Board in 2024 .....	4
5.	Activities of the Supervisory Board Committees .....	6
5.1.	Audit Committee – composition and summary of activities in 2024 .....	7
5.2.	Nomination and Remuneration Committee – composition and summary of activities in 2024.....	8
6.	Self-assessment of the Supervisory Board's performance .....	8
II.	Report on the review of the financial statements for 2024, the Management Board's report on the Company's operations in 2024, and the Management Board's proposal on profit distribution and dividend payment .....	9
1.	Review of the Financial Statements for 2024 and the Management Board's Report on Operations in 2024.....	9
2.	Review of the Management Board's proposal regarding the distribution of profit .....	11
III.	Assessment of the activities of the Ten Square Games S.A. Group in 2024 .....	12
1.	Assessment of the Company's situation on a consolidated basis in the financial year 2024.....	12
2.	Assessment of the internal control, risk management, compliance systems, and the internal audit function .....	14
3.	Assessment of the Company's application of corporate governance rules and fulfillment of information obligations .....	17
4.	Assessment of the Validity of the Company's Expenditures on Supporting Culture, Sports, Charitable Institutions, Media, Social Organizations, Trade Unions, etc.....	17
5.	Information on the degree of implementation of the Diversity policy in relation to the Management Board and the Supervisory Board.....	19
6.	Assessment of the fulfilment by the Management Board of the Company of the remaining obligations under Article 380 <sup>1</sup> of the Commercial Companies Code .....	19
7.	Assessment of the manner in which the Management Board prepares and provides the Supervisory Board with information, documents, reports, or explanations upon request .....	20
8.	Information on the total remuneration due from the Company for all audits commissioned by the Supervisory Board under Article 382 <sup>1</sup> of the Commercial Companies Code .....	20

## **I. Activities of the Supervisory Board of Ten Square Games S.A. in 2024**

### **1. Composition of the Supervisory Board**

Between January 1, 2024 and December 31, 2024, the composition of the Supervisory Board was as follows:

<b>Position in the Supervisory Board</b>	<b>As of December 31, 2024</b>	<b>As of January 1, 2024</b>
Chair of the Supervisory Board	1. Rafał Olesiński	1. Rafał Olesiński
Vice-Chair of the Supervisory Board	2. Wiktor Schmidt	2. Wiktor Schmidt
Members of the Supervisory Board	3. Marcin Biłos	3. Marcin Biłos
	4. Maciej Marszałek	4. Maciej Marszałek
	5. Arkadiusz Pernal	5. Arkadiusz Pernal
	6. Kinga Stanisławska	6. Kinga Stanisławska

During the period from January 1 to December 31, 2024, there were no changes in the composition of the Supervisory Board. Due to the expiration of the Board members' terms in 2024 and the expiry of their mandates, the composition of the Board was renewed (by resolutions adopted by the Annual General Meeting of Shareholders on May 23, 2024), reappointing the current members for a new term. The composition of the Supervisory Board for the new term remained unchanged and was identical for the period from May 23, 2024 to December 31, 2024, as it was from January 1, 2024 to May 23, 2024.

The composition of the Supervisory Board of Ten Square Games S.A. complies with the requirements applicable to the supervisory boards of public companies, as stipulated by applicable law and the Company's Articles of Association.

In 2024, the Company adopted a diversity policy for the Supervisory Board, which was approved by resolution no. 28 of the Annual General Meeting of Shareholders on May 23, 2024, and will apply to the Supervisory Board starting from the next term commencing in 2027.

The main selection criteria for Supervisory Board members are substantive, i.e., qualifications, expertise, and experience, as well as independence, accounting or auditing expertise, and knowledge of the industry in which the Company operates. Thus, non-substantive criteria such as age or gender are not decisive. However, the Company acknowledges the importance of diversity and is working toward greater diversity in its governing bodies. Starting from the next term, the Supervisory Board will include members of different genders, ages, education, and backgrounds (including economic, legal, and tech sectors), with the adopted policy requiring gender parity starting from 2027.

As of December 31, 2024, the Supervisory Board did not meet the 30% gender diversity threshold. At that time, there was one woman on the Board – Kinga Stanisławska – representing 17% of the Board.

However, taking into account the provisions of the diversity policy and the term-based nature of the Board, the goal of increasing gender diversity (ensuring that each gender comprises at least 30% of the Board) will be considered when appointing members for the next term.

Professional biographies of Supervisory Board members are available on the Company's website.

Information on the composition of the individual Committees of the Supervisory Board is provided in item 5 below

## **2. Information on the fulfillment of independence criteria by members of the Supervisory Board**

In accordance with Principle 2.3 of the 2021 Best Practice, at least two members of the Supervisory Board should meet the independence criteria set out in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight, and should not have any actual and significant ties with shareholders holding at least 5% of the total number of votes in the company.

The Supervisory Board, having reviewed the declarations submitted by individual members of the Supervisory Board regarding the fulfillment of independence criteria and having assessed any relationships or circumstances that may affect a given member's independence, states that the following individuals held the status of Independent Supervisory Board Member in 2024:

- ❖ Wiktor Schmidt,
- ❖ Marcin Bitos,
- ❖ Maciej Marszałek,
- ❖ Kinga Stanisławska.

As of the date of this Report, there has been no change in the fulfillment of independence criteria by the members of the Supervisory Board who were in office at the time of this Report's preparation.

## **3. Statistical data on the activities of the Supervisory Board in 2024**

In 2024, the Members of the Supervisory Board devoted an appropriate amount of time to performing their duties. Over the past year, the Supervisory Board held 6 meetings and adopted 27 resolutions. On average, the attendance rate of the Supervisory Board Members at the meetings was 75%.

## **4. Summary of the activities of the Supervisory Board in 2024**

The Supervisory Board exercised oversight over the Company's operations in accordance with applicable legal regulations, the Company's Articles of Association, the Rules of the Supervisory Board, as well as corporate governance recommendations and principles, including the *Best Practice for GPW Listed Companies 2021* adopted by the Company. In the course of this oversight, the Supervisory Board adopted resolutions during its meetings.

The Company's Management Board was invited to attend the Supervisory Board meetings. During these meetings, the Supervisory Board considered matters arising from the provisions of the Commercial Companies Code, other generally applicable laws, the Company's Articles of Association, and the Rules of the Supervisory Board, as well as matters related to the Company's ongoing operations. Minutes were taken for each meeting and are stored by the Company. Meetings and voting sessions of the Supervisory Board were held with a quorum allowing for the adoption of binding decisions, i.e., with at least half of the Board members participating.

The Supervisory Board regularly requested and received comprehensive documentation from the Management Board on matters included in the meeting agenda, as well as on other issues relevant to the Company's operations. The subject of each meeting reflected current business matters, significant events in the Company, issues submitted for consideration by the Management Board, and any other items requested by the Supervisory Board or deemed necessary to include on the agenda. All members of the Supervisory Board remained in regular contact with the Management Board, conducting consultations on specific aspects of the Company's activities. The Supervisory Board provided advisory support to the Management Board, offering decision-making assistance and granting necessary approvals for material actions in accordance with the Company's Articles of Association.

Specific issues were also reviewed by the appropriate Committees of the Supervisory Board, in line with their competencies.

In 2024, the Supervisory Board addressed, among others, the following areas:

## **Strategy Implementation**

The Supervisory Board exercised ongoing oversight over the implementation of the Company's strategy. It was kept informed of events impacting the execution of the strategy, as well as progress in its implementation. In this regard, the Supervisory Board, in connection with the continuation of the product strategy adopted in 2023, actively participated in actions undertaken by the Company, offering advisory input and issuing opinions on planned initiatives.

## **Finance**

The Supervisory Board carried out ongoing assessments of the financial performance of the Company and its Capital Group, as well as of current forecasts. These assessments were based on financial reports submitted on a regular (monthly) basis by the Management Board. At each meeting, the Supervisory Board was also informed by the Management Board about the most significant developments concerning the Company and its environment, as well as the Company's situation, assets, and key operational and personnel matters. Additionally, the Management Board regularly briefed the Supervisory Board on current priorities and the adopted approach to capital management, risk management (including currency risk), and cost management (including marketing and employment costs).

In particular, the Supervisory Board:

- ❖ Assessed the Standalone Financial Statements of Ten Square Games S.A. for 2023, the Consolidated Financial Statements of the Ten Square Games Capital Group for 2023, and the Management Board's Report on the Activities of Ten Square Games S.A. and its Capital Group for 2023;
- ❖ Issued an opinion on the Management Board's proposal for the distribution of profit for 2023;
- ❖ Discussed and approved the Company's budget for 2024, including spending on sponsorship and charitable activities, and based on the budget, set financial performance targets required to grant additional remuneration to members of the Management Board;
- ❖ Adopted a resolution on determining the remuneration of the Management Board;
- ❖ Made a decision on selecting a new audit firm as the entity authorized to audit the Company's standalone and consolidated financial statements for the financial years 2024 and 2025.

## **Relations with the External Auditor**

Until April 2024, the Supervisory Board maintained regular contact with the previous auditor – PKF Consult sp. z o.o. sp.k. based in Warsaw – as the entity authorized to audit the Company's standalone and consolidated annual financial statements for the financial years 2022 and 2023, the remuneration reports of the Members of the Management Board and Supervisory Board for 2023 and 2024, as well as the review of the semi-annual condensed standalone and consolidated financial statements as of June 30, 2022 and June 30, 2023. These interactions were held in particular through the Audit Committee, to discuss and review matters of significance to the Company's financial reporting.

Following the selection by the Supervisory Board (pursuant to resolution no. 5 dated March 20, 2024) of UHY ECA Audyt Sp. z o.o., based in Warsaw, as the entity authorized to audit the Company's standalone and consolidated financial statements for the financial years 2024 and 2025, the remuneration reports of the Members of the Management Board and Supervisory Board for 2024 and 2025, as well as to conduct reviews of the semi-annual condensed standalone and consolidated financial statements of Ten Square Games S.A. and its Capital Group for 2024 and 2025 (including confirmation of compliance with the ESEF Regulation), the Supervisory Board has taken action and, since April 2024, has maintained regular contact with the current auditor, particularly via the Audit Committee, to discuss and verify key issues related to the Company's financial reporting.

## **Internal Audit**

The Company has not established an internal audit function in the form of a separate organizational unit. When significant risks are identified, the Supervisory Board uses the services of external experts to conduct independent audits of selected areas of the Company's operations. Cooperation with such experts is not permanent.

In each case, the principles of independence defined in internationally recognized professional standards for internal audit practice apply to persons (or firms) performing internal audit tasks. Functionally, the audit is supervised by the Supervisory Board, which initiates and approves the audit plan and receives the results of the external auditor's work. In 2024, the Supervisory Board did not commission any internal audits.

## **Internal Control Systems, Risk Management, and Compliance**

The Supervisory Board exercised ongoing supervision over the internal control systems, risk management, and compliance frameworks operating within the Company. As part of this oversight, the Supervisory Board, both directly and through its Committees, asked questions, obtained information, and participated in meetings with the Management Board and other individuals responsible for these systems (including the Chief Accountant and the Company's legal department). The Supervisory Board was also kept informed about the ongoing process of introducing policies related to the Compliance System and accompanying policies.

## **Other matters**

The Supervisory Board was kept informed about the Company's ongoing operational activities and acted in an advisory capacity to the Management Board. Additionally, the Supervisory Board:

- ❖ adopted a resolution on setting the financial indicator and its value for the purposes of the Second Tranche of the Management Board Members' Incentive Plan, adopted by resolution no. 4 of the Extraordinary General Meeting of the Company dated 19 December 2023;
- ❖ granted consent for the Company to conclude annexes to office lease agreements;
- ❖ adopted a resolution approving the Diversity Policy at Ten Square Games S.A. with respect to the Management Board.

## **5. Activities of the Supervisory Board Committees**

In 2024, the members of the Supervisory Board served on the following Committees formed from within the Board:

- ❖ Audit Committee;
- ❖ Nomination and Remuneration Committee.

The Supervisory Board assessed that during the reporting period from 1 January 2024 to 31 December 2024, there was no need to establish committees other than the Audit Committee and the Nomination and Remuneration Committee.

Following the appointment of the Supervisory Board for a new term by resolutions of the General Meeting of Shareholders on 23 May 2024, it became necessary to determine the number of members of the Audit Committee of the newly appointed Supervisory Board of Ten Square Games S.A., as well as to appoint members of the Audit Committee and the Nomination and Remuneration Committee. At the meeting held on 21 August 2024, the Supervisory Board adopted resolutions determining the number of members of each Committee and appointing their members.

The scope and rules of operation of the Committees are defined in their respective Rules of Procedure, adopted by the Supervisory Board through appropriate resolutions. The members of each Committee possess the

knowledge and experience relevant to their areas of responsibility and the proper performance of their duties. The activities of the Committees enhance the work of the Supervisory Board and support the performance of its statutory duties. They enable thorough and comprehensive analyses of specific issues and provide the Supervisory Board with the results of these analyses, including opinions and recommendations.

The Committees received the necessary information and reports from the Management Board in a timely manner, enabling them to perform their tasks in 2024.

### **5.1. Audit Committee – composition and summary of activities in 2024**

The Audit Committee supports the Supervisory Board in fulfilling its oversight duties towards shareholders and other stakeholders in the following areas: (i) the quality and consistency of accounting policies, financial statements, and information disclosure (publication) practices; (ii) the Company's compliance with legal regulations and internal rules; (iii) the independence and effectiveness of internal and external audit functions and the evaluation of those functions/activities; (iv) the effectiveness of the internal control system, compliance, and risk management system.

During the reporting period, the Audit Committee was composed of:

- Chair of the Committee – Marcin Biłos;
- Committee Member – Maciej Marszałek;
- Committee Member – Kinga Stanisławska.

Following the appointment of members of the Supervisory Board for a new term at the General Meeting of Shareholders on 23 May 2024, and consequently the need to appoint members of the Audit Committee, the Supervisory Board at its meeting on 21 August 2024 decided that the Audit Committee would consist of 3 members. The composition of the Audit Committee remained unchanged, and by resolutions no. 3, 4, and 5 dated 21 August 2024, the Supervisory Board appointed Marcin Biłos as a member of the Audit Committee and again entrusted him with the role of Chair. The remaining members of the Committee were Maciej Marszałek and Kinga Stanisławska.

During the reporting period, Marcin Biłos, Maciej Marszałek, and Kinga Stanisławska met the independence criteria set out in Article 129(3) of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (Journal of Laws of 2020, item 1415).

The members' knowledge and skills in the areas of accounting or financial auditing, and the industry in which the Company operates, are as follows:

- ❖ **Marcin Biłos** – Knowledge and skills obtained through his certified public accountant qualification and professional experience at PricewaterhouseCoopers Sp. z o.o. (Audit Department), Nasza Klasa Sp. z o.o. (as financial controller, CFO/COO, and management board member). He has expertise in both finance/accounting and new IT technologies (especially social gaming).
- ❖ **Maciej Marszałek** – Knowledge and skills acquired through many years of work in the financial sector (Bank Millennium, Link4, and AXA Group), in marketing and online sales. He has expertise in finance as well as IT (particularly in marketing and user acquisition).
- ❖ **Kinga Stanisławska** – Knowledge and skills gained from serving on audit committees of public companies and involvement in businesses in the tech industry. She has expertise in new IT technologies.

The Audit Committee performs tasks as defined in its Rules of Procedure, Supervisory Board resolutions, the Act on Statutory Auditors, Audit Firms and Public Oversight, Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audits of public-interest entities, repealing Commission Decision 2005/909/EC, and other regulations relating to public companies.

In the 2024 financial year, the Audit Committee held five meetings and a number of consultations and discussions. The meetings were held in a composition enabling the adoption of resolutions.

During the reporting period, the Audit Committee focused particularly on fulfilling legal obligations arising from the Act on Statutory Auditors, in particular activities related to monitoring the financial reporting process and the conduct of financial audits. This included reviewing the Company's periodic reports before publication, as well as holding meetings and maintaining ongoing communication with the auditor, the Company's CFO, and finance department staff. The Committee also played an active role in the selection of a new audit firm for the 2024–2025 period, recommending to the Supervisory Board the appointment of **UHY ECA Audyt Sp. z o.o.** based in Warsaw, indicating it as the best fit based on the selection criteria adopted by the Company. Additionally, it approved the audit firm's engagement to review the remuneration reports for 2024 and 2025 (assurance services).

The Audit Committee reviewed the consolidated and standalone financial statements submitted by the Management Board, along with the Management Board's report on the activities of the Ten Square Games S.A. Group for 2023, issuing a recommendation to the Supervisory Board to adopt a positive assessment of these documents.

## **5.2. Nomination and Remuneration Committee – composition and summary of activities in 2024**

The Nomination and Remuneration Committee serves as an advisory and support body to the Supervisory Board in matters related to the appointment and remuneration of Management Board members.

During the reporting period, the Nomination and Remuneration Committee was composed of:

- Chair of the Committee – Rafał Olesiński;
- Committee Member – Maciej Marszałek;
- Committee Member – Arkadiusz Pernal.

Following the appointment of members of the Supervisory Board for a new term at the General Meeting of Shareholders held on 23 May 2024, and the resulting need to appoint members of the Nomination and Remuneration Committee, the Supervisory Board, at its meeting on 21 August 2024, decided that the Committee would consist of 3 members. The composition of the Nomination and Remuneration Committee remained unchanged, and by resolutions no. 7, 8, and 9 of 21 August 2024, the Supervisory Board appointed the Chair of the Supervisory Board – Rafał Olesiński – as Chair of the Nomination and Remuneration Committee, as before. The other members appointed to the Committee were Maciej Marszałek and Arkadiusz Pernal.

The Nomination and Remuneration Committee operates and adopts resolutions collectively. Meetings of the Committee are held as needed.

Due to the expiration of mandates of Management Board members during the reporting period, meetings and consultations of the Nomination and Remuneration Committee were held in 2024, focusing on the analysis of the composition of the Management Board for the new term and the redefinition of the remuneration policy for the Company's Management Board members. These efforts took into account the Company's development strategy, market challenges, and the need to ensure stability and motivation for both the Management Board and the Company's key managerial staff.

## **6. Self-assessment of the Supervisory Board's performance**

In 2024, the Supervisory Board operated effectively and efficiently, duly fulfilling its responsibilities as set out in the applicable legal regulations, including the Commercial Companies Code, the Company's Articles of Association, and the adopted corporate governance principles.

The internal regulations governing the functioning of the Supervisory Board are adequate for the scale and nature of the Company's operations, compliant with applicable laws, and ensure the appropriate composition of the Supervisory Board and the effective performance of its supervisory duties. The composition and structure



of the Supervisory Board, including the number of independent members, are appropriate for the size and complexity of the Company's organizational structure.

In 2024, the Supervisory Board held meetings with a frequency that allowed it to properly address all matters within its competence. Members of the Supervisory Board maintained regular contact with the Management Board, overseeing and consulting on various aspects of the Company's operations. In performing its supervisory and control duties, the Supervisory Board relied on written materials prepared by the Management Board and on current information and clarifications provided by Management Board members during Supervisory Board meetings.

It should be noted that the meetings of the Supervisory Board, as well as its activities between meetings (supported by the Management Board and relevant departments of the Company), ensured the preparation of data and analyses necessary to make decisions, issue recommendations, or opinions. During its work, the Supervisory Board did not encounter any situation that disrupted its functioning.

Throughout 2024, the Supervisory Board maintained ongoing oversight of the Company's operations in all business areas. The above-described activities included, among others: analysis and assessment of current financial results, evaluation of information received from the Management Board regarding the Company's operations (including specific reports related to operational activities), and meetings between the Supervisory Board and the Management Board to discuss the Company's situation. Members of the Supervisory Board contributed diverse knowledge, judgment, and experience necessary to fulfill the body's responsibilities properly.

Thanks to the variety of competencies and experiences represented, the Supervisory Board operates constructively and effectively, providing strong support to the Management Board.

In the opinion of the Supervisory Board, in 2024, the supervisory and control activities of the Board were carried out on an ongoing basis, within the limits set by applicable regulations and internal acts, and in accordance with the Best Practice for GPW Listed Companies 2021. The Supervisory Board believes that all of its members exercised due diligence in performing their duties and applied their professional expertise.

The Supervisory Board maintained independent views regarding the work of the Management Board and the Company's activities. It exercised continuous oversight over all areas of the Company's operations and conducted financial control of the Company's activities with respect to their legitimacy and rationality.

Members of the Supervisory Board demonstrated diligence and reliability in their activities, using their professional knowledge, experience, and skills. Thanks to the high competence and engagement of its members, and the efficient organization of its work, the Supervisory Board effectively carried out its statutory responsibilities, guided by the Company's interests and the independence of its views and judgments.

The Supervisory Board gives a positive assessment of its performance in 2024 and requests that all its Members be granted a vote of discharge for the fulfillment of their duties in the 2024 financial year.

## **II. Report on the review of the financial statements for 2024, the Management Board's report on the Company's operations in 2024, and the Management Board's proposal on profit distribution and dividend payment**

### **1. Review of the Financial Statements for 2024 and the Management Board's Report on Operations in 2024**

Acting pursuant to Article 382 § 3 point 1 of the Commercial Companies Code and § 14(29)(1) of the Company's Articles of Association, the Supervisory Board has reviewed the Standalone Financial Statements of Ten Square Games S.A. for 2024, the Consolidated Financial Statements of the Ten Square Games S.A. Capital Group for 2024, and the Management Board's Report on the Operations of the Ten Square Games S.A. Capital Group and

**Report on the activities of the Supervisory Board of Ten Square Games S.A.  
for the financial year 2024**

---

Ten Square Games S.A. for 2024, in terms of their consistency with the books, documents, and actual state of affairs.

The above-mentioned documents will be submitted by the Company's Management Board to the Company's Annual General Meeting.

The review of these reports was commissioned by the Supervisory Board to UHY ECA Audyt Sp. z o.o., based in Warsaw ("UHY", the "auditor").

According to the opinions issued by the auditor:

- the annual standalone financial statements of Ten Square Games S.A. and the annual consolidated financial statements of the Ten Square Games S.A. Capital Group present a true and fair view of the financial position and performance of the Company / Group as of 31 December 2024, as well as of the financial result and cash flows for the financial year ending on that date, in accordance with the applicable EU IFRS and the adopted accounting policies;
- the annual standalone financial statements of Ten Square Games S.A. comply in form and content with the applicable legal regulations and the Company's Articles of Association;
- the annual consolidated financial statements of the Ten Square Games S.A. Capital Group comply in form and content with the applicable legal regulations and the Company's Articles of Association;
- the standalone financial statements of Ten Square Games S.A. were prepared based on properly maintained accounting records in accordance with Chapter 2 of the Accounting Act of 29 September 1994 (Journal of Laws of 2023, item 120, as amended).

The Supervisory Board – in particular its body, the Audit Committee – was actively involved within its tasks and competencies in the process of preparation and review of the standalone and consolidated financial statements, having continuous access to information on the course of the audit, the actions taken, and the rationale behind them. The Supervisory Board highlights the high level of involvement of the Company's financial team and the auditing team.

After a thorough review of the Standalone Financial Statements of Ten Square Games S.A. for 2024 and the Consolidated Financial Statements of the Ten Square Games S.A. Capital Group for 2024, and the auditor's positive opinion included therein, the Supervisory Board has positively assessed these financial statements in terms of their consistency with the accounting records, documentation, and actual state of affairs.

At the same time, the Supervisory Board stated that the above-mentioned financial statements were prepared within the deadlines specified by law and in accordance with the International Financial Reporting Standards as adopted by the European Union. The correctness of the preparation of the financial statements in terms of compliance with the accounting books, documents, and actual state raises no objections and is confirmed by the positive opinion of the auditor.

After a detailed review of the "Report of the Management Board on the Operations of the Ten Square Games S.A. Capital Group and Ten Square Games S.A. for 2024" and its separate part "Statement on the Application of Corporate Governance in Ten Square Games S.A. in 2024", as well as after reviewing the auditor's opinion on the report on operations, the Supervisory Board gave a positive assessment of the report in terms of its compliance with the books, documents, and actual state. The report presents an accurate view of the development, achievements, financial position, and performance of Ten Square Games S.A. and the Ten Square Games S.A. Capital Group.

The Supervisory Board confirmed that the report was prepared in accordance with the applicable provisions of the Accounting Act of 29 September 1994 and the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information submitted by issuers of securities and the conditions under which information required by the laws of a non-member state may be recognized as equivalent. According to the opinion of the

independent auditor, the Management Board's report is consistent with the information included in the financial statements of the Company and the Ten Square Games S.A. Capital Group and does not contain material misstatements. The "Statement on the Application of Corporate Governance in 2024" included in the report contains all required components.

In making the above assessments, the Supervisory Board also took into account the recommendation of the Audit Committee, presented at the Supervisory Board meeting on 20 March 2025, and decided to adopt a positive assessment of:

- the Standalone Financial Statements of Ten Square Games S.A. for 2024;
- the Consolidated Financial Statements of the Ten Square Games S.A. Capital Group for 2024;
- the Management Board's Report on the Operations of the Ten Square Games S.A. Capital Group and Ten Square Games S.A. for 2024.

The Supervisory Board recommends that the Annual General Meeting of Shareholders of the Company adopts resolutions approving:

- the Standalone Financial Statements of Ten Square Games S.A. for 2024;
- the Consolidated Financial Statements of the Ten Square Games S.A. Capital Group for 2024;
- the Management Board's Report on the Operations of the Ten Square Games S.A. Capital Group and Ten Square Games S.A. for 2024.

## **2. Review of the Management Board's proposal regarding the distribution of profit**

The Supervisory Board reviewed the Management Board's proposal and recommendation regarding the distribution of profit earned by the Company in 2024. The Company's standalone financial statements for 2024 reported a net profit of PLN 72,694,774 (seventy-two million six hundred ninety-four thousand seven hundred seventy-four zlotys), which the Management Board proposed to allocate in full for dividend distribution to the shareholders of the Company. Additionally, the Management Board proposed to allocate PLN 27,345,902.45 (twenty-seven million three hundred forty-five thousand nine hundred two zlotys and forty-five groszy) from the supplementary capital created from retained earnings of previous years, which brings the total amount allocated for dividend distribution to PLN 100,040,676.45 (one hundred million forty thousand six hundred seventy-six zlotys and forty-five groszy).

According to the Management Board's proposal and its best estimate, the proposed dividend amount, taking into account treasury shares that will be delivered as part of the settlement of incentive programs by the dividend record date, results in a dividend of PLN 15.73 per share. This is based on the assumption that the number of shares entitled to dividend will be 6,359,865 (six million three hundred fifty-nine thousand eight hundred sixty-five) out of the total 6,476,000 shares of the Company, excluding the treasury shares held by the Company on the dividend record date.

The Management Board proposed that the dividend record date be set for 20 June 2025 and the dividend payment date for 27 June 2025, indicating that this is in line with applicable legal regulations and KDPW rules.

The Supervisory Board analyzed the Management Board's proposal both in terms of form and substance. In the opinion of the Supervisory Board, the proposal meets formal requirements, being compliant with the applicable regulations. Furthermore, the substance of the proposal justifies the opinion that the proposed distribution is in the interest of the Company and its shareholders.

In light of the above, the Supervisory Board issues a positive opinion on the Management Board's proposal and recommendation concerning the distribution of the profit earned by the Company in 2024 and requests that the Ordinary General Meeting of the Company adopts a resolution reflecting the content of the Management Board's proposal regarding the allocation of the Company's net profit for the financial year 2024.

### **III. Assessment of the activities of the Ten Square Games S.A. Group in 2024**

Acting in accordance with the 2021 Best Practices for WSE Listed Companies, the Supervisory Board has conducted an assessment of the situation of the Company and the Capital Group in 2024, taking into account an evaluation of the internal control system, risk management, compliance, and internal audit function, including key control mechanisms related to reporting and operational activities.

#### **1. Assessment of the Company's situation on a consolidated basis in the financial year 2024**

The year 2024 was a challenging period for the gaming market. Following the COVID-19 pandemic, significant shifts in player behavior continued, and the industry once again had to compete for user attention amidst an increasingly diverse entertainment offering. Additionally, the market faced a deteriorating macroeconomic environment, high inflation, and growing competitive pressure. The wave of layoffs that began in 2023 continued into 2024—a record number of people lost their jobs, many studios were closed, and numerous projects were suspended. The industry also contended with changes in digital platform policies and the emergence of new, viral forms of entertainment that competed for players' attention. Faced with these challenges, major industry players focused on their key titles, reducing operational risks and limiting investments in new productions.

In 2024, the TSG Group concentrated on developing its core titles, *Fishing Clash* and *Hunting Clash*, which have a decisive impact on the Group's financial performance. The main focus was on gaining a deeper understanding of player needs, experimenting with new and engaging functionalities, and intensifying testing of new in-game solutions. The aim of these efforts was to develop a new growth direction in response to changing market dynamics and evolving player expectations.

In 2024, the Group's total bookings amounted to PLN 398.1 million, a decrease of 10.3% compared to 2023. This was primarily due to lower bookings in *Fishing Clash* and *Hunting Clash*, which amounted to PLN 242.6 million and PLN 90.2 million respectively. At the same time, the development of *Wings of Heroes* had a positive impact on the Group's bookings—the game generated PLN 19.1 million in 2024, up 66.1% year-on-year. The game's fast development pace and scalable marketing spend are promising for its future performance. Additionally, *Real Flight Simulator*—the Group's second aviation title—delivered record annual bookings of PLN 20.4 million, marking a 12.4% increase versus 2023.

Long-standing titles such as *Let's Fish* and *Wild Hunt* maintained a very stable level of bookings throughout 2024, and in Q4 2024 even approached the high booking levels last seen in Q1 2023. This was the result of refreshed gameplay, which was very positively received by players.

The Supervisory Board positively evaluates the fact that the Company's Management Board continued to operate under a disciplined cost regime. Regarding recurring general and administrative costs, following the strategy shift introduced in Q2 2023, the cost level was reduced to a range of PLN 6.2–6.9 million. This was achieved through organizational changes, including reduced headcount, which translated into lower salary costs.

Additionally, in 2023, the Company exited its offices in Bucharest and Berlin, resulting in lower costs of maintaining subsidiaries in 2024. Current subsidiary-related costs mainly concern the Italian company Rortos. In January 2024, the Company reduced office space in Wrocław and renegotiated its lease agreement, which also contributed to a year-over-year reduction in office maintenance costs.

The year 2024 was marked by a stabilization of results, with no significant fluctuations between quarters. On the cost side, the Group has already realized virtually all efficiencies identified with the 2023 strategy shift. At the same time, *TSG Store*, along with lower average commission fees on payments, significantly improved efficiency during 2024, and further scaling of the store is expected to enhance this effect in the coming periods.

Additionally, thanks to the restructuring efforts carried out in 2023 at the associate company Gamesture Sp. z o.o., its performance also improved. In 2024, the share in its loss amounted to only PLN 68 thousand (of which, in fact, PLN 85 thousand stemmed from additional accounting entries affecting the company's 2023 result,

which Ten Square Games recognized in its Q1 2024 financial report-excluding this adjustment, the Group would have recorded a share in profit). For comparison, the net loss attributable in 2023 was PLN 2.5 million.

In 2024, the Group generated an operating profit of PLN 76.2 million, and the adjusted EBITDA amounted to PLN 109.7 million (a decrease of 7.5% year-on-year, while Group revenue declined by 11.4% year-on-year).

The Group demonstrated a strong cash generation capacity, enabling it to finance current operations and plan further investments. Operating cash flows generated in 2024 amounted to PLN 113.9 million.

It is worth noting that in addition to working on its main titles, in 2024 the TSG Group began developing three game prototypes. Two of them are currently in market testing.

The first-*Trophy Hunter*-is a free-to-play hunting-themed game. It is currently being tested in the US, Canada, Germany, Poland, and the Philippines. Since testing began, the game prototype has been enriched with additional locations, content, and functionalities. Gameplay tests have yielded satisfactory results. Monetization tests, which are now underway, will be key to the game's future.

The second project-*Real Combat Simulator*-is being developed by the Italian Rortos team. On February 27, 2025, the title was officially released for open testing on the Google Play platform. The testing phase is expected to last around six months, allowing the team to better align the game with player expectations and determine the project's further direction. Like *Real Flight Simulator*, this title has been designed as a subscription-based game and offers players realistic flight physics, immersive combat scenarios, and strategic missions.

Following an analysis of test results, the Company decided to halt development on the third prototype-*Fishing Champions*. Key performance indicators for the prototype, tested over several months, proved insufficient to justify further investment. The Company opted to focus resources on projects with the greatest market potential and to validate them quickly while minimizing financial risk. As a result of discontinuing work on *Fishing Champions*, the Company recorded an impairment charge of PLN 1.2 million in Q4 2024.

In 2024, the Company continued to develop its proprietary sales platform for game users-*TSG Store*. The platform is currently available to players of *Fishing Clash* and *Hunting Clash*. At present, the Group does not plan to extend TSG Store to other titles. The Store's sales dynamics are linked to the performance of the core games. With the growing share of sales through TSG Store, the Group is improving financial efficiency by reducing commission costs. The team responsible for TSG Store is constantly testing new payment service providers to optimize commission levels. The ongoing development of TSG Store in cooperation with product teams brings TSG closer to its goal of achieving a 25% share of payments in *Fishing Clash* and *Hunting Clash*.

As part of development efforts in 2024, *TSG Store* introduced unique offers, significantly expanded its audience, and implemented solutions that improved the user experience. The increase in payment share via *TSG Store* is particularly visible in *Fishing Clash*, where in December 2024, the share reached a record 21.2%. In *Hunting Clash*, the share is significantly lower due to the later launch of the TSG Store offer for this title and major changes to the game in 2024. The overall share of *TSG Store* in the Group's payments reached 14.8% in December 2024, the highest in TSG Store's history.

The Supervisory Board positively evaluates the actions taken by the Management Board of Ten Square Games S.A. aimed at thoroughly understanding the reasons behind the decline in payments in the Group's key games and the changes in player behavior. In the opinion of the Supervisory Board, an accurate diagnosis of these challenges is essential to define the future development paths for the Group's game portfolio. The knowledge accumulated by the Company regarding the evolving expectations and needs of players in its main projects, along with the reinforcement of Ten Square Games' capabilities through the addition of market-experienced transformation specialists, increases the likelihood of reversing the downward trends in payments for the Group's core products. Additionally, the strong performance of games in the flight simulator segment supports the TSG Group in building value for shareholders.

Recent years have demonstrated that the Ten Square Games S.A. Capital Group is capable of quickly adapting its operations and responding to changing player preferences—both during growth periods and in the face of adverse economic or geopolitical developments. Both the Company and the Group as a whole are in a very strong financial position, which allows them to continue developing new and existing games using internal funding. The Supervisory Board, together with the Management Board, continuously monitors the current situation and supports the Company's Management Board, whose unchanged objective remains maintaining the stable financial position of the Company and the entire Group through expanding the game portfolio and promoting existing titles.

## **2. Assessment of the internal control, risk management, compliance systems, and the internal audit function**

### **2.1. Description of the internal control, risk management, and compliance systems in the Company**

In 2024, the Company continued the efforts initiated in the first quarter of 2022 to prepare for reporting in accordance with the EU Corporate Sustainability Reporting Directive (CSRD). In 2024, the Company finalized work on its ESG strategy, which was adopted by Management Board Resolution No. 1 of November 28, 2024, thereby approving the ESG Strategy of the Ten Square Games S.A. Capital Group and establishing the ESG Team. The Company also implemented the following policies:

- Compliance Policy of the Ten Square Games S.A. Capital Group;
- Anti-Corruption Policy of the Ten Square Games S.A. Capital Group;
- Diversity Policy of the Ten Square Games S.A. Capital Group;
- Policy on counteracting mobbing, discrimination, harassment, and other undesirable behaviors in the Ten Square Games S.A. Capital Group;
- Policy on preventing and managing conflicts of interest in the Ten Square Games S.A. Capital Group;
- Social Engagement Policy;
- Insider Information Protection Policy;
- Intellectual Property Protection Policy.

The Company also conducted a series of mandatory training sessions for employees regarding their knowledge and application of these policies to ensure compliance with due diligence standards. In February 2025, the European Commission proposed changes at the EU level which may result in the Company's reporting obligations being postponed by at least two years. If these regulatory proposals are adopted by the Member States, the Company may be entirely excluded from the group of entities required to report in accordance with the CSRD directive.

In previous years, the Company implemented a Code of Conduct for players, aimed at fostering a safe environment for players within the Company's games. In 2024, the Company conducted a survey to verify players' awareness of the existence and significance of this document.

In 2024, the accounting books of Ten Square Games S.A. and Play Cool Zombie Sport Games Sp. z o.o., both part of the Capital Group, were maintained by the Company's internal accounting department. The accounting books of Ten Square Games Germany GmbH, Ten Square Games Romania S.r.l., and Rortos S.r.l. were maintained by local accounting firms. The Company's finance department reviews reports generated by these accounting firms and clarifies any doubts as needed.

The individual financial data used for the financial statements are derived from the accounting and finance system, where transactions are recorded in accordance with the Company's accounting policies based on the International Accounting Standards. Consolidated statements are prepared using data from several accounting

systems (internal and those of external firms) and subsequently adjusted through consolidation entries by the Company.

The financial statements prepared by the Management Board are submitted to the Supervisory Board for the assessment required under the provisions of the Commercial Companies Code.

The annual and semi-annual financial statements (both consolidated and standalone) of the Issuer are subject to independent audit/review by a certified auditor appointed by the Supervisory Board of the Company. The results of the audit are communicated to the Management Board and the Supervisory Board, and the annual audit report is also presented to the General Meeting.

The financial statement for 2024 of the foreign subsidiary Ten Square Games Germany GmbH will not be subject to a statutory standalone audit in accordance with the relevant local regulations. During the year, Ten Square Games Romania S.r.l. was liquidated and, therefore, its data will also not be subject to a year-end audit. On the other hand, the financial statement of Rortos S.r.l. for 2024 was audited in accordance with applicable local regulations. The approval of the financial statements of subsidiaries will be carried out in accordance with the regulations applicable in the country where the given entity is registered. The financial statement of Play Cool Zombie Sport Games Sp. z o.o. is not subject to audit under the Polish Accounting Act of 29 September 1994. All of the aforementioned financial statements are submitted for approval to the Ordinary Meeting of Shareholders of the respective subsidiary.

For the purpose of consolidation, audit procedures are performed on consolidation packages of subsidiaries that are material to the consolidated figures. Materiality is determined in accordance with the standards of the entity auditing the consolidated financial statements of the Ten Square Games S.A. Capital Group. In 2024, the consolidation package of Rortos S.r.l. was audited.

In the course of its operations, the Group is exposed to various types of risks, such as legal, operational, and financial risks. The main risk factors include geopolitical and macroeconomic conditions in Europe (in particular, the ongoing armed conflict in Ukraine), foreign exchange risk (as exemplified in 2024 by the appreciation of the Polish zloty against the US dollar), risk of development of competing products, and the risk of changes to the policies of key distribution platforms such as Google Play, Facebook, and Apple, which affect the scope and possibility of distributing the Group's products.

Risk management within the Group involves periodic identification and assessment of risks, as well as taking preventive measures based on strategic and operational management. Risk mitigation is carried out in particular by designing and implementing control mechanisms, taking actions to reduce the impact of negative events through the implementation of contingency plans, and entering into appropriate insurance agreements. The mitigation of substantive risks is carried out through analysis of performance and control reports by the Company's internal experts at various stages of preparing various analyses, reports, and financial results. Additionally, financial statements are subject to review by an external auditor appointed by the Supervisory Board.

The bodies responsible for the proper course of the risk management process are:

- the Management Board, which is responsible for risk management (including ESG risk) at the strategic and operational level,
- the Legal Department, which is responsible for managing legal risk,
- the Finance Department, which is responsible for managing financial risk,
- the heads of individual departments, who are responsible for managing risk within the processes they oversee.

All other employees of the Company are obliged, within the scope of their responsibilities, to monitor the level of risk in the workplace, inform their supervisors about any events that could lead to adverse outcomes for operations or the emergence of new potential risks.

In the Company, legal compliance oversight of individual organizational units is exercised by the Legal and Finance Departments, supported by external law firms and external auditors. This system operates on the basis of internal regulations and general provisions of law. Tasks related to overseeing legal compliance include:

- continuous monitoring of legal regulations relevant to the Company's and Group's operations, and ongoing cooperation with the Management Board and management staff to monitor changes across all business areas,
- regularly informing the Management Board and management about observed changes in legal regulations,
- drafting amendments to internal regulations as necessary for effective and proper oversight,
- monitoring compliance by employees and contractors with applicable legal regulations and internal policies,
- oversight of access to confidential information and trade secrets,
- undertaking other activities, including educational and control-related actions, to ensure the Company properly fulfills its legal obligations.

The Company has not appointed an internal auditor as a separate organizational unit. In the event of identifying material risks, the Company uses the services of external experts to conduct independent audits of selected areas of its operations. This cooperation is not of a permanent nature.

By resolution of the Management Board No. 1 dated 5 August 2024, the Company introduced a Compliance Policy. In 2024, the Supervisory Board exercised ongoing oversight of the adopted Compliance System to ensure that the activities of the Group, its employees, contractors, and members of the management and supervisory bodies are compliant with applicable laws, external regulations (applicable to the Company or its subsidiaries), internal policies, and the Group's adopted standards of conduct (including ethical values). The Supervisory Board's actions were based on documents, information, and clarifications provided by the Management Board and individuals employed or cooperating with the Company, submitted at the Board's request.

During 2024, the Audit Committee, in cooperation with the Management Board, updated the risk map, and for all significant or newly identified risks, an action plan for 2025 was defined. Additionally, identified ESG risks were incorporated into the risk map.

## **2.2. Supervisory Board's assessment**

The internal control and risk management system described above ensures both timely and transparent disclosure of facts concerning key elements of the Company's operations. This allows the Management Board and the Supervisory Board to gain full insight into the Company's financial standing, operating results, asset condition, and management effectiveness.

As part of monitoring the effectiveness of internal control systems, risk management, the compliance system, and internal audit, during the reporting period the Supervisory Board received—either directly or via the Audit Committee—information and reports from the Company's Management Board, statutory auditor, and employees responsible for respective systems and functions.

In the opinion of the Supervisory Board, the internal control, risk management, and compliance systems, including the Compliance Policy in place at the Company, as well as the outsourced internal audit function, meet appropriate functional needs and are effective, efficient, and adequate given the size of the Company and the nature and scale of its operations. Therefore, the Supervisory Board issues a positive opinion on the internal



control system, risk management system, compliance system, and the outsourced internal audit function operating in the Company and the Ten Square Games S.A. Capital Group.

### **3. Assessment of the Company's application of corporate governance rules and fulfillment of information obligations**

Since the admission of the Company's shares to trading on the regulated market, the Company has applied the corporate governance rules set out in the document *Best Practice for GPW Listed Companies*, with the exceptions described in the statements on the application of corporate governance rules by the Company and in the Company's declarations on the application of corporate governance in a given year.

Since 1 July 2021, the Company has applied the corporate governance principles defined in *Best Practice 2021*, adopted by Resolution No. 13/1834/2021 of the Exchange Supervisory Board on 29 March 2021 and effective as of 1 July 2021. The full text of this document is available on the Warsaw Stock Exchange website at: [https://www.gpw.pl/pub/GPW/files/PDF/dobre\\_praktyki/DPSN21\\_BROSZURA.pdf](https://www.gpw.pl/pub/GPW/files/PDF/dobre_praktyki/DPSN21_BROSZURA.pdf)

The Supervisory Board monitored the Company's compliance with corporate governance principles and the method of fulfilling information obligations related to their application, as defined in the Stock Exchange Rules and regulations on current and periodic reports submitted by securities issuers. Among other activities, the Board discussed these issues with the Audit Committee, cooperated with the Company's employees, analyzed and verified the accuracy of information, documents, and reports posted on the Company's website.

In addition, the Supervisory Board reviewed the *Statement on the Application of Corporate Governance in 2024*, which forms a separate part of the *Management Board Report on the Activities of the Ten Square Games S.A. Group and Ten Square Games S.A.* According to the Supervisory Board, the information provided by the Company complies with the applicable regulations and accurately reflects the state of corporate governance compliance. With the exception of the principles listed in the Company's *Statement on the Application of Corporate Governance in 2024*, the Supervisory Board did not identify any other unobserved or breached principles from the *Best Practice 2021* collection.

In the opinion of the Supervisory Board, the information published by the Company regarding the application of *Best Practice 2021* is accurate and consistent with the actual situation. The Supervisory Board confirms that the Company has made available documents and information relevant to investors in a dedicated section of its website. Information on the Company's application of the recommendations and principles included in the *Best Practice for GPW Listed Companies* can be found at: <https://tensquaregames.com/pl/inwestorzy/lad-korporacyjny/dobre-praktyki/>

Current and periodic ESPI and EBI reports are available at: <https://tensquaregames.com/pl/report-category/raporty/>

In summary, in the opinion of the Supervisory Board, the Company duly fulfilled its information obligations regarding the application of corporate governance principles set forth in the Stock Exchange Rules and in the regulations on current and periodic reporting by securities issuers, in particular by correctly and timely publishing the *Information on the Application of the Best Practice 2021* and the *Statement on the Application of Corporate Governance*.

### **4. Assessment of the Validity of the Company's Expenditures on Supporting Culture, Sports, Charitable Institutions, Media, Social Organizations, Trade Unions, etc**

In 2024, as part of its ongoing sponsorship and charitable activities, the Company implemented the Social Engagement Policy of the Ten Square Games S.A. Capital Group with the aim of formalizing the Group's key principles and goals in the area of social engagement. At the same time, the Supervisory Board approved the Company's budget for sponsorship and charitable activities for the year 2024.

The expenditures incurred by the Company in 2024 and 2023 related to supporting culture, sports, charitable institutions, media, social organizations, and trade unions included the following:

**Report on the activities of the Supervisory Board of Ten Square Games S.A.  
for the financial year 2024**

<b>TYPE OF EXPENDITURE</b>	<b>for the period 1.01.2024 - 31.12.2024</b>	<b>for the period 1.01.2023 - 31.12.2023</b>
environmental activities	150 070	393 986
sponsorship activities	37 500	199 075
charitable activities	70 500	20 570
sports activities	4 444	21 830
educational activities	0	11 691
<b>TOTAL</b>	<b>262 514</b>	<b>647 152</b>

<b>ORGANIZATION</b>	<b>for the period 1.01.2024 - 31.12.2024</b>	<b>for the period 1.01.2023 - 31.12.2023</b>
Global Nature Fund	85 898	0
Sphaira Innovation AG	60 856	199 942
Milkywire AB	0	118 836
Tech to the Rescue Foundation	0	71 204
DevGAMM LLC	0	57 972
Fundacja Gospodarki i Administracji Publicznej	0	30 000
Others	115 760	169 198
<b>TOTAL</b>	<b>262 514</b>	<b>647 152</b>

As part of its sustainability efforts, the Company annually establishes an ESG action plan and allocates a budget to these activities to genuinely support the resolution of significant global challenges, in line with its core value: "Be Part of the Change." The Company's ambition is to ensure that the Group's business activities do not exert a negative impact on the environment and instead foster long-term value creation for all stakeholders, including players, business partners, and individuals providing work and services to the Group.

Additionally, in 2024, the Company conducted a survey in cooperation with the United Nations Development Program among game users, aiming to assess the significance and impact of the Group's eco-themed in-game activations on players' awareness of climate change.

The Supervisory Board positively assesses the Company's decision to support initiatives in the areas of culture, sports, charitable institutions, media, social organizations, trade unions, etc. The Supervisory Board considers the Company's social, sponsorship, charitable, and educational initiatives to be reasonable and socially beneficial, providing not only direct financial support to various projects but also contributing positively to the development of culture, education, the economy, and environmental protection. In the Supervisory Board's opinion, this approach supports building and strengthening the Company's image as a socially responsible and engaged entity.

Furthermore, the Supervisory Board believes that the expenditures incurred by the Company for the aforementioned purposes are consistent with the Company's strategy (including its long-term goal of balancing profit with social and environmental impact), its values (especially "Grow Together"), and the growing expectations of stakeholders. These expenditures were also within the approved budget for the Company's sponsorship and charitable activities for 2024.

## **5. Information on the degree of implementation of the Diversity policy in relation to the Management Board and the Supervisory Board**

In 2024, the Company developed a formal diversity policy concerning the Management Board and the Supervisory Board. This policy was adopted with respect to the Supervisory Board by resolution no. 28 dated 23 May 2024 of the Annual General Meeting of Shareholders, and with respect to the Management Board by resolution no. 5 of the Supervisory Board dated 22 May 2024. For the Supervisory Board, the policy will become binding starting in 2027, while for the Management Board, it became effective on the date the resolution was adopted, i.e., 22 May 2024.

When assessing the degree of implementation of the policy in 2024, it should be noted that with regard to the Management Board, the Company complied with all principles set out therein during the reporting period. As for the Supervisory Board, the adopted policy was not yet binding during the reporting period.

The current provisions of the policy state that the primary criteria for selecting individuals to the Management Board or Supervisory Board are substantive criteria, namely qualifications, specialist knowledge, and experience. In the case of the Supervisory Board, additional criteria are considered - such as meeting independence requirements, holding qualifications in accounting or financial auditing, and knowledge of the industry in which the Company operates. Therefore, non-substantive criteria such as gender are not determining factors in the selection process for the Company's governing bodies.

However, in line with the provisions of the diversity policy and considering the term-based nature of Supervisory Board and Management Board members, efforts to increase gender diversity - by ensuring that each gender represents at least 30% of the composition of both the Supervisory Board and the Management Board - will be taken into account when appointing members for the next term.

The current composition of the Supervisory Board and the Management Board is appropriately diverse, consisting of individuals of different ages, professional qualifications, and experience - both in service sectors, including IT, and in other areas of the economy. Members come from various business backgrounds and hold a range of educational qualifications, including in economics, law, and new technologies.

## **6. Assessment of the fulfilment by the Management Board of the Company of the remaining obligations under Article 380<sup>1</sup> of the Commercial Companies Code**

The Supervisory Board, after reviewing the materials submitted to it by the Management Board, assesses that in 2024 the Management Board duly performed its obligations under Article 380<sup>1</sup> of the Commercial Companies Code, i.e., it provided the Supervisory Board with information regarding:

- ❖ resolutions adopted by the Management Board since the last regular meeting;
- ❖ the Company's situation, including its assets, and significant circumstances relating to the Company's operations, particularly in the areas of operations, investments, and HR;
- ❖ progress in the implementation of the Company's defined strategic development directions;
- ❖ transactions and other events or circumstances that materially affected or could have affected the Company's financial standing, including its profitability or liquidity;

- within the deadlines and in the manner specifically defined in §15(19) of the Company's Articles of Association.

In the opinion of the Supervisory Board, the Management Board also properly informed it of any changes to previously provided information, whenever such changes significantly affected or could have affected the Company's situation. The information provided by the Management Board to the Supervisory Board also included data concerning subsidiaries and affiliated companies.

**7. Assessment of the manner in which the Management Board prepares and provides the Supervisory Board with information, documents, reports, or explanations upon request**

The Supervisory Board positively assesses the manner in which the Management Board prepares and provides it with information, documents, reports, and explanations. The Supervisory Board is granted access to the documents and information necessary to supervise and evaluate the overall operations of the Company, including its financial situation. In addition to the information referred to in point 6 provided by the Management Board, the Supervisory Board also receives, upon its request and to the extent it determines, information regarding the Company's subsidiaries and affiliates. All information, documents, reports, or explanations requested by the Supervisory Board from the Management Board or designated employees were made available within the designated timeframes and in the requested format.

**8. Information on the total remuneration due from the Company for all audits commissioned by the Supervisory Board under Article 382<sup>1</sup> of the Commercial Companies Code**

The Supervisory Board did not commission any audits pursuant to Article 382<sup>1</sup> of the Commercial Companies Code, and therefore, the Company did not incur any costs on this account.

[Signature of the Chairperson of the Supervisory Board of Ten Square Games S.A.)

.....  
(Rafał Olesiński)