

Current report no. 28/2020

Subject: Status of exercise of entitlements assigned under the CD PROJEKT S.A. Incentive Program in force between 2016 and 2019, and projections regarding the sale of shares by entitled parties

Legal basis: Art. 17 of MAR – Inside information

The Management Board of CD PROJEKT S.A. with a registered office in Warsaw (hereinafter referred to as “the Company”) – mindful of the need to preserve the transparency of actions undertaken by the Company, its Management Board and persons regarded as important for ensuring its further growth, with respect to other entities active on the capital market, and also in order to ensure transparency of the process of exercising entitlements assigned under the incentive program in force at the Company between 2016 and 2019 (hereinafter referred to as “the Incentive Program”) adopted by the Ordinary General Meeting of the Company on 24 May 2016 – hereby discloses the following information regarding implementation of the Incentive Program.

Acting in accordance with the authorization issued by the Ordinary General Meeting of 28 July 2020 the Management Board, in collaboration with the Dom Maklerski Trigon S.A. brokerage house (hereinafter referred to as “Trigon”), carried out a share buy-back program as a result of which 516 700 Company shares were purchased on the regulated market. The purpose of this program was to offer the acquired shares to participants of the Incentive Program (hereinafter referred to as “the Entitled Parties”) as a means of exercising some of the entitlements assigned to them under the Incentive Program. The underlying intent was to exempt shares bought back on the market from the lock-up period which would otherwise apply, enabling the Entitled Parties to sell said shares and thereby gain a source of funds with which to finance their participation in the Incentive Program, including remittance of the issue price of newly issued Series M shares (claimed by Entitled Parties in the process of exercising the remaining entitlements assigned to them under the Incentive Program) as well as to discharge any individual tax liabilities arising in conjunction with the foregoing. Enabling partial exercise of entitlements by claiming Company shares which had previously been bought back on the market also serves to limit the dilution of capital by commensurately lowering the number of Series M shares which would have to be issued by the Company.

Having presented the Entitled Parties with offers to acquire the aforementioned own shares, the Company, in collaboration with Trigon, developed a plan of action by which the Entitled Parties may carry out the sale of newly acquired shares in a way which limits the impact of the anticipated sale orders submitted by Entitled Parties upon the Company stock price – in a manner similar to the conditions of the previously presented buy-back program carried out by the Company.

The above-mentioned sale orders will be processed by Trigon in batches, proportionally to the number of shares being sold by each Entitled Party, by means of ordinary session trades or block trades at the Warsaw Stock Exchange between 7 September 2020 and 25 September 2020, subject to a daily transaction limit, which is defined as 15% of the average daily trading volume of Company shares.

Based on information collected from Entitled Parties the Company anticipates that in the course of the presented sale of Company shares by the Entitled Parties, including members of the Company’s Management Board, the sell orders placed by Trigon will concern approximately 490 000 shares of Company stock, corresponding to approximately 9.5% of all entitlements assigned under the Incentive Program.

Each Entitled Party is entitled to amend their respective sell order by changing the number of shares being sold, changing their minimum sale price and canceling the order with regard to any shares which have not yet been sold.

The remaining part of the Incentive Program vests by assigning to the Entitled Parties the right to claim newly issued Series M shares, which – subject to the terms and conditions of the Incentive Program – carry a one-year lock-up period beginning on the date of the respective subscription orders.

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