

## OPINION OF THE MANAGEMENT BOARD OF PCF GROUP S.A.

dated 27 April 2021

### substantiating the exclusion of preemptive rights of all shareholders with respect to Series D shares in connection with a planned share capital increase in the Company by way of issuance of Series D shares

Pursuant to Article 433 § 2 of the Act of 15 September 2000 – Commercial Companies Code (the “**Commercial Companies Code**”), the Management Board of PCF Group S.A. with its registered office in Warsaw (the “**Company**”) adopted this opinion on 27 April 2021 with reference to the item on the agenda of the General Meeting of the Company scheduled for 24 May 2021 which provides for the adoption of a resolution on a share capital increase through the issue of ordinary Series D shares, the exclusion of preemptive rights of the current shareholders with respect to the Series D shares, the seeking of the admission of the Series D shares to trading on a regulated market operated by the Warsaw Stock Exchange, the dematerialization of the Series D shares and the authorization to execute an agreement on the registration of the Series D shares in the deposit of securities, and on amendments to the Articles of Association of the Company (the “**Issue Resolution**”).

#### 1. Exclusion of current shareholders’ preemptive rights with respect to the Series D Shares (as defined below)

The share capital increase in the Company by way of issuing 387,714 (three hundred eighty seven thousand seven hundred and fourteen) series D shares with a nominal value of PLN 0.02 (two groszy) each (the “**Series D Shares**”) with the preemptive rights of all current shareholders being excluded, and the offering of the Series D Shares in a private placement exclusively to Fiducie Familiale Samuel Girardin 2020, a trust established for the benefit of Samuel Girardin and related persons, with its registered office in Montreal, Québec, Canada, 6669A rue Saint-Denis, Montréal (Québec) H2S 2S1, Canada (the “**Investor**”), is closely related to an acquisition by the Company on 27 April 2021 of all shares in Game On Creative, Inc. with its registered office in Montreal, Quebec, Canada (“**Game On**”).

Game On specializes mainly animation (with its own motion capture studio capable of recording character animation, facial animation and sound at the same time) and audio services for the largest firms from the gaming industry such as Electronic Arts, Sony Interactive Entertainment or Xbox Games Studios. Game On has been a development partner of People Can Fly for many years and it has played an important role in producing cinematics for *Outriders*, the game released on 1 April 2021. The acquisition of all shares in Game On is an element of implementation of the Company’s and its Group’s strategy, aiming to strengthen the Group’s competencies necessary to develop AAA games, and its ability to handle several development projects at the same time, in particular by adding the expertise to produce high-quality animations for in-game *cinematics*, as well as the sound track and other audio assets used in the games.

Game On is managed by its President Samuel Girardin, who will keep this position and will additionally be employed by the PCF Group S.A. as *Studio Head* in the Group’s subsidiary People Can Fly Canada, Inc. and the President of People Can Fly Canada, Inc.

The purpose of the share capital increase in the Company by way of issuing the Series D Shares is to offer them to Fiducie Familiale Samuel Girardin 2020, a trust established

for the benefit of Samuel Girardin and related persons, whose beneficial owner is Samuel Girardin in order to build an even closer relationship between Samuel Girardin and the PCF Group through this capital investment alongside the appointments for the professional positions mentioned above. The Management Board points out that 70% of the offered Series D Shares will be locked up on the same terms as the shares of the Company shareholders who offered their shares for sale in the Company's IPO conducted in the fourth quarter of 2020 based on the issue prospectus approved by the Polish Financial Supervision Authority on 25 November 2020. The *lock-up* will remain in force until the end of December 2024.

As the Company is planning to continue its expansion into the North America, soliciting a professional of this dimension, with his industry expertise and excellent knowledge of the extremely competitive local market in Montreal, who will be able to share the Management Board's responsibility for the development on this market and more broadly in Canada, has been a very important step for the Company. The Management Board believes that adding Samuel Girardin to the PCF Group's management team will be a leap towards achieving the Company's goal of expanding the Group's development teams for the planned and ongoing projects.

The funds raised by issuing the Series D Shares will be used for pursuing Company's strategic business goals, such as acquiring new development team(s) or launching new development studios, or for acquisitions of gaming industry targets to the purpose of creating new concepts or development of games. In relation to the Game On acquisition and in relation to the recently announced take-over of the Phosphor Games, LLC development team the Company has used all funds designated for those purposes.

In view of the foregoing, the Management Board of the Company believes that the issue of the Series D Shares fully excluding all preemptive rights of the existing shareholders of the Company is in the interest of the Company and serves its strategic goals. Therefore, the Management Board gives its favorable opinion on the issuance of the Series D Shares fully excluding preemptive rights of the existing shareholders of the Company.

## **2. The method of setting the issue price**

The issue price of the Series D Shares is set at PLN 29,369,335.50 (twenty nine million three hundred sixty nine thousand three hundred thirty five zlotys and fifty groszy), i.e. PLN 75.75 (seventy five zlotys and seventy five groszy) per one Series D Share. The issue price is close to the purchase price paid for Game On shares subject to necessary rounding, provided that the number of the Series D shares to be issued has been calculated based on the volume-weighted average of the Company stock daily prices quoted on the Warsaw Stock Exchange over the period of 30 days preceding the date of acquisition of shares in Game On, that is 30 days preceding 27 April 2021.

The Management Board believes that the issue price of the Series D Shares does not deviate from the market price of the Company shares and the adopted pricing method is in line with the common market practice.

## **3. Conclusions**

In view of the premises set out above, the Management Board of the recommends that the Extraordinary General Meeting adopts the Issue Resolution.