

Current report No. 46/2021

Date: 13 December 2021

Subject: Signing the Development and Publishing Agreement with Incuvo S.A.

Legal basis: Art. 17 Section 1 of the Market Abuse Regulation (MAR)

Report content:

The Management Board of PCF Group S.A. with its registered office in Warsaw (“**Company**”, “**Issuer**”) announces that on 13 December 2021 the Company executed a development and publishing agreement with Incuvo S.A. with its registered office in Katowice. Pursuant to the agreement, Incuvo S.A. undertakes to make changes in a computer game from the People Can Fly’s capital group portfolio, necessary to make the game compatible with all virtual reality (VR) platforms. The changes will include adjusting the game code to the technical requirements of the VR platforms, or the technical requirements of the hardware designated to play VR games.

The VR game development will be fully funded by the Company as the publisher, with development fee tranches payable as designated VR game development milestones are achieved. The value of the development and publishing agreement is consistent with the market terms of similar contracts.

Upon completion of the VR game and its commercial launch, Incuvo S.A. will become eligible for royalties which will be payable if the sales generate the required revenue streams (defined in the agreement) for the Company to recover the costs incurred in relation to the development, promotion and distribution of the game. The level of royalties depends on the level of sales revenues generated by the game.

The commercial launch of the game is planned before the end of 2023.

The agreement does not contain any non-standard provisions deviating from the terms routinely applied in similar agreements, including those concerning contractual penalties.