



**11 BIT STUDIOS S.A.**

**REMUNERATION REPORT**  
**FOR 2021**

# 1. INTRODUCTION

This Report on remuneration of Members of the Management and Supervisory Boards of 11 bit studios Spółka Akcyjna of Warsaw, for the period from January 1st 2021 to December 31st 2021, has been prepared in accordance with the requirements laid down in Art. 90g of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of July 29th 2005, as amended, and Section 9 of the Remuneration Policy for Members of the Company's Management and Supervisory Boards adopted by Resolution No. 20/02/2021 of the Annual General Meeting of 11 bit studios S.A. of June 9th 2020 (the "Remuneration Policy").

The Supervisory Board's report on remuneration for the Company's financial years 2019 and 2020 has been endorsed by the Company's Annual General Meeting acting pursuant to Art. 395.21 of the Commercial Companies Code in conjunction with Art. 90g.6 of the Act and Section 9.2 of the Remuneration Policy for Members of the Management and Supervisory Boards of 11 bit studios S.A. (Resolution No. 14/06/2021 of the Annual General Meeting of 11 bit studios S.A. of June 14th 2021). Pursuant to Art. 90g.8 of the Act, the Supervisory Board explains that given the General Meeting's endorsement of the Supervisory Board's report on remuneration for the Company's financial years 2019 and 2020, in the financial year 2021 there was no need to amend the Policy in place at the Company.

## 2. REMUNERATION OF THE MANAGEMENT BOARD MEMBERS

As at January 1st 2021, the Management Board of 11 bit studios S.A. was composed of:

- Przemysław Marszał – President of the Management Board,
- Grzegorz Miechowski – Member of the Management Board,
- Michał Drozdowski – Member of the Management Board.

In the period covered by this Report, there were no changes in the composition of the Management Board of 11 bit studios S.A.

The remuneration of 11 bit studios S.A.'s Management Board members for 2021 comprised the following components:

- **Fixed remuneration** for the functions performed, comprising a fixed monthly remuneration,
- **Variable remuneration** in the form of an annual bonus. The criteria for granting the bonus are set out in Section 5 of this Report.

Variable remuneration also includes remuneration payable under separate contracts for advisory services, management services, preparation of documents for Company use, transfer of copyrights to the Company, and other services related to the Company's operations, with the proviso that any additional remuneration must be in conformity with the market rates. Civil-law contracts signed with members of the Company's Management Board are made for an indefinite period with one week's notice and do not contain any additional terms and conditions,

- **Non-monetary benefits**, including without limitation: the right to use a company car (without a mileage limit), private medical care programme, and contributions to the employee capital plan.

**Remuneration calculated and paid to the Company's Management Board in 2021 (PLN)**

	Przemysław Marszał	Grzegorz Miechowski	Michał Drozdowski
Remuneration for managerial responsibilities	438,000	438,000	438,000
Annual bonus (paid in 2021)*	226,408	226,408	226,408
Remuneration under civil-law contracts	60,000	60,000	60,000
Non-monetary benefits	10,416	10,305	0
<b>Total</b>	<b>734,824</b>	<b>734,713</b>	<b>724,408</b>

**Relative proportions of remuneration components in 2021 (%)**

	Przemysław Marszał	Grzegorz Miechowski	Michał Drozdowski
Remuneration for managerial responsibilities	59.60	59.61	60.46
Annual bonus (paid in 2021)*	30.81	30.82	31.26
Remuneration under civil-law contracts	8.17	8.17	8.28
Non-monetary benefits	1.42	1.40	0.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

\* Annual bonuses at 11 bit studios S.A. for a given financial year are paid based on the cumulative result (net profit) earned by the Company for a period of four consecutive quarters (from the fourth quarter of the previous financial year to the third quarter of the current financial year).

**Remuneration calculated and paid to the Company's Management Board in 2020 (PLN)**

	Przemysław Marszał	Grzegorz Miechowski	Michał Drozdowski
Remuneration for managerial responsibilities	420,000	420,000	420,000
Annual bonus (paid in 2020)*	815,636	815,636	815,636
Remuneration under civil-law contracts	60,000	60,000	60,000
Non-monetary benefits	9,830	10,832	0
<b>Total</b>	<b>1,305,466</b>	<b>1,306,468</b>	<b>1,295,636</b>

**Relative proportions of remuneration components in 2020 (%)**

	Przemysław Marszał	Grzegorz Miechowski	Michał Drozdowski
Remuneration for managerial responsibilities	32.17	32.15	32.42
Annual bonus (paid in 2020)*	62.48	62.43	62.95
Remuneration under civil-law contracts	4.60	4.59	4.63
Non-monetary benefits	0.75	0.83	0.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

\* Annual bonuses at 11 bit studios S.A. for a given financial year are paid based on the cumulative result (net profit) earned by the Company for a period of four consecutive quarters (from the fourth quarter of the previous financial year to the third quarter of the current financial year).

### 3. REMUNERATION OF THE SUPERVISORY BOARD MEMBERS

As at January 1st 2021, the Supervisory Board of 11 bit studios S.A. was composed of:

- Wojciech Ozimek – Chairman of the Supervisory Board,
- Jacek Czykiel – Deputy Chairman of the Supervisory Board,
- Radosław Marter – Member of the Supervisory Board,
- Marcin Kuciapski – Member of the Supervisory Board,
- Piotr Wierzbicki – Member of the Supervisory Board.

The composition of the Company's Supervisory Board changed in the reporting period. On April 15th 2021, Wojciech Ozimek, Chairman of the Supervisory Board, resigned with immediate effect from membership of the Supervisory Board, including from his position as Chairman of the Supervisory Board. Therefore, at its meeting held on April 15th 2021, the Supervisory Board appointed Artur Konefał as Member of the Company's Supervisory Board for the joint term of office ending on May 23rd 2022. At the same time, the Supervisory Board appointed Radosław Marter, previously serving as Member of the Supervisory Board, as Chairman of the Supervisory Board.

As a result of the changes, as at December 31st 2021 the Supervisory Board of 11 bit studios S.A. was composed of:

- Radosław Marter – Chairman of the Supervisory Board,
- Jacek Czykiel – Deputy Chairman of the Supervisory Board,
- Marcin Kuciapski – Member of the Supervisory Board,
- Piotr Wierzbicki – Member of the Supervisory Board,
- Artur Konefał – Member of the Supervisory Board.

The remuneration of 11 bit studios S.A.'s Supervisory Board members for 2021 comprised the following components:

- **Fixed remuneration** for the functions performed, comprising a fixed monthly remuneration,
- **Non-monetary benefits** consisting of contributions to the employee capital plan.

#### Remuneration calculated and paid to the Company's Supervisory Board in 2021 (PLN)

	Radosław Marter	Wojciech Ozimek	Jacek Czykiel	Marcin Kuciapski	Piotr Wierzbicki	Artur Konefał
Remuneration for managerial responsibilities	44,093	15,643	36,000	19,800	19,800	14,064
Non-monetary benefits	0	270	0	297	297	99
<b>Total</b>	<b>44,093</b>	<b>15,913</b>	<b>36,000</b>	<b>20,097</b>	<b>20,097</b>	<b>14,163</b>

**Relative proportions of remuneration components in 2021 (%)**

	Radosław Marter	Wojciech Ozimek	Jacek Czykiel	Marcin Kuciapski	Piotr Wierzbicki	Artur Konefał
Remuneration for managerial responsibilities	100	98.30	100	98.52	98.52	99.30
Non-monetary benefits	0	1.70	0	1.48	1.48	0.70
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Remuneration calculated and paid to the Company's Supervisory Board in 2020 (PLN)**

	Wojciech Ozimek	Jacek Czykiel	Radosław Marter	Marcin Kuciapski	Piotr Wierzbicki
Remuneration for managerial responsibilities	54,000	36,000	19,800	19,800	19,800
Non-monetary benefits	92	0	0	49	49
<b>Total</b>	<b>54,092</b>	<b>36,000</b>	<b>19,800</b>	<b>19,849</b>	<b>19,849</b>

**Relative proportions of remuneration components in 2020 (%)**

	Wojciech Ozimek	Jacek Czykiel	Radosław Marter	Marcin Kuciapski	Piotr Wierzbicki
Remuneration for managerial responsibilities	99.83	100.00	100.00	99.75	99.75
Non-monetary benefits	0.17	0.00	0.00	0.25	0.25
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## **4. CONSISTENCY OF REMUNERATION OF MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS WITH REMUNERATION POLICY**

The remuneration of Members of the Company's Management Board and Supervisory Board is consistent with the Remuneration Policy adopted on June 9th 2020m which is tied to the Company's strategy and its short- and long-term objectives, and takes into account the size of the Company's business, its internal organisation, the nature and complexity of its operations, and measures designed to avoid discrimination on any grounds. The remuneration that has been paid to date complies with the adopted Remuneration Policy as:

- it has been paid in accordance with the Remuneration Policy,
- variable remuneration of the Management Board Members does not exceed five times the fixed remuneration.

## 5. PERFORMANCE CRITERIA

In accordance with the Remuneration Policy in place at the Company (as of 2020 – in previous years the matter was governed by the Supervisory Board Resolution No. 6/2016 of January 21st 2016, as subsequently amended by Supervisory Board Resolution No. 3/2018 of March 8th 2018), Members of the Company's Management Board are entitled to variable remuneration (annual bonus), whose amount depends on the Company's net profit.

The financial criteria for payment of the variable remuneration components are as follows:

- If the net profit for four quarters is higher than for the preceding four quarters, the amount allocated to bonuses is 6% of the Company's net profit and is distributed in equal parts among all Management Board Members;
- If the net profit for four quarters is lower than for the preceding four quarters, the amount allocated to bonuses is 3% of the Company's net profit and is distributed in equal parts among all Management Board Members;
- If the Company reports a loss for four quarters, no bonus is paid.

In 2021, the Management Board received a bonus of PLN 679,224, which is significantly lower than the year before, when it amounted to PLN 2,446,908.

## 6. CHANGES IN REMUNERATION OF THE COMPANY'S MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS, THE COMPANY'S RESULTS AND THE AVERAGE REMUNERATION OF THE COMPANY'S EMPLOYEES

In accordance with the Company's Remuneration Policy, members of the Company's Management Board are entitled to variable remuneration (annual bonus) whose amount depends on the Company's net profit.

### Company employees (employment contracts and other civil law contracts)

	2021	2020	Change y/y (%)
Average monthly gross salary per employee (PLN)	8,216.54	7,786.45	5.52

	2020	2019	Change y/y (%)
Average monthly gross salary per employee (PLN)	7,786.45	6,047.52	28.75

#### **Management Board**

	2021	2020	Change y/y (%)
Total remuneration of Management Board Members (PLN)	2,193,945	3,907,570	-44.15

	2020	2019	Change y/y (%)
Total remuneration of Management Board Members (PLN)	3,907,570	2,052,999	90.33

#### **Supervisory Board**

	2021	2020	Change y/y (%)
Total remuneration of Supervisory Board Members (PLN)	150,363	149,590	0.52

	2020	2019	Change y/y (%)
Total remuneration of Supervisory Board Members (PLN)	149,590	148,590	0.67

#### **Financial results of the Company**

	2021	2020	Change y/y (%)
Revenue (PLN)	70,122,691	87,101,774	-19.49
Net profit (PLN)	28,685,582	37,363,131	-23.22

	2020	2019	Change y/y (%)
Revenue (PLN)	87,101,774	71,221,248	22.30
Net profit (PLN)	37,363,131	23,726,914	57.47

Pursuant to the exemption provided for in Art. 90g.3 of the Act on Public Offering, it was decided not to disclose information for the financial years for which the Supervisory Board was not obliged to prepare a report on remuneration.

## **7. REMUNERATION FROM SUBSIDIARIES**

In 2021, Members of the Company's Management Board and Supervisory Board did not receive any remuneration from the Company's subsidiaries.

## **8. FINANCIAL INSTRUMENTS GRANTED OR OFFERED TO MEMBERS OF THE COMPANY'S MANAGEMENT BOARD AND SUPERVISORY BOARD**

The Management Board Members participate in the Incentive Scheme for 2017-2019, adopted by Resolution No. 18/05/2017 of the Annual General Meeting of May 10th 2017. The Incentive Scheme covered the years 2017-2019. Persons who signed Incentive Scheme participation agreements with the Company were entitled to acquire a total of 130,000 Series B subscription warrants convertible into 130,000 Series G shares, subject to meeting the targets set for the Company and defined in the Incentive Scheme Rules.

The grant of the warrants was subject to the achievement of the following financial targets (in PLN) by the Company (Group):

Total revenue of the 11 bit studios S.A. Group, 2017-2019	126,414,447
Total profit before tax of the 11 bit studios S.A. Group, 2017-2019	71,188,803

On June 9th 2020, the Company's Supervisory Board, at the request of the Company's Management Board, following approval of the Company's financial statements for 2019 by the Annual General Meeting, passed a resolution to grant 130,000 Series B subscription warrants to the Incentive Scheme Participants. The persons who subscribed for the warrants will be able to exercise the warrants by subscribing for Series G shares by June 30th 2023. The issue price of Series G shares under the Incentive Scheme was set at PLN 103.38.

In Current Report No. 24/2020 of July 3rd 2020, 11 bit studios S.A. announced that on July 3rd 2020 the Company received a notification under Article 19(1) of the Market Abuse Regulation from Grzegorz Miechowski, then President of the Company's Management Board, concerning his subscription for 11 bit studios S.A. shares as part of the settlement of the 2017-2019 Incentive Scheme. On July 3rd 2020, Grzegorz Miechowski subscribed for 18,413 Company shares at a price of PLN 103.38 per share.

As at the issue date of this Report, Przemysław Marszał (President of the Management Board) and Michał Drozdowski (Member of the Management Board) had not yet exercised the option to subscribe for Series G shares to which they are entitled under the 2017-2019 Incentive Scheme. Przemysław Marszał has the right to subscribe for 18,413 Series G shares and Michał Drozdowski has the right to subscribe for 18,414 Series G shares.



Members of the Company's Management Board also participate in the Incentive Scheme for 2021-2025, adopted by Resolution No. 03/01/2021 of the Extraordinary General Meeting of the Company of January 21st 2021. The Incentive Scheme covers the years 2021-2025. Persons who have signed or will sign in the future periods Incentive Scheme participation agreements with the Company will be entitled to acquire a total of 125,000 Series C subscription warrants convertible into 125,000 Series H shares, subject to meeting the targets set for the Company and defined in the Incentive Scheme Rules.

The grant of the warrants is subject to the achievement of the following financial targets (in PLN) by the Company:

Total revenue of 11 bit studios S.A., 2021-2025	656,000,000
Total profit before tax of 11 bit studios S.A., 2021-2025	328,000,000

Persons who acquire Series C warrants will be entitled to exercise them by subscribing for Series H shares by June 30th 2029. The issue price of Series H shares under the Incentive Scheme was set at PLN 474.93.

As at December 31st 2021, Przemysław Marszał (President of the Management Board), Grzegorz Miechowski (Member of the Management Board) and Michał Drozdowski (Member of the Management Board) will each have the right to subscribe for 6,500 Series C warrants convertible into Series H shares, on the basis of the 2021-2025 Incentive Scheme participation agreements they have signed. As at December 31st 2021, the total number of warrants to be acquired by persons participating in the 2021-2025 Incentive Scheme, with whom the Company has signed agreements on participation in the Scheme, is 83,750.

## **9. RETURN OF VARIABLE REMUNERATION COMPONENTS**

In accordance with the Remuneration Policy, at 11 bit studios S.A. there are no deferral periods applicable to payment of variable remuneration components, nor is it possible to claim the return of any variable remuneration components.

## **10. REMUNERATION OF CLOSE AND RELATED PARTIES**

11 bit studios S.A. has cooperated for years (since the Company's inception) with two parties related through key management members:

- Paweł Miechowski – PR Lead, brother of Grzegorz Miechowski, Member of the Management Board,
- Kancelaria Radcy Prawnego Agnieszki Rabenda-Ozimek (law firm); Agnieszka Rabenda-Ozimek is married to Wojciech Ozimek, Chairman of the Supervisory Board (until April 15th 2021).

The total value of transactions with Arkona – Paweł Miechowski (sole trading activity of Paweł Miechowski) executed in 2021 was PLN 236,635 (PLN 228,760 in 2020). The total value of transactions executed with the law firm Kancelaria Radcy Prawnego Agnieszki Rabenda-Ozimek in 2021 and 2020 was PLN 55,630 and PLN 61,633, respectively.

## **11. INFORMATION ON DEVIATIONS FROM THE PROCEDURE FOR IMPLEMENTING THE REMUNERATION POLICY**

To the best of the Supervisory Board's knowledge, there were no deviations from the procedure for implementing the Remuneration Policy.

---

Radosław Marter

Chairman of the Supervisory Board Deputy

Jacek Czykiel

Chairman of the Supervisory Board

---

Piotr Wierzbicki

Member of the Supervisory Board

Marcin Kuciapski

Member of the Supervisory Board

---

Artur Konefał

Member of the Supervisory Board

Warsaw, May 23rd 2022