



Current report No. 14/2023

Date: 20 May 2023

Subject: Commencement by PCF Group S.A. of negotiations towards the conclusion of a development and publishing 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 in reference to a proposal for a development and publishing agreement regarding cooperation in the production and release of a video game along with the executive production contract (together the “**Publishing Agreement**”) received on 19 May 2023 from a reputable publisher, after thorough assessing the aforementioned proposal for the Publishing Agreement, on 20 May 2023 the Company decided to commence negotiations to conclude the Publishing Agreement.

The above decision of the Company is in line with the update of the Strategy of the Company and the People Can Fly capital group announced by the Company on 31 January 2023, according to which if there are commercially attractive opportunities for cooperation with reputable partners in the work-for-hire model, then the Company will take full advantage of them.

The Publishing Agreement, which is the subject of negotiations, provides that works on the video game (the “**Product**”) are to be performed in the work-for-hire model, i.e. by the Company 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 negotiated development and publishing agreement is a framework agreement and detailed terms of cooperation between the parties are specified in the executive production contract to the agreement. The executive contract includes, among others, a detailed description of the Product, the schedule of production works, as well as the terms and conditions of disbursement of the developer’s remuneration.

The scope and terms of the negotiated Publishing Agreement do not differ substantially from the terms of development and publishing agreements typically concluded for this type of project.

The conclusion of the Publishing Agreement will be announced by the Company in a separate current report.

The Management Board of the Company also informs that commencement of negotiations to conclude by the Company of the Publishing Agreement does not mean that the conclusion of the Publishing Agreement will take place.