



REPORT ON THE REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF PCF GROUP S.A. FOR 2023

This report on the remuneration of members of the Management Board and Supervisory Board of PCF Group S.A. (the “**Company**”) was prepared pursuant to Article 90g et seq. of the Act of 29 July 2005 on Public Offering, Condition Governing the Introduction of Financial Instruments to an Organized Trading, and Public Companies (consolidated text: Dz. U. of 2022, item 2554, as amended) (the “**Public Offering Act**”).

The rules of remuneration of members of the Management Board and Supervisory Board of PCF Group S.A. are defined in the “Remuneration Policy for Members of the Management Board and Supervisory Board of PCF Group S.A.” as adopted by Resolution No. 13 of the Company's Annual General Meeting of 23 September 2020 (the “**Remuneration Policy**”), in force since the date of admission of Company shares to trading on a regulated market, i.e. 15 December 2020.

The Remuneration Policy was adopted pursuant to Article 90d Section 1 of the Public Offering Act and it defines the rules of remuneration for members of the Company's Management Board and Supervisory Board. The Remuneration Policy spells out the criteria applied in determining the remuneration of the Management Board and Supervisory Board members, the legal relationships that may form the legal basis for remunerating those members, and the types of remuneration that may be awarded to the Management Board and Supervisory Board members. The Remuneration Policy authorizes the Supervisory Board to determine the rules for awarding variable remuneration and other cash and non-cash benefits to members of the Management Board.

1. Total remuneration amount, broken down into the components referred to in Article 90d Section 3.1 of the Public Offering Act, and the relative proportions of these components

As of the effective date of the Remuneration Policy, the Company is required to remunerate members of the Management Board and Supervisory Boards strictly in conformance with the Remuneration Policy.

Management Board

In 2023, the Company's Management Board was composed of one individual - the President of the Management Board (CEO).

According to § 13 Section 10 of the Company's Articles of Association, effective without any amendments since 6 November 2019, Management Board members receive remuneration for the performance of their duties, in amounts determined by a resolution of the Supervisory Board. In addition, Management Board members may receive separate remuneration under agreements for the provision of advisory, consulting or video game development and production services provided to the Company. Prior to 6 November 2019, the remuneration of Management Board members for their duties was determined by the General Meeting.

In 2023, the remuneration of Management Board members (the President of the Management Board) for his duties was determined in Resolution No. 1 of the Extraordinary General Meeting of PCF Group sp. z o.o. (the Company's legal predecessor) of 27 July 2015 at PLN 4 thousand

gross per month. The remuneration of President of the Management Board did not change after the Company was transformed from a limited liability company (*spółka z ograniczoną odpowiedzialnością*) into a joint-stock company (*spółka akcyjna*).

Additionally, in 2023 the President of the Management Board received the following benefits:

- non-public medical care in the total amount of PLN 7,820.00 for the period indicated above.

In addition to his remuneration for serving as President of the Management Board, the President of the Management Board also received remuneration under:

- the service contract of 14 July 2015 concluded between the Company and the President of the Management Board as a sole trader; and
- the employment contract of 1 October 2017 with People Can Fly U. S., LLC of New York, United States (“**PCF U.S.**”).

The service contract executed by the President of the Management Board with the Company concerned advisory services in the areas of: (i) creating and implementing project plans; (ii) risk management, including, without limitation, the monitoring and identification of development plan hazards; (iii) preparing estimated time frames for task completion and achieving milestones; and (iv) applying the agile, scrum and waterfall methodologies to video game development. The President of the Management Board provided these services in the capacity of Lead Producer of video games developed by the Company. The service contract provided for remuneration in the form of a monthly fee equal to the product of the hourly rate specified in the contract and the number of hours dedicated to providing the services in a given month.

Under the service contract, in 2023 the President of the Management Board received a total remuneration of PLN 1,250,639.00.

Under the service contract, the Company had the discretion to award to President of the Management Board an additional success fee if the game proved to be a success, or upon achievement of a milestone in its development. No success such fee was awarded in 2023.

The employment contract between President of the Management Board and PCF U.S. concerned his employment in the capacity of the Chief Executive Officer (CEO) of PCF U.S. Under the contract, the President of the Management Board was entitled to a remuneration determined at an annual and weekly rate, depending on whether he performed his duties as the CEO within the United States or abroad. The employment contract is governed by the laws of the State of Illinois.

The following table presents the fixed and variable components of the President of the Management Board’s remuneration, as well as bonuses and other cash and non-cash benefits that may be awarded to the President of the Management Board.

Remuneration of President of the Management Board in 2023 (PLN)

Full name		PCFG					Group Companies					Total
		Remuneration		Variable Remuneration as defined in the Remuneration Policy (bonuses)	Other benefits		Remuneration		Variable Remuneration as defined in the Remuneration Policy (bonuses)	Other benefits		
		fixed (for serving as President of the Management Board)	variable (under the service contract)		cash	non-cash	fixed	variable (under the employment contract as Chief Executive Officer of PCF U.S.)		cash	non-cash	
Sebastian Wojciechowski	Amount	48,000.00	1,250,639.00 ¹	—	—	7,820.00	—	512,343.14	—	—	—	1,818,802.14
	Relative proportion (share of the component in the total)	2.64%	68.76%	—	—	0.43%	—	28.17%	—	—	—	100%

The table shows the remuneration paid in 2023, except for the amount disclosed as due but unpaid.

¹ Out of the PLN 1,250,639.00 of variable remuneration (under the service contract), PLN 227,796.00 was due (but unpaid) as of 31 December 2023.

Supervisory Board

In 2023, the Company's Supervisory Board consisted of five individuals:

- Mikołaj Wojciechowski – Chairman of the Supervisory Board
- Jacek Pogonowski – Member of the Supervisory Board
- Dagmara Zawadzka, CFA - Member of the Supervisory Board
- Barbara Sobowska - Member of the Supervisory Board
- Kuba Dudek - Member of the Supervisory Board

The composition of the Supervisory Board did not change in 2023.

Pursuant to § 19 Section 1 of the Company's Articles of Association, members of the Supervisory Board are entitled to remuneration in the amount determined by the General Meeting. The Supervisory Board members are also entitled to the reimbursement of the costs related to their participation in the work of the Supervisory Board.

In this regard, based on the resolution of the Company's Extraordinary General Meeting of 26 June 2020 on determining the remuneration of members of the Company's Supervisory Board, as of 1 July 2020, the Chairman of the Company's Supervisory Board was entitled to remuneration in the amount of PLN 2,000.00 per month, and the other members of the Supervisory Board were entitled to remuneration in the amount of PLN 1,500.00 per month.

Neither the Company nor any other Group company awarded any non-cash benefits to members of the Supervisory Board in 2023.

In addition, pursuant to the Extraordinary General Meeting's resolution of 26 June 2020 on determining the additional remuneration of members of the Supervisory Board's Audit Committee, as of 1 July 2020 the Chairman of the Audit Committee is entitled to an additional remuneration of PLN 1,500.00 per month, and the other Audit Committee members – to an additional remuneration of PLN 1,000.00 per month.

In 2023, the Audit Committee of the Company's Supervisory Board was composed of three persons:

- Jacek Pogonowski Chairman of the Audit Committee
- Dagmara Zawadzka, CFA – Member of the Audit Committee,
- Mikołaj Wojciechowski - Member of the Audit Committee.

The composition of the Audit Committee did not change in 2023.

The following table presents the remuneration of Supervisory Board members, broken down into fixed and variable components as well as bonuses and other optional cash and non-cash benefits.

Remuneration of Supervisory Board members in 2023 (PLN)

Full name		PCF Group S.A.					Group companies					Total
		Remuneration		Variable Remuneration as defined in the Remuneration Policy (bonuses)	Benefits		Remuneration		Variable Remuneration as defined in the Remuneration Policy (bonuses)	Benefits		
		fixed (for serving as member of the Supervisory Board and the Audit Committee)	variable (under the service and intellectual property transfer contracts)		cash	non-cash	fixed	variable		cash	non-cash	
Mikołaj Wojciechowski	Amount	36,000.00	—	—	—	—	—	—	—	—	—	36,000.00
	Relative proportion (share of the component in the total)	100%	—	—	—	—	—	—	—	—	—	100%
Jacek Pogonowski	Amount	36,000.00	—	—	—	—	—	—	—	—	—	36,000.00
	Relative proportion (share of the component in the total)	100%	—	—	—	—	—	—	—	—	—	100%
Barbara Sobowska	Amount	18,000.00	—	—	—	—	—	—	—	—	—	18,000.00
	Relative proportion (share of the component in the total)	100%	—	—	—	—	—	—	—	—	—	100%
Kuba Dudek	Amount	18,000.00	—	—	756.70	—	—	—	—	—	—	18,756.70
	Relative proportion (share of the component in the total)	95.97%	—	—	4.03%	—	—	—	—	—	—	100%
Dagmara Zawadzka	Amount	30,000.00	—	—	1,522.00	—	—	—	—	—	—	31,522.00
	Relative proportion (share of the component in the total)	95.17%	—	—	4.83%	—	—	—	—	—	—	100%

The remuneration presented in the table was paid in full in 2023.

On 11 December 2023, the Extraordinary General Shareholders' Meeting adopted resolutions to change the rates of remuneration for members of the Supervisory Board and the Audit Committee.

In accordance with resolution No. 4/12/2023 of the Extraordinary General Meeting of 11 December 2023 on changing the remuneration of members of the Supervisory Board, as of 1 January 2024, the Chairman of the Supervisory Board is entitled to remuneration in the amount of PLN 3,000.00 per month, and other members of the Supervisory Board are entitled to remuneration in the amount of PLN 2,500.00 per month. Additionally, each member of the Supervisory Board is entitled to an allowance of PLN 1,500.00 for participating in each meeting of the Supervisory Board.

In accordance with Resolution No. 5/12/2023 of the Extraordinary General Meeting of 11 December 2023 on changing the remuneration of members of the Audit Committee of the Supervisory Board, as of 1 January 2024, the Chairman of the Audit Committee and the member of the Audit Committee with knowledge and skills in accounting or auditing financial statements are entitled to remuneration in the amount of PLN 2,000.00 per month, and other members of the Audit Committee are entitled to remuneration in the amount of PLN 1,500.00 per month. Additionally, each member of the Supervisory Board's Audit Committee is entitled to an allowance of PLN 2,000.00 for participating in each meeting of the Supervisory Board's Audit Committee.

2. Explanation of how the total remuneration complies with the Company's remuneration policy, including how it contributes to delivering long-term results by the Company

The Remuneration Policy serves in particular to: (i) help deliver the Company's business strategy and its short-term and long-term objectives and ensure the Company's stability; (ii) provide the Management Board members with a coherent and incentive-based remuneration scheme reflecting their experience, qualifications and responsibilities, fostering their lasting commitment to the Company and to the performance of duties on their respective positions; and (iii) provide proper incentive for the Management and Supervisory Board members to ensure their contribution and dedication to the long-term growth of the Company and its Group.

The remuneration of Management and Supervisory Board members is determined based on objective criteria including, without limitation, the scope of duties and responsibilities on a given position, required experience and qualifications, and market rates paid for that position in the video game industry. The Remuneration Policy was developed taking also into account the working conditions and employment and payment terms of the Company's employees other than members of the Management Board or Supervisory Board. In particular, those conditions and terms were reviewed to ensure that the remuneration of Management and Supervisory Board members reflects the level of their responsibility and qualifications and the extent to which they contribute to the delivery of the Company's and the Group's business strategy, and is suitable in light of the Company's and the Group's financial condition, while taking into account the need to ensure that persons serving on the Management Board and Supervisory Board have the highest degree of expertise and increased level of risk inherent to such service.

When evaluating compliance of the Management Board and Supervisory Board members' remuneration in 2023 with the Remuneration Policy, including its contribution to delivering the Company's long-term results, the following should be taken into account.

All remunerations paid by the Company to the Management Board and Supervisory Board members in the reporting period complied with the Remuneration Policy, and comprised the components provided for in the Remuneration Policy (fixed remuneration). Without prejudice to the Remuneration Policy, the Management Board and Supervisory Board members were also bound by agreements executed with the Company or Group companies (this applied only to the President of the Management Board) and resolutions of the Company's governing bodies, setting out policies for the members' remuneration.

The remuneration of the Supervisory Board members was determined by the General Meeting as a fixed amount linked to the position held (with higher remuneration paid to the Chairperson of the Supervisory Board) and tasks assigned to individual persons (additional fixed remuneration paid for service on the Supervisory Board's Audit Committee), taking into account the scale of the Company's business and its financial condition.

The Supervisory Board members were not entitled to variable remuneration linked to the Company's performance. The application of this rule and the payment of remuneration to the Supervisory Board members comprising fixed components only, ensure independent oversight of the Company's economic condition, separating the amount of remuneration paid to the Supervisory Board members from the Company's performance and economic condition, which is a desirable effect in case of a supervisory body.

The remuneration of the President of the Management Board, which comprises fixed remuneration for serving in this capacity determined by a General Meeting's resolution, and variable remuneration for the provision of services to the Company and other Group companies under a service contract signed by him as a sole trader, or under an employment contract, as the case may be, which is in line with the Remuneration Policy, supports full commitment of the President of the Management Board to the performance of his, incentivizing him to deliver the Company's business objectives.

Considering the above, the Supervisory Board is of the opinion that remuneration paid to the persons responsible for managing the Company is in line with market practice and helps retain such persons in the long term. The level of base pay received by the President of the Management Board and additional benefits, combined with variable remuneration, should, in the Supervisory Board's opinion, result in a long-term and stable relationship of the key person with the Company.

In addition, during the reporting period, the remuneration model for the persons responsible for overseeing the Company's operations was revised, as a result of which significant changes were implemented, including an increase in the rates of remuneration for members of the Audit Committee and Supervisory Board and the introduction of a cash allowance for participation in meetings of these bodies. The above changes were aimed at ensuring that the level of remuneration of members of the Company's supervisory bodies is in line with the market practice, takes into account the duties and responsibilities of the Audit Committee and Supervisory Board members, and positively translates into the ability to attract and maintain an appropriate level of motivation of persons with skills and competencies needed to perform optimal supervision of the Company, and to retain them at the Company in the long term and ensure a long-term and stable relationship of such persons with the Company. The revised remuneration model for the persons responsible for overseeing the Company's operations was adopted by the relevant resolutions of the Extraordinary General Shareholders' Meeting on 11 December 2023, with effect from 1 January 2024.

As at the date of this Report, the Company was continuing a process started in the preceding years to review and possibly revise the remuneration of the persons responsible for managing the Company, taking into account the Remuneration Policy.

3. Explanation of how performance criteria were applied

In line with the Remuneration Policy, remuneration paid to members of the Management Board for serving on the Management Board includes: (i) fixed monthly cash remuneration for serving on the Management Board, awarded regardless of the financial or non-financial performance criteria; (ii) variable remuneration in the form of bonuses ("**Variable Remuneration**"); (iii) other additional cash and non-cash benefits.

Members of the Company's Management Board may receive additional remuneration under employment contracts or civil-law contracts with the Company or other Group companies under which they perform work or provide services to the Company or Group companies unrelated to their management roles.

Members of the Management Board may also receive fixed remuneration for serving on the management board of a subsidiary, including a subsidiary established outside of Poland.

The authority to define the rules for awarding Variable Remuneration (bonuses) and other optional cash and non-cash benefits to members of the Management Board in line with the Remuneration Policy, to the extent necessary for their award and disbursement and to the extent these matters are not provided for and are not in conflict with the Remuneration Policy, is vested in the Supervisory Board. The Supervisory Board is in particular authorized to determine the type, amount and manner of payment of both fixed and variable remuneration (bonuses) and other cash and non-cash benefits received by each Management Board member from the Company.

The amount of Variable Remuneration (bonuses) payable to a Management Board member is contingent on the delivery of the objectives set for the Management Board members by the Supervisory Board, which are reviewed on an annual basis by the Supervisory Board. Under the authorization referred to above, the Supervisory Board may lay down detailed terms and conditions for the award and disbursement of Variable Remuneration (bonuses), including the targets for members of the Management Board, based both on selected targets set out in the Remuneration Policy and other targets the achievement of which, in the Supervisory Board's opinion, will contribute to the delivery of the Company's business strategy, serving its long-term interests and stability.

The Variable Remuneration for a given year, provided it has been determined by the Supervisory Board and is due, is paid to a Management Board member after the Company's consolidated financial statements for that year have been prepared and audited. In accordance with the Remuneration Policy, the maximum amount of the remuneration components comprising the Variable Remuneration (excluding any remuneration under share-based incentive schemes) of a Management Board member must not exceed five times the amount of the fixed remuneration components that the Management Board member receives from the Company and its subsidiaries.

In 2023, no Variable Remuneration (bonus) was paid to the President of the Management Board.

In 2023, the President of the Management Board received additional remuneration under a civil-law contract with the Company (the service contract of 14 July 2015) and under an employment contract with People Can Fly U.S., LLC, under which he provided the Company with services not related to his management role, and performed work for the Group company. The above remuneration was classified as variable (other than bonuses): under the service contract the amount of remuneration depended on the number of hours spent providing the services in a given month, while under the employment contract with People Can Fly U.S., LLC – it depended on the performance of work in or outside the United States.

4. Annual change of remuneration, of the performance of the company, and of average remuneration of employees of the company other than members of the management board or supervisory board over at least the five most recent financial years, presented together in a manner which permits comparison

Annual change in remuneration of the President of the Management Board

	2019	2020	2021	2022	2023
Sebastian Wojciechowski	1,138,972	1,325,235	1,562,884	1,542,969	1,818,802
Y/y change	15%	16%	18%	-1%	18%

Annual change in remuneration of Supervisory Board members

	2019	2020	2021	2022	2023
Mikołaj Wojciechowski	-	18,000	36,000	33,428	36,000
Y/y change	-	-	100%	-7%	8%
Jacek Pogonowski	-	18,000	36,000	36,000	36,000
Y/y change	-	-	100%	0%	0%
Barbara Sobowska	-	11,333	13,500	18,000	18,000
Y/y change	-	-	19%	33%	0%
Kuba Dudek	-	-	13,500	18,000	18,757

Y/y change	-	-	-	33%	4%
Dagmara Zawadzka	-	-	-	26,933	31,522
Y/y change	-	-	-	-	17%

Financial results of PCF Group S.A. and its Group for the last five financial years

	2019	2020	2021	2022	2023
Group's gross profit	4,851,752	26,657,920	64,441,000	30,435,746	-91,705,027
Change (PLNm)	-14.38	21.81	37.78	-34.01	-122.14
Change (%)	-74.77%	449.45%	141.73%	-52.77%	-401.31%
Group's net profit	4,828,296	24,579,339	61,326,016	21,983,781	-76,450,455
Change (PLNm)	-11.08	19.75	36.75	-39.34	-98.43
Change (%)	-69.65%	409.07%	149.50%	-64.15%	-447.76%
Company's gross profit	2,059,025	31,017,936	43,898,938	44,529,258	-85,504,327
Change (PLNm)	-15.22	28.96	12.88	0.63	-130.03
Change (%)	-88.08%	1,406.44%	41.53%	1.44%	-292.02%
Company's net profit	2,235,443	29,095,747	41,751,983	42,336,348	-68,876,988
Change (PLNm)	-12.17	26.86	12.66	0.58	-111.21
Change (%)	-84.48%	1,201.57%	43.50%	1.40%	-262.69%

Average remuneration of employees employed under employment contracts at PCF Group S.A. in 2019–2023 (PLN)

Year	Average remuneration (excluding Management Board members)	Y/y increase in average remuneration (excluding Management Board members)
2019	85,979	-17.19%
2020	99,159	15.33%
2021	115,781	16.76%
2022	103,004	-11.04%
2023	105,661	2.58%

5. Remuneration received from entities of the same capital group within the meaning of the Accounting Act of 29 September 1994

For information on the amount of remuneration received by the President of the Management Board from PCF Group S.A. group companies, see the relevant tables in Section 1 hereof.

The Supervisory Board members did not receive any remuneration from PCF Group S.A. group companies.

6. Number of financial instruments granted or offered and the key conditions for the exercise of rights attached to such instruments, including the exercise price and date and any changes thereof

In 2023, neither the President of the Management Board nor any Supervisory Board members were granted or offered any financial instruments.

7. Information on exercising the option to reclaim variable remuneration components

The Remuneration Policy does not provide for any deferral of payment of the Variable Remuneration or for any option to reclaim the Variable Remuneration paid.

8. Information on any deviations from the procedure of implementation of the remuneration policy and on any derogations applied in accordance with Article 90f

of the Public Offering Act, including the explanation of the reasons for and the manner of such derogations and the indication of the specific elements derogated from.

Where necessary for furthering the Company's long-term interests and ensuring its sustainability or viability, the Supervisory Board may decide to temporarily disapply the Remuneration Policy in whole or in part.

Reasons for disapplying the Remuneration Policy include in particular issues related to the delivery of the Company's strategy and such actions which, if omitted, could adversely affect the Company's ability to fulfill its liabilities.

The Supervisory Board may decide to disapply the Remuneration Policy by way of a resolution. Such resolution must specify in particular: (i) the period for which the Remuneration Policy is to be disappplied; (ii) elements of the Remuneration Policy to be disappplied; (iii) the reasons and rationale for the disapplication. The Management Board may request temporary disapplication of the Remuneration Policy; such request must include the reasons and rationale for the temporary disapplication.

The Remuneration Policy entered into force on 15 December 2020, and absent any reasons for its disapplication in the period from 1 January to 31 December 2023, the Supervisory Board did not resolve to disapply it.

9. Cash and non-cash benefits, if any, awarded to close persons of members of the Management Board or Supervisory Board

The President of the Management Board received a non-cash benefit in the form of a private healthcare package, with the value of PLN 571.00 to PLN 659.00 per month or PLN 7,820.00 in total for 2023. The package covered also the close persons of the President of the Management Board, i.e. his wife and children.

No benefits were awarded to any close persons of the Supervisory Board members.

Pursuant to Article 90g Section 8 of the Public Offering Act, the remuneration report should include an explanation of how the discussion of the company's annual general meeting on the previous remuneration report has been reflected therein.

The report on the remuneration of members of the Management Board and Supervisory Board in 2022 was discussed at the Company's Annual General Meeting held on 27 June 2023. During the discussion, shareholders who were present at the General Meeting did not ask any questions or raise any issues regarding the report submitted by the Supervisory Board.

The Report has been evaluated by the auditor with respect to the disclosure of information required under Article 90g Sections 1-5 and Article 90g Section 8 of the Public Offering Act.

The Supervisory Board will submit the Report to the Annual General Meeting for discussion, in accordance with Article 90g Section 7 of the Public Offering Act.

Following the closing of the Annual General Meeting, the Report will be published on the Company's website, where it will remain available for free access or download for a period of at least ten years.

The Report was adopted by the Supervisory Board under Resolution No. 7/2024 dated 29 April 2024.

/ signatures on the next page /

Signature: _____ / signature /

Name: _____ Mikołaj Wojciechowski

Position: _____ Chairman of the Supervisory Board

Date: _____ April 29th, 2024

Signature: _____ / signature /

Name: _____ Kuba Dudek

Position: _____ Member of the Supervisory Board

Date: _____ April 29th, 2024

Signature: _____ / signature /

Name: _____ Jacek Pogonowski

Position: _____ Member of the Supervisory Board

Date: _____ April 29th, 2024

Signature: _____ / signature /

Name: _____ Barbara Sobowska

Position: _____ Member of the Supervisory Board

Date: _____ April 29th, 2024

Signature: _____ / signature /

Name: _____ Dagmara Zawadzka

Position: _____ Member of the Supervisory Board

Date: _____ April 29th, 2024