

## **Current Report No. 47/2021**

**Date:** 13 December 2021

**Subject:** Disclosure of delayed inside information regarding the signing by PCF Group S.A. of a transaction terms non-binding term sheet concerning an acquisition of shares in Incuvo S.A. as well as commencing negotiations towards the execution of an investment agreement on the terms set out in the term sheet

**Legal basis:** Article 17 paragraph 1 and 4 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC

### **Content of the report:**

Pursuant to Article 17 paragraph 1 and 4 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the “**MAR**”), the Management Board of PCF Group S.A. (the “**Company**”) discloses to the public the following inside information concerning the execution by the Company of a transaction terms non-binding term sheet regarding an acquisition by the Company of not less than 50% plus one share and not more than 53% of shares in Incuvo S.A. with its registered office in Katowice, as well as the commencement of negotiations towards the execution of an investment agreement on the terms and conditions set out in the term sheet (the “**Inside Information**”).

Due to signing on 13 December 2021 of the investment agreement the Company has decided to disclose this Inside Information to the public.

The disclosure of the Inside Information to the public was delayed on 28 October 2021 on the basis of Article 17 paragraph 4 of the MAR.

### **Contents of the delayed Inside Information:**

“The Management Board of PCF Group S.A. with its registered office in Warsaw (the “**Company**”) hereby announces that on 28 October 2021 the Company and OÜ Blite Fund with its registered office in Tallinn, Estonia, the shareholder of Incuvo S.A. with its registered office in Katowice, Poland (“**Incuvo**”), executed a Transaction Terms Non-Binding Term Sheet, (the “**Term Sheet**”) setting out initial terms for an acquisition by the Company of not less than 50% plus one share and not more than 53% of shares in Incuvo, including at least 49.01% of Incuvo shares from OÜ Blite Fund.

Incuvo operates on the video games market and specializes in production of VR games and porting of third party titles to VR platforms.

The Company has also decided to commence negotiations towards the execution of an investment agreement (the “**Investment Agreement**”) on the terms set out in the Term Sheet. The Management Board also announces that the execution of the Term Sheet marks the commencement of a period of exclusive negotiations with OÜ Blite Fund regarding the acquisition of shares in Incuvo that will end on 8 December 2021.

The execution of the Investment Agreement will be announced by the Company in a separate current report, if it is required by law.

The Management Board of the Company also announces that the execution of the Term Sheet and commencement of negotiations to execute the Investment Agreement does not mean that the acquisition of shares in Incuvo will actually be finalized.”

### **Substantiation of the delay in disclosure of the Inside Information to the public:**

The Management Board believes that at the time the decision was made to delay the disclosure of the above Inside Information, it met the conditions set out in the MAR and the guidelines of the European Securities and Markets Authority for delaying disclosure of inside information of 20 October 2016.

The Management Board believes that in the situation existing at that time a prompt disclosure of information regarding the Term Sheet and the commencement of negotiations of the Investment Agreement on the terms set out in the Term Sheet would have created a risk of infringing the legitimate interests of the Company and its capital group by it possibly having an adverse effect on the progress and outcome of the negotiations.

In particular, the Management Board is of the opinion that the disclosure of the Inside Information to the public might have triggered interactions of third parties, which in turn could have resulted in worsening the conditions on which the contemplated transaction could be concluded.

As the same time, on the date of the decision to delay the publication of the Inside Information it was hard to predict the outcome of the negotiations, and the likelihood that the transaction would be consummated was undeterminable. In this situation the Management Board has decided that if disclosed to the public, the Inside Information might be misinterpreted and potentially affect the Company's goodwill.

In the opinion of the Management Board, there were no reasons to believe that a delay in the disclosure of the Inside Information could be misleading to the public, in particular due to the absence of any earlier public announcements from the Company concerning the matter to which the Inside Information pertained.

The Management Board believes that maintaining confidentiality of the Inside Information at the time of making the decision to delay its disclosure was assured, in particular by making a list of the individuals authorized to access to the Inside Information, as required under Article 18 of the MAR. This list of individuals was systematically monitored and updated on an as-needed basis.

Pursuant to Article 17 paragraph 4 of the MAR, the Company will notify the Polish Financial Supervision Authority of the delay in disclosure of the Inside Information, stating the reasons for the delay, immediately upon the publication of this Report.