

Current report No 12/2021

Data: 23 April 2021

Subject: Disclosure of delayed inside information concerning the establishing a subsidiary to implement the strategy of PCF Group S.A.

Legal basis: Article 17 Sections 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

Report:

Acting pursuant to Article 17 Sections 1 and 4 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 (“**MAR**”), the Management Board of PCF Group S.A. (the “**Company**”) hereby discloses the following inside information concerning the establishing a subsidiary to implement the strategy of PCF Group S.A. (the “**Inside Information**”).

In view of the taking over of the Phosphor Games, LLC development team members on 23 April 2021, the Company has decided to make the Inside Information publicly available.

The disclosure of the Inside Information was delayed on 6 April 2021 pursuant to Article 17 Section 4 of MAR.

Content of the delayed Inside Information:

„The Management Board of PCF Group S.A. with its registered office in Warsaw (the “**Company**”) announces that a Delaware company People Can Fly Chicago, LLC (“**PCF Chicago**”) was established on 6 April 2021.

PCF Chicago has been established in relation to the execution on 31 March 2021 of a Transaction Terms Worksheet with Phosphor Studios, LLC with its registered office in Chicago, USA, (“**PH Studio**”), Phosphor Games, LLC with its registered office in Chicago, USA (“**PH Games**”) and the shareholders of Phosphor Studios and Phosphor Games, setting out initial terms for a take-over of the Phosphor Games development team by a new vehicle established in the Company’s group (the role of PCF Chicago) as well as the terms of the ancillary transaction agreements. The Company announced the execution of the Transaction Terms Worksheet in its current report No. 11/2021 dated 23 April 2021, the publication of which was delayed on 31 March 2021.

The Management Board of the Company points out that establishing PCF Chicago does not mean that the take-over of the new development team by PCF Chicago will actually be finalized.”

Rationale for delayed disclosure of the Inside Information:

The establishing of PCF Chicago constituted in the opinion of the Management Board, an intermediate step in a protracted process aimed at taking over the development team of PH Games.

The Management Board of the Company believes that immediate disclosure of Inside Information could have prejudiced the Company’s and its capital group’s legitimate interests, i.e. could lead to a premature disclosure of information on the negotiations conducted towards taking over the development team through a possible negative impact on the process and outcome of the negotiations.

In particular the Management Board believes that disclosing the Inside Information to the public might lead to a potential interaction of third parties which in turn could lead to the deterioration of the terms and conditions on which the transaction could have been concluded.

Furthermore, at the time the decision on the delay of the Inside Information was taken the outcome of the launched negotiations was difficult to foresee, and consequently the probability of concluding the

transaction was unknown. Therefore, the Management Board decided that, in the given circumstances, immediate disclosure of the Inside Information might have resulted in a distorted assessment among the general public of that information and its potential impact on the Company's valuation.

In the opinion of the Management Board of the Company, there were no premises indicating that a delayed disclosure of the Inside Information could mislead the public, in particular since the Company had not made any prior public announcements on the subject matter of the Inside Information.

The Management Board of the Company also resolved that the confidentiality of the delayed information was assured at the time the decision on the delay was taken, in particular through preparing a continuously monitored and updated list of persons having access to the contemplated Inside Information, as required under Article 18 of MAR.

In accordance with Article 17 Section 4 of MAR, immediately following the publication of this report, the Company shall inform the Polish Financial Supervision Authority about the delayed disclosure of the Inside Information, indicating that the premises for such delay were satisfied.