

## **Current report No. 33/2016**

**Subject:** Declaration of intent to conclude a merger between CD PROJEKT S.A. and its subsidiary – CD PROJEKT Brands S.A.

**Legal basis:** Art. 17 section 1 of MAR – confidential 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 18 October 2016 a merger plan was adopted and signed by CD PROJEKT (“the Acquirer”) and its subsidiary – CD PROJEKT Brands S.A., headquartered in Warsaw (“the Acquiree”). The plan is attached to this current report.

In line with the strategy of the CD PROJEKT Capital Group for the years 2016-2021, adopted earlier this year, the Management Board has decided to focus on a limited number of brands and ensure that each of these brands is expanded to cover new activity fields. The upcoming release of GWENT – The Witcher Card Game in the free-to-play model, heretofore unexplored by the Company, is a manifestation of this approach. In the Issuer’s Management Board’s opinion, concentrating production and publishing capabilities within a single entity with direct control over existing (The Witcher) and emerging (GWENT) trademarks, previously managed by a separate entity wholly owned by the Issuer, will serve to streamline business processes and simplify formal aspects of the Capital Group’s activities with regard to ownership of resources used in the development and publishing of videogames, as well as promoting trademarks owned by the Group.

The planned merger will be carried out as specified in Art. 492 § 1 section 1, Art. 515 § 1 and Art. 516 § 6 of the Commercial Company Code, i.e. by transferring the totality of the Acquiree’s assets and liabilities to the Acquirer (merger by takeover) without increasing the Acquirer’s share capital and without converting Acquiree shares into Acquirer shares.

The Acquirer holds 100% of the Acquiree’s share capital.

Pursuant to Art. 516 § 6 of the Commercial Company Code the requirement to prepare reports by the management boards of merging companies, as stipulated by Art 501 of the Commercial Company Code, and the requirement to subject the merger plan to an audit and obtain a formal opinion from a licensed auditor, as stipulated by Art. 503 § 1 of the Commercial Company Code, are waived.

Annexes:

1. Merger plan with appendices

*Disclaimer:*

*This English language translation has been prepared solely for the convenience of English speaking readers. Despite all the efforts devoted to this translation, certain discrepancies, omissions or approximations may exist. In case of any differences between the Polish and the English versions, the Polish version shall prevail. CD PROJEKT, its representatives and employees decline all responsibility in this regard.*