



Current report No. 22/2022

Date: 1 October 2022

Subject: Executing the Understanding of Termination of Development and Publishing Agreement with Take-Two Interactive Software, Inc.

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

Report content:

In relation to the current report No. 19/2022 dated 23 September 2022, the Management Board of PCF Group S.A. (the "**Company**", the "**Issuer**") hereby informs that on 1 October 2022, effective as of 23 September 2022, the Issuer's subsidiary, People Can Fly U.S., LLC with its registered office in New York, USA ("**People Can Fly US**"), the Issuer and the publisher Take-Two Interactive Software, Inc., a Delaware corporation with its registered office in New York, USA (the "**Publisher**") signed the Understanding of Termination (the "**Understanding**") to the Development and Publishing Agreement relating to the development of the game code named *Project Dagger* executed on 21 July 2020 between the Publisher and People Can Fly US with the Issuer acting as a guarantor guaranteeing the performance of obligations under the agreement, pursuant to which the Publisher obtained the exclusive right to finance and publish the game code named *Project Dagger* (the "**Agreement**").

The Understanding sets out detailed terms of settlements between the parties as a result of the Agreement's termination differentiating the terms of settlements depending on the model in which the game will be commercialized, i.e. depending whether the game will be commercialized in the self-publishing model or with a new publisher.

To this end the Understanding provides that People Can Fly US shall not have any obligation to repay Publisher any developer advances received from the Publisher for the development of the game and in lieu of such obligation, People Can Fly US shall repay to Publisher the amount of Twenty Million United States Dollars (US \$20,000,000) (the "**Repayment Amount**") as follows:

- (a) in the event People Can Fly US or the Issuer or any the Issuer's affiliate (the "**Group**") self-publishes *Project Dagger*, People Can Fly US will be obliged to pay to the Publisher quarterly paid royalties, until such royalties paid in the aggregate equal the Repayment Amount;

- (b) in the event the Group publishes *Project Dagger* with a new publisher, People Can Fly US will be obliged to repay the Publisher the Repayment Amount in two equal payments on or before the date that is six (6) and twelve (12) months from the date of launch of the game.

The Repayment Amount is not due to the Publisher if the game *Project Dagger* is not commercially-released notwithstanding the model in which the game is released.

The Publisher has not exercised the option under the Agreement to buy-out the intellectual property rights to the products produced under the Agreement, and the license granted to the Publisher has expired. Thus, pursuant to the Agreement, People Can Fly US has retained the intellectual property rights to the game *Project Dagger* as the sole owner of these rights.

The remaining provisions of the Understanding are standard provisions relating to the termination of the Agreement.