

Current report No. 4/2019

Subject: Management Board recommendation concerning allocation of net profit obtained in 2018

Legal basis: Art. 17 section 1 of MAR – inside information

The Management Board of CD PROJEKT S.A. with a registered office in Warsaw (hereinafter referred to as “the Company”) hereby announces that on 23 April 2019 it adopted a resolution concerning submission to the General Meeting of a recommendation concerning allocation of net profit obtained in 2018, part of which is to be paid out to Company shareholders as a dividend.

Pursuant to the above, the Board recommends that the Ordinary General Meeting allocate the net profit in the amount of 109 450 674.08 PLN (one hundred and nine million four hundred and fifty thousand six hundred and seventy-four PLN 08/100) as follows: 100 926 000.00 PLN (one hundred million nine hundred and twenty-six thousand PLN) is to be paid out to shareholders as a dividend at 1.05 PLN (one PLN 05/100) per share, while the remainder, i.e. 8 524 674.08 PLN (eight million five hundred and twenty-four thousand six hundred and seventy-four PLN 08/100) is to be transferred to the Company’s reserve capital.

The Management Board also recommends that the dividend date be set to 31 May 2019, with dividend payment occurring on 13 June 2019.

The above recommendation has been submitted to the Supervisory Board for endorsement, pursuant to §21 section 2 item e of the Company Articles, following which it will be formally submitted to the General Meeting for approval, pursuant to Art. 395 §2 item 2 of the Commercial Companies Code.

In justifying its recommendation the Management Board wishes to draw attention to the fact that 2018 continued to see strong sales of The Witcher 3 and other Group products. The corresponding sales revenues resulted in a net increase in the Group’s cash holdings and bank deposit balance, notwithstanding record R&D expenditures and various investments carried out in 2018.

Following assessment of the Company’s cash assets and bank deposits, its future investment plans and financial hedges, the Board recommends to the General Meeting that a portion of the Company’s monetary assets be returned to shareholders.

At the same time the Board wishes to remark that it has not instituted a regular dividend policy since it believes that for a dynamically expanding company which focuses on a strongly competitive market segment the appropriate approach is to evaluate the Group’s financial standing, business plans, challenges and requirements on a case-by-case basis.

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