

Current report No. 15/2014

Subject: Conclusion of significant agreement and sale of significant assets

Legal basis: Art. 56 section 1 item 2 – current and periodic information

The Management Board of CD PROJEKT S.A., headquartered in Warsaw, Jagiellońska 74 (hereafter referred to as “the Company” or “the Issuer”) hereby announces that on 1 October 2014 a sale transaction was concluded between the Issuer and its subsidiary, CD PROJEKT Brands S.A., headquartered in Warsaw, concerning ownership of “The Witcher” trademark (hereafter referred to as “the Trademark”).

In line with the agreement on the day of its signature the Company ceded ownership of the Trademark to CD PROJEKT Brands S.A. in exchange for payment in the amount of 17,622,000 PLN (seventeen million six hundred twenty two thousand PLN) which represents the value of the Trademark as reported by an independent valuation.

The Trademark has been created solely through the actions of the Issuer’s capital group. Its global recognition is due to the series of videogames developed by the CD PROJEKT RED Studio which is wholly owned by the Issuer. The Trademark has been duly registered and enjoys legal protection in Poland and abroad.

The sale of The Witcher trademark is an element of the CD PROJEKT Capital Group’s strategy of optimizing its internal policies and links between its subsidiaries. In accordance with this strategy, a separate subsidiary – CD PROJEKT Brands S.A. – has been established to manage the Group’s intangible assets, including the Trademark, and to sublicense their use to external parties. The payment remitted to the Company in exchange for ownership rights comes from CD PROJEKT Brands S.A.’s own resources.

The Issuer owns 100% of shares of CD PROJEKT Brands S.A. and the sole member of CD Projekt Brands S.A.’s Management Board is also a member of the Issuer’s Management Board.

In addition to the sale transaction reported above, CD PROJEKT Brands S.A. also concluded a separate licensing agreement with the Issuer, granting the Issuer the right to use the Trademark in its videogames as well as other types of products and services without territorial restrictions for a period of 5 years.

The joint value of both agreements, including royalties associated with the above mentioned 5-year licensing contract is 35,244,000 PLN (thirty five million two hundred forty four thousand PLN).

The agreements, as well as the asset being sold, are deemed significant as their total value (reported by an independent valuation) exceeds 10% of the Issuer’s equity.

Disclaimer:

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