



REPORT OF THE SUPERVISORY BOARD

AND ITS AUDIT COMMITTEE ON THEIR ACTIVITIES IN 2021, INCLUDING THE ASSESSMENTS REFERRED TO IN PRINCIPLE 2.11 OF THE BEST PRACTICE FOR GPW LISTED COMPANIES 2021

Warsaw, June 1st 2022

1. COMPOSITION OF THE SUPERVISORY BOARD OF PCF GROUP S.A. IN 2021

As at January 1st 2021, the composition of the Supervisory Board was as follows:

- Mikołaj Wojciechowski – Chairman of the Supervisory Board
- Bartosz Biełuszko – Member of the Supervisory Board
- Krzysztof Dolaś – Member of the Supervisory Board
- Jacek Pogonowski – Member of the Supervisory Board
- Aleksander Ferenc, PhD – Member of the Supervisory Board.

In the period January 1st–December 31st 2021, the following changes took place in the composition of the Supervisory Board:

- On April 1st 2021, Bartosz Biełuszko and Krzysztof Dolaś tendered their resignations as members of the Supervisory Board in fulfilment of their commitment to resign from the Supervisory Board as described in detail in the Company's prospectus approved by the Polish Financial Supervision Authority on November 25th 2020.
- On April 1st 2021, the Group of Qualifying Shareholders, as defined in Art. 17.3 of the Company's Articles of Association (comprising the shareholders Sebastian Wojciechowski, Bartosz Kmita, Bartosz Biełuszko and Krzysztof Dolaś), in the exercise of their special personal right to appoint and remove Supervisory Board members, appointed:
 - Barbara Sobowska as member of the Supervisory Board of PCF Group S.A., with effect as of April 1st 2021; and
 - Kuba Dudek as member of the Supervisory Board of PCF Group S.A., with effect as of April 1st 2021.

As at December 31st 2021, the composition of the Supervisory Board was as follows:

- Mikołaj Wojciechowski – Chairman of the Supervisory Board
- Jacek Pogonowski – Member of the Supervisory Board
- Aleksander Ferenc, PhD – Member of the Supervisory Board
- Barbara Sobowska – Member of the Supervisory Board
- Kuba Dudek – Member of the Supervisory Board.

In the period from December 31st 2021 to the date of this Report, the following changes took place in the composition of the Supervisory Board:

- On March 3rd 2022, Aleksander Ferenc, PhD, tendered his resignation as member of the Supervisory Board and member of the Audit Committee, with effect as of March 3rd 2022, in connection with his having received a proposal to work for the Company in a role related to M&A and Integration.
- On March 7th 2022, the Supervisory Board of PCF Group S.A. passed Resolution No. 2/2022 whereby it appointed by co-optation, with effect as of March 7th 2022, Dagmara Zawadzka as member of the Supervisory Board meeting the independence criteria prescribed for members of audit committees by the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017, subject to approval of the appointment by the General Meeting of the Company, as well as Resolution No. 3/2022 on the appointment of Dagmara Zawadzka as member of the Audit Committee of the Supervisory Board.

- On April 13th 2022, the Extraordinary General Meeting passed Resolution No. 4/04/2022 to approve the appointment of Dagmara Zawadzka as co-opted member of the Supervisory Board.

As at the date of this Report, the composition of the Supervisory Board was as follows:

- Mikołaj Wojciechowski – Chairman of the Supervisory Board
- Jacek Pogonowski – Member of the Supervisory Board
- Barbara Sobowska – Member of the Supervisory Board
- Kuba Dudek – Member of the Supervisory Board
- Dagmara Zawadzka – Member of the Supervisory Board.

2. INDEPENDENCE OF SUPERVISORY BOARD MEMBERS

In the period from January 1st 2021 to December 31st 2021, the following persons were independent members of the Supervisory Board within the meaning of the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017 and of the Best Practice for GPW Listed Companies 2016, attached as an appendix to Resolution No. 26/1413/2015 of the WSE Supervisory Board of October 13th 2015, effective as of January 1st 2016, and the Best Practice for GPW Listed Companies 2021, attached as an appendix to Resolution No. 13/1834/2021 of the WSE Supervisory Board of March 29th 2021, effective as of July 1st 2021:

- Jacek Pogonowski and
- Aleksander Ferenc, PhD.

As at the date of this Report, the independence criteria within the meaning of the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017 and the Best Practice for GPW Listed Companies 2021 were satisfied by the following Supervisory Board members:

- Jacek Pogonowski and
- Dagmara Zawadzka.

Save for Mikołaj Wojciechowski, Chairman of the Supervisory Board and member of the Audit Committee, having family links to Sebastian Wojciechowski, President of the Management Board and a shareholder holding as at the date of this Report 49.98% of the share capital and total voting rights in the Company, other members of the Supervisory Board have no actual and material links with any shareholder holding 5% or more of total voting rights in the Company.

3. SUMMARY OF THE ACTIVITIES OF THE SUPERVISORY BOARD IN 2021

The Supervisory Board exercises ongoing supervision over the Company's business in each area of its activity. In 2021, the Supervisory Board performed its duties under the applicable laws and regulations and the Company's Articles of Association. In 2021, the Supervisory Board held four meetings. The attendance of Supervisory Board members at the meetings held in 2021 was 80%, except for one meeting, where the attendance reached 100%. In addition, the Supervisory Board passed resolutions using means of remote communication in the form of a conference call, without holding a meeting. In 2021, the Supervisory Board passed a total of 18 resolutions.

The resolutions passed by the Supervisory Board in the performance of its duties included:

- resolution to consent to the execution of an escrow account agreement between the Company and President of the Management Board in connection with the acquisition of shares in Game On Creative Inc.;
- resolutions to amend and restate the Company's Articles of Association;
- resolution to adopt the '*Policy and procedure for the selection of an audit firm to audit statutory financial statements of PCF Group S.A. and its Group and the policy for provision of permitted non-audit services by the audit firm, its affiliates and members of the audit firm's network*';
- resolution to adopt amendments to the Rules of Procedure for the Management Board and Rules of Procedure for the Supervisory Board;
- resolution to appoint an auditor of the financial statements of PCF Group S.A. and the consolidated financial statements of its Group;
- resolution on assessment of the Directors' Report on the operations of PCF Group S.A. and its Group in 2020;
- resolution on assessment of the full-year separate financial statements of PCF Group S.A. and full-year consolidated financial statements of the PCF Group S.A. Group for the financial year ended December 31st 2020;
- resolution concerning the Management Board's proposal on allocation of the Company's net profit for the financial year 2020;
- resolution to adopt the Supervisory Board's Report on the assessment of the full-year separate financial statements of PCF Group S.A. for the financial year ended December 31st 2020, the full-year consolidated financial statements of the PCF Group S.A. Group for the financial year ended December 31st 2020, the Directors' Report on the operations of PCF Group S.A. and its Group in 2020, and the Management Board's proposal on allocation of net profit for the financial year 2020;
- resolution to adopt the Report of the Supervisory Board and its Audit Committee on their activities in 2020, including the assessments referred to in principle II.Z.10 of the Best Practice for GPW Listed Companies 2016;
- resolution to authorise the Report on the remuneration of members of the Management Board and Supervisory Board of PCF Group S.A.;
- a number of resolutions to provide the Supervisory Board's opinion on draft resolutions of the General Meeting.

4. COMPOSITION OF THE AUDIT COMMITTEE OF THE SUPERVISORY BOARD AND SUMMARY OF ITS ACTIVITIES IN 2021

Pursuant to Art. 20 of the Company's Articles of Association, from the date of the General Meeting's resolution to seek admission of Company shares to trading on a regulated market and for as long as the Company remains a public-interest entity within the meaning of the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017, the Supervisory Board is required to establish and maintain an audit committee. The Supervisory Board may also establish other committees, in particular a nomination and remuneration committee. The detailed tasks and rules of establishing

and operation of such committees are specified in the Rules of Procedure for the Supervisory Board.

On June 26th 2020, the Extraordinary General Meeting passed a resolution to increase the Company's share capital through the issue of Series B ordinary shares, to fully waive the existing shareholders' pre-emptive rights to acquire all Series B shares, to seek the admission and introduction of Series A shares, Series B shares and rights to Series B shares to trading on the regulated market operated by the Warsaw Stock Exchange, to convert Series A shares, Series B shares and rights to Series B shares into book-entry form, to authorise entry into an agreement on registration of Series A shares, Series B shares and rights to Series B shares in the securities depository, and to amend the Company's Articles of Association. As a consequence, on June 26th 2020, the Supervisory Board passed a resolution to establish an Audit Committee of the Supervisory Board. The Audit Committee consists of at least three members appointed by the Supervisory Board from among its members for the term of office of the Supervisory Board.

As at January 1st 2021, the composition of the Audit Committee was as follows:

- Jacek Pogonowski – Chairman of the Audit Committee
- Aleksander Ferenc, PhD – Member of the Audit Committee
- Mikołaj Wojciechowski – Member of the Audit Committee.

The composition of the Audit Committee did not change in 2021.

Among the Audit Committee members listed above, Mikołaj Wojciechowski satisfied the criteria of possessing the knowledge and skills relevant to the industry in which the Company operates, as set out in Art. 129.5 of the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017. The criteria of possessing the knowledge and skills in accounting or financial auditing as set out in Art. 129.1 of the Act were satisfied by Aleksander Ferenc, PhD.

At the same time, Jacek Pogonowski and Aleksander Ferenc, PhD, satisfied the independence criteria within the meaning of the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017, as well as the Best Practice for GPW Listed Companies 2016 and Best Practice for GPW Listed Companies 2021.

Following the changes in the composition of the Supervisory Board which took place in 2022, from March 7th 2022 and as at the date of this Report, the composition of the Audit Committee was as follows:

- Jacek Pogonowski – Chairman of the Audit Committee
- Dagmara Zawadzka – Member of the Audit Committee
- Mikołaj Wojciechowski – Member of the Audit Committee.

Among the Audit Committee members, as at the date of this Report, Mikołaj Wojciechowski satisfied the criteria of possessing the knowledge and skills relevant to the industry in which the Company operates, as set out in Art. 129.5 of the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017, and Dagmara Zawadzka satisfied the criteria of possessing the knowledge and skills in accounting or financial auditing, as set out in Art. 129.1 thereof. At the same time, Jacek Pogonowski and Dagmara Zawadzka were the Supervisory Board members satisfying the independence criteria within the meaning of the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017 and the Best Practice for GPW Listed Companies 2021.

Pursuant to Art. 20.2 of the Company's Articles of Association, the Audit Committee is responsible for, in particular: (i) monitoring of the financial reporting process, effectiveness of the internal control and risk management systems and the internal audit function, including with regard to financial reporting and financial audits; (ii) controlling and monitoring of the independence of the auditor and audit firm; (iii) informing the Supervisory Board of the audit findings and explaining how the audit contributed to reliability of the Company's financial reporting and what role the Audit Committee played in the audit; (iv) assessing the auditor's independence and approving the provision of permitted non-audit services by the auditor; (v) developing a policy for selecting an audit firm to conduct the audit; (vi) establishing an audit firm selection procedure for the Company; (vii) making recommendations on how to ensure reliability of the Company's financial reporting process.

The Audit Committee supervises the activities of the auditor. It issues recommendations to the Supervisory Board concerning the selection, or termination of the engagement, of a qualified auditor of financial statements, monitors the auditor's compliance with the independence and objectivity principles and information exchange rules, supervises the auditor's work, and routinely assesses the auditor's activities.

In 2021, the Audit Committee held six meetings, during which it:

- reviewed presentations summarising the findings of: (i) the audit of the separate financial statements of PCF Group S.A. and the consolidated financial statements of its Group for the period January 1st – December 31st 2020, and (ii) the review of the interim report of the Company and its Group for the six months ended June 30th 2021, prepared by the Company's auditor;
- voted on a resolution to adopt the '*Policy and procedure for the selection of an audit firm to audit statutory financial statements of PCF Group S.A. and its Group and the policy for provision of permitted non-audit services by the audit firm, its affiliates and members of the audit firm's network*';
- reviewed the Company's analysis of proposals submitted by audit firms;
- approved, at the Company's request, a list of audit firms to perform the audit of the statutory financial statements of the Company and its Group;
- granted consent to the provision by the entity authorised to audit the financial statements of the Company and its Group of services other than auditing or reviewing of financial statements;
- voted on a resolution to provide the Audit Committee's recommendation regarding selection of an audit firm to perform the audit of the statutory financial statements of the Company and its Group;
- voted on a resolution to recommend the selection of an audit firm to perform the audit of the statutory financial statements of the Company and its Group.

Apart from the Audit Committee, the Supervisory Board did not establish any other internal committees composed of its members.

5. SELF-ASSESSMENT OF THE SUPERVISORY BOARD'S WORK IN 2021

The Supervisory Board of PCF Group S.A. concludes that in 2021 it exercised proper ongoing supervision over the Company's business in each area of its activity in accordance with applicable laws and regulations and the Company's Articles of Association.

The Supervisory Board further concludes that it fulfils its duties diligently and effectively in exercising ongoing supervision over the Company's business in each area of its activity, and that its membership guaranteed a broad spectrum of professional experience, thus ensuring an adequate level of collective supervision of the Company's operations.

In the Supervisory Board's opinion, the professional experience and diverse expertise of the individual members of the Supervisory Board enable it to thoroughly examine and provide comprehensive opinions on matters presented to the Supervisory Board for consideration and ensure a broad range of views with respect to the assessment of the Management Board's work and the Company's performance.

The Supervisory Board favourably assessed its cooperation with the Management Board, finding the information provided by the Management Board to be exhaustive and appreciating the participation of Management Board members in Supervisory Board meetings, including the clarifications they provided on various matters.

In 2021, the Supervisory Board members actively participated in Supervisory Board meetings and remained committed to the proper discharge of their duties; the discussions held included an assessment of the Company's standing as at the date of each meeting and of the market standards for listed companies.

The number and duration of the Supervisory Board meetings, as well as the level of the Supervisory Board members' access to resources, were adequate to enable the Supervisory Board to discharge its duties, and the documents prepared for the Supervisory Board included relevant information and were developed well in advance of each meeting. The subject-matter content of the materials submitted for the Supervisory Board meetings was of satisfactory quality.

6. ASSESSMENTS MADE BY THE SUPERVISORY BOARD IN 2021

ASSESSMENT OF THE COMPANY'S STANDING ON A CONSOLIDATED BASIS, INCLUDING ASSESSMENT OF THE INTERNAL CONTROL, RISK MANAGEMENT AND COMPLIANCE SYSTEMS AND THE INTERNAL AUDIT FUNCTION, AND INFORMATION ABOUT MEASURES TAKEN BY THE SUPERVISORY BOARD TO PERFORM SUCH ASSESSMENT; *THE ASSESSMENT COVERS ALL SIGNIFICANT CONTROLS, IN PARTICULAR REPORTING AND OPERATIONAL CONTROLS*

Internal control

The Company's Management Board is responsible for the internal control system at the Company and for its effectiveness in the process of preparing financial statements and periodic reports. The financial reporting process at PCF Group S.A. and its subsidiaries is supervised directly by the President of the Management Board.

Until the end of November 2020, the accounting records of both PCF Group S.A. and its subsidiaries had been kept by third party accounting offices, separately for each company, with dedicated persons responsible for keeping the accounting records of individual companies as their chief accountants. Having expanded and strengthened its in-house finance and accounting function, since December 1st 2020 the Company has kept its own accounting records, which allowed it to align the internal structure of the finance and accounting function with the Company's needs and, given the ongoing expansion of the Company's operations, will allow it to continue to align its internal structures with the Company's needs. The change did not affect the keeping of accounting records of PCF Group S.A.'s subsidiaries, which (with the exception of Game On Creative Inc.) continue to be kept by third party accounting offices. Supervision of the third party providers of accounting services has been the responsibility of the Chief Financial Officer as part of the internal control system. The Chief Financial Officer is accountable to and reports directly to the President of the Management Board.

Both separate and consolidated financial statements are prepared by PCF Group S.A. The process involves the Management Board and the finance and accounting department. The financial data underlying the financial statements is sourced from the accounting records of PCF Group S.A., as well as from the systems of third party accounting offices keeping the accounts of subsidiaries.

The half-year separate and consolidated financial statements and full-year separate and consolidated financial statements are subject to, respectively, a review or audit by an independent auditor.

The financial statements prepared by the Management Board and audited by the audit firm are submitted to the Supervisory Board for taking the actions provided for in the Commercial Companies Code, i.e. assessing their consistency with the underlying accounting records and documents, as well as with the findings of fact.

The Audit Committee controls and monitors the independence of the statutory auditor and the audit firm, assesses the independence of the statutory auditor, as well as developed a policy for the selection of an audit firm to perform the audit and determined the procedure for selecting an audit firm by the Company. The Audit Committee presents to the Supervisory Board its recommendation concerning the appointment of statutory auditors or audit firms pursuant to Art. 130.1.8 of the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017 in conjunction with Article 16(2) of Regulation (EU) No 537/2014 of the European Parliament and of the Council of

April 16th 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC.

Activities of the Supervisory Board and the Audit Committee

The Supervisory Board and the Audit Committee monitor the financial reporting and financial auditing processes, including by analysing separate and consolidated financial statements prior to their approval by the General Meeting. This process also includes an analysis of the Company's periodic reports prior to their publication. In performing the supervisory and control activities, the Supervisory Board and the Audit Committee rely on the materials provided by the Management Board or the Chief Financial Officer, or on the information and explanations provided directly by the audit firm and the statutory auditor. In addition, the Supervisory Board and the Audit Committee rely on documents and other sources of information provided directly to the Supervisory Board or the Audit Committee upon their request by the Company's employees or independent contractors designated by the Supervisory Board or the Audit Committee. In order to perform its tasks, the Audit Committee may meet with the Company's employees or independent contractors without the involvement of Management Board members. The key financial reporting processes subject to control include: (i) settlement of and accounting for contracts concluded by the Company or its subsidiaries, (ii) the remuneration scheme for the Company employees and independent contractors, (iii) consolidation of the Company's financial data, (iv) preparation of the Company's separate and consolidated financial statements, and (v) tax settlements taking into account the operations carried out in various jurisdictions and tax credits/reliefs applied by the Group companies.

The external auditor who audited the Group's full-year consolidated financial statements for the financial year ended December 31st 2021 and the Company's full-year separate financial statements for the financial year ended December 31st 2021 did not submit any comments on the operation of the internal control system.

In view of the foregoing, the Supervisory Board gives a positive assessment of the internal control model adopted by the Company, finding it to be adequate and effective.

However, the Supervisory Board notes that the assessment was not based on formal reports prepared as part of the Company's internal control, risk management or compliance systems. For the purposes of the Supervisory Board's assessment, neither the Management Board nor risk or compliance managers prepared any reports on the effectiveness of those functions as the Company has not established the positions of Chief Compliance Officer or Chief Risk Officer.

Internal audit

In 2021, the Company had no formal internal audit function in the form of a separate organisational unit tasked with regular, independent and objective audit, assessment and improvement of the internal control procedures and mechanisms in place at the Company with a view to supporting the process of monitoring and evaluating the internal control system.

The Supervisory Board (at its meeting held on December 16th 2021) discussed the Company's standing on a consolidated basis, taking into account the internal control, risk management and compliance systems and the internal audit function. The meeting was attended by representatives of the finance and accounting department and by the President of the Management Board, who informed the participants that the employment of an internal auditor had been discussed internally by the Management Board and the Finance Department, and was being planned.

The Audit Committee, as part of its internal audit monitoring activities, has, since 2021, assessed whether the Company's situation warrants the establishment of an internal audit unit and submitted such assessment to the Supervisory Board. At its meeting held on May 25th 2022, the Audit Committee performed such assessment with respect to the year 2021, arriving at the following conclusions.

In the opinion of the Audit Committee, the Management Board should take steps to have in place a separate internal audit unit as from 2023. The Audit Committee further concluded that partial outsourcing of the internal audit function to a specialised third party provider instead of setting up an internal audit unit at the Company, as a solution considered by the Management Board, would not achieve the expected purpose of the internal audit function, especially as regards improving the financial and operational processes, the process of executing documents, including agreements and contracts, and establishment of a procurement department.

ASSESSMENT OF THE COMPANY'S COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES AND ON FULFILMENT OF ITS DISCLOSURE OBLIGATIONS CONCERNING COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES DEFINED IN THE STOCK EXCHANGE RULES AND THE REGULATIONS ON CURRENT AND PERIODIC REPORTS TO BE PUBLISHED BY ISSUERS OF SECURITIES, AND INFORMATION ON MEASURES TAKEN BY THE SUPERVISORY BOARD TO PERFORM SUCH ASSESSMENT

Having reviewed at its meeting held on December 16th 2021 detailed information regarding fulfilment by the Company of its disclosure obligations, the Supervisory Board is satisfied that the Management Board properly fulfilled the disclosure obligations concerning compliance with the corporate governance principles defined in the Stock Exchange Rules and the regulations on current and periodic reports to be published by issuers of securities.

ASSESSMENT OF THE VALIDITY OF THE COMPANY'S SPONSORSHIP, CHARITY OR SIMILAR POLICIES, OR INFORMATION ON THE ABSENCE OF SUCH POLICIES, AS WELL AS ASSESSMENT OF THE VALIDITY OF EXPENSES INCURRED BY THE COMPANY AND ITS GROUP TO SUPPORT CULTURE, SPORTS, CHARITIES, MEDIA, SOCIAL ORGANISATIONS, TRADE UNIONS, ETC., TOGETHER WITH A STATEMENT OF SUCH EXPENSES

In 2021, the Company was not engaged in any sponsorship, charity or similar activities, nor did the Company or its Group incur any expenses to support culture, sports, charities, media, social organisations, trade unions or other similar organisations.