

CD PROJEKT looks back at 2021

In 2021 CD PROJEKT focused on improving Cyberpunk 2077 gameplay and on preparing the game's next-gen console edition. The year was also marked by internal changes, as announced in the Group's strategy update.

With regard to its strategic vectors, CD PROJEKT announced a transformation of its studio, which involved, among others, changing the way development projects are managed.

- We want to keep growing and operate more effectively – thus, we've set out to improve our development and communications processes, while also placing greater emphasis on our team. As part of the RED 2.0 transformation initiative, we're gradually introducing our developers to the Agile work model. While much remains to be done, we can already see positive effects brought about by these changes – says Adam Kiciński, CEO of the CD PROJEKT Group.

In the past year CD PROJEKT RED focused on improving Cyberpunk 2077, releasing a total of 8 updates for the game.

- We believe in the long-term potential of our newest release; thus, one of our priorities for 2021 was to improve Cyberpunk 2077 gameplay. We are now satisfied with the game and encouraged by the gamers' reception of its next-gen console edition, which launched this February. Altogether, we've now sold over 18 million copies of Cyberpunk 2077 – remarks Piotr Nielubowicz, Vice President and CFO of CD PROJEKT.

In 2021 the CD PROJEKT Group obtained 888 million PLN in revenues, driven mainly by sales of Cyberpunk 2077. The Group's consolidated net profit for the period was 209 million PLN.

- Despite having paid out our highest-ever dividend, at over 500 million PLN, and continuing development work on games – both existing and upcoming – by the end of 2021 the balance of our financial reserves, that is cash, bank deposits and treasury bonds, had increased by nearly 280 million PLN. Over the past years we've established a solid financial backbone which secures our independence and enables further growth of our Group – adds Piotr Nielubowicz.

In the past year CD PROJEKT intensified its M&A activities, as declared in its strategy update. The Group acquired two North American entities: Digital Scapes (later rebranded as CD PROJEKT RED Vancouver) and The Molasses Flood. The Canadian team was integrated with the organizational structure of CD PROJEKT RED and supports the studio's development projects, while The Molasses Flood is working on a separate game based on one of CD PROJEKT's franchises.

– We welcome the Vancouver and Boston studios – both are experienced and ambitious teams, possessing extensive know-how. We plan to expand them both in the coming years. Each of these transactions enhances the core competences of our Group – summarizes Adam Kiciński.

In March of the current year CD PROJEKT RED announced that it had entered into a long-term strategic partnership with Epic Games, as a result of which future releases will be based on Unreal Engine 5.

The Studio also revealed that the next installment in The Witcher franchise was under development. Thus far, over 65 million copies of The Witcher games have been purchased by gamers, including over 40 million copies of The Witcher 3: Wild Hunt.

The full consolidated financial statement of the CD PROJEKT Group, along with the Group's Sustainable Development Report for 2021, can be found at <https://www.cdprojekt.com/en/investors/result-center/>.