



Current report No. 24/2023

Date: 17 June 2023

Subject: Signing by PCF Group S.A. of a term sheet to conclude a development agreement

Legal basis: Article 17 Section 1 of the MAR

Report content:

The Management Board of PCF Group S.A. with its registered office in Warsaw (the “**Company**”) hereby informs that on 17 June 2023 the Company signed a non-binding term sheet (the “**Term Sheet**”) with a reputable entity from the entertainment industry, with its registered office in the United States of America, to conclude a development agreement regarding cooperation in the production of a video game designated for virtual reality (VR) platforms in the action/combat genre, under the code name “Dolphin” (the “**Product**”). In addition, the Company decided to enter into negotiations to conclude a development agreement with the publisher or its affiliate (the “**Publisher**”) concerning the Product on the terms indicated in the Term Sheet.

Under the Term Sheet, works on the Product are to be performed in the so-called work-for-hire model, i.e. by the Company or its affiliate as a developer as commissioned by and for the Publisher, in return for which the developer will receive the agreed remuneration from the Publisher. The Company estimates that the Publisher’s production budget, within the Publisher’s total budget for all works related to the Product, will be between USD 16 and 24 million. The Product is to be based on intellectual property rights belonging to the Publisher and, within the limits provided for in the development agreement and applicable laws, all intellectual property rights in the Product are to belong to the Publisher.

The Term Sheet provides for the completion of the development works in 2025 and the release of the Product on the most recognizable current and future virtual reality platforms.

The conclusion of the development agreement will be announced by the Company in a separate current report.

The Management Board of the Company also informs that the signing of the Term Sheet and commencement of negotiations to conclude by the Company with the Publisher of the development agreement does not mean that the conclusion of the development agreement will take place.