



CD PROJEKT S.A. SUPERVISORY BOARD
REPORT ON THE REMUNERATION
OF THE MANAGEMENT BOARD
AND THE SUPERVISORY BOARD FOR 2022



Disclaimer

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This report concerning remuneration of members of the Management Board and Supervisory Board of CD PROJEKT S.A. with a registered seat in Warsaw ("the Company") for 2022 ("the Report") was prepared in accordance with Art. 90g section 1 of the Act of 29 July 2005 on public offering, conditions for introducing financial instruments to organized trading and public companies (JL 2022, item 2554) and contains a comprehensive list of remuneration, including all benefits, obtained by or payable to each member of the Management Board and Supervisory Board for 2022, pursuant to the Management Board and Supervisory Board remuneration policy adopted by Resolution no. 19 of the Ordinary General Meeting of 28 July 2020 and Supervisory Board Resolution no. 1 of 27 August 2020 ("the Remuneration Policy").

I. Aims of the Remuneration Policy

Providing fair remuneration to the Management Board and the Supervisory Board, in line with market standards, aims to enable CD PROJEKT to attract and retain talented, experienced members of the Company's managerial and supervisory bodies. Remuneration is structured in such a way as to ensure that the Management Board's goals are well aligned with those of the Company's shareholders. In this respect, remuneration should assist in the implementation of the CD PROJEKT Group's strategy and creation of long-term value by promoting the Group's short- and long-term goals.

The remuneration policy, adopted by Supervisory Board resolution no. 1 of 27 August 2020, is available at <https://www.cdprojekt.com/en/capital-group/corporate-documents/>.

The Supervisory Board has carried out a review of the Remuneration Policy in force in 2022, concluding that the provisions of the policy are being enforced and that its goals are met. Consequently, the Supervisory Board does not present any recommendations to the General Meeting concerning potential changes in the existing Remuneration Policy.

II. Earnings summary

In 2022 CD PROJEKT focused mainly on developing the Cyberpunk franchise and laying the groundwork for its future development projects. Highlights of this period included the unveiling of the Group's long-term product perspective as part of its strategy update. In financial terms, 2022 was the second best year in CD PROJEKT's history.

In 2022 revenues of the CD PROJEKT Group amounted to 953 million PLN, mainly as a result of sales of Cyberpunk 2077. In September 2022 the CD PROJEKT RED studio announced that over 20 million copies of the game had been sold. Consolidated net profit for the period reached 347 million PLN.

At the end of 2022 the Group held 1 091 million PLN in financial reserves comprising cash, bank deposits and t-bonds.

Company and Group earnings in 2017-2022

Financial year	2022	2021	2020	2019	2018	2017
CD PROJEKT S.A. – net profit	341 073	240 113	1 128 056	172 826	109 451	184 613
% change compared to preceding year	42.0%	-78.7%	552.7%	57.9%	-40.7%	-26.1%
CD PROJEKT Group – net profit	347 093	208 908	1 150 148	175 315	109 334	200 270
% change compared to preceding year	66.1%	-81.8%	556.0%	60.4%	-45.4%	-20.1%

The remuneration of the Management Board and Supervisory Board presented in this Report is consistent with the Remuneration Policy. Variable remuneration of Management Board members comprises bonuses tied to the Group's earnings, and incentive programs based upon attainment of specific goals.

III. Supervisory Board

Composition of the Supervisory Board for the period covered by this Report

Name	Position
Katarzyna Szwarz ¹	Chairperson of the Supervisory Board
Piotr Pągowski ²	Deputy Chairperson of the Supervisory Board
Maciej Nielubowicz	Supervisory Board Member
Michał Bień	Supervisory Board Member
Jan Łukasz Wejchert	Supervisory Board Member

¹ Chairperson of the Supervisory Board until 31 December 2022; since 1 January 2023 – Deputy Chairperson of the Supervisory Board

² Member of the Supervisory Board until 31 December 2022

Brief summary of the existing remuneration system

To ensure that the Supervisory Board remains independent in performing its supervisory duties, members of the Supervisory Board receive only fixed cash remuneration. They are not assigned any remuneration which would depend on fulfillment of specific criteria, such as earnings goals.

In 2022 the Supervisory Board received remuneration on the basis of General Meeting resolutions, consistent with the Remuneration Policy in force at the Group. In 2022 members of the Supervisory Board received remuneration in connection with their membership of the Supervisory Board and of the Audit Committee, as listed in the following table. In addition, members of the Supervisory Board are covered by a comprehensive D&O insurance policy concluded by the Company.

The Company does not assign to members of its Supervisory Board any individual benefits in the scope of pension funds, early retirement programs, welcome bonuses or – with regard to candidates for membership of the Supervisory Board – monetary incentives to take part in recruitment.

Remuneration of the Supervisory Board in 2022

Name	Position	Audit Committee	Remuneration
Katarzyna Szwarc ¹	Chairperson of the Supervisory Board	Member	164
Piotr Pągowski ²	Deputy Chairperson of the Supervisory Board	Member	109
Maciej Nielubowicz	Supervisory Board Member	Member	109
Michał Bień	Supervisory Board Member	Chairperson	109
Jan Łukasz Wejchert	Supervisory Board Member	Member	109

¹ Chairperson of the Supervisory Board and member of the Audit Committee until 31 December 2022; since 1 January 2023 – Deputy Chairperson of the Supervisory Board

² Member of the Supervisory Board until 31 December 2022

The remuneration of Supervisory Board members does not include any benefits, financial or otherwise, assigned to relatives thereof.

IV. Management Board

Composition of the Management Board during the period covered by this Report

Name	Position
Adam Kiciński	President of the Board
Marcin Iwiński ¹	Vice President of the Board
Piotr Nielubowicz	Vice President of the Board
Adam Badowski	Board Member
Michał Nowakowski	Board Member
Piotr Karwowski	Board Member
Paweł Zawodny ²	Board Member
Jeremiah Cohn ²	Board Member

¹ Vice President of the Board until 31 December 2022; since 1 January 2023 – Chairperson of the Supervisory Board

² Board Member since 1 February 2022

Brief summary of the existing remuneration scheme

Remuneration of Management Board members consists of fixed and variable components. Base remuneration and benefits incorporated thereby are in line with existing market practices and systems which the Company provides to all its employees. Variable remuneration, which rewards results and growth, is dependent on the annual earnings posted by the Group, together with ambitious long-term goals.



	Instrument	Purpose	Settlement cycle	Performance indicators for 2022
Base remuneration	cash payment	fixed remuneration	monthly	-
Additional benefits	medical coverage; Multisport membership card; use of company car; access to training; D&O insurance	talent acquisition and retention	-	-
Annual bonus	cash payment	aligning short-term goals of Company shareholders and managers; incentivization; talent acquisition and retention	annual	consolidated net earnings of the CD PROJEKT Group
Incentive Program for 2020-2025 (discontinued¹)	warrants incorporating the right to take up Company shares, or own shares bought back by the Company	building long-term value for the Group; aligning medium- and long-term goals of Company shareholders and program participants; incentivization; talent acquisition and retention	Incentive program (3rd edition) for 2020-2025; initial verification of goals following approval of earnings for 2020-2022 (3 financial years)	cumulative consolidated net earnings of the CD PROJEKT Group; change in CD PROJEKT stock price outperforming the WIG index by at least 100 p.p.
Incentive Program B for 2023-2027²	warrants incorporating the right to take up Company shares, or own shares bought back by the Company	building mechanism which reinforce the long-term link with the Company, incentivizing recipients to implement the Company's strategy leading to maximization of financial and non-financial performance indicators, building value for the Group, ensuring globally competitive employment conditions at the Company	assignment of entitlements will take place in five separate stages during each year in the 2023-2027 period; these entitlements will incorporate the right to take up or purchase Company shares following a vesting period of at least 3 years and under the condition that the predetermined earnings and market goals are met	-

¹ As mandated by Resolution no. 4 of the Extraordinary General Meeting of 18 April 2023

² This program was instituted after the end of the reporting period, pursuant to Resolution no. 7 of the Extraordinary General Meeting of 18 April 2023

Total remuneration of CD PROJEKT S.A. Management Board members during their tenure, by component, including ratios between remuneration components

Name and position of Board Member	Remuneration paid out in 2022				Remuneration payable in 2023
	Fixed remuneration (contract of employment; compensation for duties performed)	Variable remuneration payable for 2021 and tied to the Group's net earnings in 2021 (annual bonus)	Additional benefits	Ratio between fixed remuneration and variable remuneration	Variable remuneration payable for 2022 and tied to the Group's net earnings in 2022 (annual bonus)
Adam Kiciński President of the Board	600	4 387	7	13.8%	5 033
Marcin Iwiński ¹ Vice President of the Board	600	2 194	5	27.6%	2 516
Piotr Nielubowicz Vice President of the Board	600	4 387	7	13.8%	5 033
Adam Badowski Board Member	600	3 029	7	20.0%	5 033
Michał Nowakowski Board Member	600	3 029	8	20.1%	5 033
Piotr Karwowski Board Member	540	3 029	-	17.8%	5 033
Paweł Zawodny ² Board Member	550	440 ³	5	126.1%	2 516
Jeremiah Cohn ² Board Member	110 thousand USD	-	-	-	2 516

¹ Vice President of the Board until 31 December 2022; Chairperson of the Supervisory Board since 1 January 2023

² Board Member since 1 February 2022

³ Bonus assigned in conjunction with employment prior to appointment to the Board of the Company, tied to the Company's net earnings in 2021

Remuneration assigned to Board Members during their tenure, by subsidiaries

Name and position of CD PROJEKT S.A. Board Member	Remuneration paid out in 2022				Remuneration payable in 2023
	Fixed remuneration (contract of employment; compensation for duties performed)	Variable remuneration payable for 2021 and tied to the Group's net earnings in 2021 (annual bonus)	Additional benefits	Ratio between fixed remuneration and variable remuneration	Variable remuneration payable for 2022 and tied to the Group's net earnings in 2022 (annual bonus)
Piotr Karwowski Board Member at GOG sp. z o.o.	60	-	1	-	-
Jeremiah Cohn EVP of Marketing/General Manager, CD PROJEKT Inc.	440 thousand USD	166 thousand USD	15 thousand USD	274.1%	-

During the period covered by this Report no Management Board member obtained variable remuneration other than monetary bonuses tied to the Group's earnings.

A clawback clause applies to variable remuneration paid out to any member of the Board who erroneously claims fulfillment of the applicable criteria, or paid out in violation of the provisions of the Remuneration Policy or of the conditions regulating assignment of variable remuneration.

The remuneration of Management Board members does not include any benefits, financial or otherwise, assigned to relatives thereof.

The Company does not assign to members of its Management Board any individual benefits in the scope of pension funds, early retirement programs, welcome bonuses or – with regard to candidates for membership of the Management Board – monetary incentives to take part in recruitment.

Incentive Program for 2020-2025

During the period covered by this Report an incentive program covering the years 2020-2025 was in force at the Company, pursuant to resolutions adopted by General Meetings of the Company on 28 July 2020 and 22 September 2020 respectively.

On 18 April 2023 the Extraordinary General Meeting of Shareholders adopted resolutions which have the effect of cancelling the incentive program for 2020-2025 and instituting two new incentive programs for 2023-2027, one of which – labeled Incentive Program B – is aimed, among others, at members of the Management Board of CD PROJEKT.

Annual bonus

Conditions governing assignment of annual bonuses in the framework of variable remuneration are covered by Regulations of the Management Board Incentive Program adopted by Supervisory Board Resolution no. 10 of 20 April 2015, and by contracts concluded individually with each member of the Management Board. Bonuses cover annual periods. A bonus may be assigned if the CD PROJEKT Group posts positive net earnings (net profit) for the given reporting period, as attested to by its consolidated financial statement. Should the Group post negative earnings (net loss), bonuses may be assigned in the following period (or in further periods) under the condition that the cumulative net earnings achieved by the Group in such periods remain positive.

Conflict of interest

According to Company Articles, no member of the Management Board may hold membership of governing bodies of entities which do not belong to the Company's Group or engage in competition with the Group without express approval by the Supervisory Board. In addition, the Company's Management Board Regulations specify that no member of the Management Board may engage in competition with the Company or belong to a competing company, whether as a partner in a civil law partnership, a member of any organ of a limited company, or a member of any competing legal entity, except as explicitly approved by the Supervisory Board. This restriction also applies to Management Board members who hold at least 10% of shares or stock of a competing company, or are empowered to appoint at least one member of the management board of a competing company

In 2022 Mr. Paweł Zawodny was a member of the Supervisory Board of Juice Games S.A. with the consent of the Supervisory Board of CD PROJEKT.

V. Financial instruments granted or offered, and key conditions covering exercise of rights incorporated thereby, including the price and date of exercise or conversion

Given the launch of the incentive program for 2020-2025¹, during the period covered by this Report members of the Company's Management Board held entitlements whose quantity and base exercise price are listed below:

Name	Position	Entitlements granted	Base exercise price
Adam Kiciński	President of the Board	200 000	390.59 PLN
Marcin Iwiński	Vice President of the Board	200 000	390.59 PLN
Piotr Nielubowicz	Vice President of the Board	200 000	390.59 PLN
Adam Badowski	Board Member	200 000	390.59 PLN
Michał Nowakowski	Board Member	200 000	390.59 PLN
Piotr Karwowski	Board Member	200 000	390.59 PLN
Paweł Zawodny	Board Member	40 000	390.59 PLN
Jeremiah Cohn	Board Member	40 000	390.59 PLN

¹ This program was discontinued after the end of the reporting period, pursuant to Resolution no. 4 of the Extraordinary General Meeting of 18 April 2023

Given the discontinuation of the incentive program for 2020-2025, none of the above-mentioned entitlements were exercised.

Shares held by members of the Company's Management Board and Supervisory Board

Name	Position	as of 31.12.2022	as of 31.12.2021
Adam Kiciński	President of the Board	4 046 001	4 046 001
Marcin Iwiński	Vice President of the Board	12 873 520	12 873 520
Piotr Nielubowicz	Vice President of the Board	6 858 717	6 858 717
Adam Badowski	Board Member	692 640	692 640
Michał Nowakowski	Board Member	530 290	580 290
Piotr Karwowski	Board Member	108 728	108 728
Paweł Zawodny	Board Member	18 508	n/a
Katarzyna Szwarc	Chairperson of the Supervisory Board	10	10
Maciej Nielubowicz	Supervisory Board Member	51	51
Piotr Pągowski	Supervisory Board Member	33	-

VI. Information regarding alignment of the total remuneration with the Remuneration Policy, along with its contribution to attainment of the Company's long-term goals

Throughout the period covered by this Report the remuneration of persons covered by the Remuneration Policy acknowledged objective criteria specified therein, as well as the employment conditions and remuneration of other Company employees, as mandated by the Remuneration Policy. Assignment of remuneration to members of the Management Board and Supervisory Board furthers the Company's strategy and contributes to attainment of its long-term goals by (i) ensuring full involvement of persons covered by the Remuneration Policy in performing their official duties at the Company; (ii) incentivizing persons covered by the Remuneration Policy to implement the Strategy and pursue short- and long-term goals; (iii) forging long-term links between persons covered by the Remuneration Policy and the Company; (iv) providing persons covered by the Remuneration Policy with adequate remuneration in light of the Group's and the Company's business and financial performance; (v) discouraging persons covered by the Remuneration Policy from taking excessive risks in the course of their duties.

For the period covered by this Report members of the Management Board were assigned remuneration in amounts and under conditions expressed in the relevant Supervisory Board resolutions. Base

remuneration is also dependent on the qualifications and responsibilities of each member of the Management Board. The Company's practice in relation to:

- i. components of fixed and variable remuneration, as well as bonuses and other benefits, financial or otherwise, which may be assigned to Management Board members;
- ii. clear, comprehensive and diverse criteria related to financial and non-financial performance in the context of assigning variable remuneration;
- iii. deferment periods for disbursement of variable remuneration;
- iv. clawback clauses applicable to variable remuneration

is consistent with the provisions of the Remuneration Policy. In addition, members of the Management Board were eligible to receive additional non-financial benefits, as described in the Remuneration Policy.

For the period covered by this Report members of the Supervisory Board were assigned monthly fixed remuneration in amounts and under conditions expressed solely in the corresponding General Meeting resolutions. This remuneration was consistent with the scope of responsibilities and official functions held by each member of the Supervisory Board, and proportional to the duration of their membership of the Supervisory Board. Members of the Supervisory Board were not assigned any remuneration (i) tied to the Company's earnings, or (ii) payable in the form of financial instruments or other non-financial benefits, except for D&O liability insurance under a comprehensive insurance policy concluded by the Company.

VII. Disclosure of the means of applying result-related criteria

Variable remuneration (annual bonuses) was assigned to members of the Management Board in light of fulfillment of criteria governing the assignment of such remuneration, expressed in Supervisory Board resolutions no. 12 of 25 May 2021 and no. 5 of 26 January 2022, consistent with limits specified in the Remuneration Policy. Verification of the attainment of criteria which govern assignment of variable remuneration tied to the Group's earnings is based on data contained in the consolidated financial statement of the CD PROJEKT Group, and forms the basis for assignment of variable remuneration to individual members of the Management Board by the Supervisory Board.



VIII. Disclosure of annual changes in remuneration, Company earnings and average remuneration of Company employees who are not members of the Management Board or the Supervisory Board over at least five most recent financial years

Company and Group earnings in 2017-2022

Financial year	2022	2021	2020	2019	2018	2017
CD PROJEKT S.A. net earnings	341 073	240 113	1 128 056	172 826	109 451	184 613
<i>% change compared to preceding year</i>	42.0%	-78.7%	552.7%	57.9%	-40.7%	-26.1%
CD PROJEKT Group net earnings	347 093	208 908	1 150 148	175 315	109 334	200 270
<i>% change compared to preceding year</i>	66.1%	-81.8%	556.0%	60.4%	-45.4%	-20.1%

Total remuneration paid by CD PROJEKT S.A. to members of the Supervisory Board in 2017-2022¹

Name	Position	2022	2021	2020	2019	2018	2017
Katarzyna Szwarz ²	Chairperson of the Supervisory Board	164	135	120	120	112	96
% change compared to preceding year		21.5%	12.5%	0.0%	7.1%	16.7%	5.5%
Piotr Pągowski ³	Deputy Chairperson of the Supervisory Board	109	87	72	63	48	48
% change compared to preceding year		25.3%	20.8%	14.3%	31.3%	0.0%	23.1%
Maciej Nielubowicz	Supervisory Board Member	109	87	72	72	64	11
% change compared to preceding year		25.3%	20.8%	0.0%	12.5%	481.8%	-
Michał Bień	Supervisory Board Member	109	87	72	72	64	48
% change compared to preceding year		25.3%	20.8%	0.0%	12.5%	33.3%	65.5%
Jan Łukasz Wejchert ⁴	Supervisory Board Member	109	58	-	-	-	-
% change compared to preceding year		87.9%	-	-	-	-	-

¹ The table covers remuneration paid out in 2017-2022 to individuals who held membership of the Supervisory Board in 2022

² Chairperson of the Supervisory Board until 31 December 2022; since 1 January 2023 – Deputy Chairperson of the Supervisory Board

³ Member of the Supervisory Board until 31 December 2022

⁴ Member of the Supervisory Board since 25 May 2021

Total remuneration paid by CD PROJEKT S.A. to incumbent members of the Management Board in 2017-2022¹

Name	Position	2022	2021	2020	2019	2018	2017
Adam Kiciński	President of the Board	4 994	24 667	4 107	2 722	6 154	7 591
% change compared to preceding year		-79.8%	500.6%	50.9%	-55.8%	-18.9%	119.2%
Marcin Iwiński ²	Vice President of the Board	2 799	24 584	4 024	2 638	6 070	7 507
% change compared to preceding year		-88.6%	510.9%	52.5%	-56.5%	-19.1%	122.3%
Piotr Nielubowicz	Vice President of the Board	4 994	24 595	4 035	2 653	6 086	7 519
% change compared to preceding year		-79.7%	509.5%	52.1%	-56.4%	-19.1%	121.9%
Adam Badowski	Board Member	3 636	17 137	2 941	1 984	3 602	4 478
% change compared to preceding year		-78.8%	482.7%	48.2%	-44.9%	-19.6%	-21.5%
Michał Nowakowski	Board Member	3 637	17 104	2 908	1 951	3 570	4 446
% change compared to preceding year		-78.7%	488.2%	49.1%	-45.4%	-19.7%	-21.7%
Piotr Karwowski	Board Member	3 569	185	102	60	60	60
% change compared to preceding year		1 829.2%	81.4%	70.0%	0.0%	0.0%	0.0%
Paweł Zawodny ³	Board Member	995	-	-	-	-	-
% change compared to preceding year		-	-	-	-	-	-
Jeremiah Cohn ³	Board Member	110 thousand USD	-	-	-	-	-
% change compared to preceding year		-	-	-	-	-	-

¹ The table covers remuneration paid out in 2017-2022 to individuals who held membership of the Management Board in 2022

² Vice President of the Board until 31 December 2022; since 1 January 2023 – Chairperson of the Supervisory Board

³ Board Member since 1 February 2022

Average remuneration of Company employees who are not members of the Management Board or the Supervisory Board: 2017-2022

Financial year	2022	2021	2020	2019	2018	2017
Average remuneration of other employees	161	294	171	98	107	90
<i>% change compared to preceding year</i>	-45.2%	71.9%	74.5%	-8.4%	18.9%	-25.0%

The significant increase in remuneration paid out to members of the Management Board as well as the average remuneration of Company employees in 2021 was mainly due to payment (in 2021) of annual bonuses for 2020, calculated on the basis of the CD PROJEKT Group earnings for that year (556% increase compared to the preceding year) or the net profit of the CD PROJEKT RED segment for 2020 (555% increase compared to the preceding year), as well as the ratio between annual bonuses and fixed remuneration, which varies between individual employees.

The remuneration of Management Board members and the average remuneration of Company employees presented in the above tables does not include potential benefits obtainable by members of the Management Board or Company employees in association with their participation in incentive programs in force at the CD PROJEKT Group in 2016-2019 (settled in 2020) and 2020-2025 (discontinued in 2023). With regard to average remuneration of Company employees, the presented values correspond to the sum of fixed remuneration, bonuses, non-monetary benefits and any other benefits assigned to employees in the given calendar year, divided by the number of employees for that year.

IX. Disclosure of exercise of clawback provisions related to variable remuneration

During the period covered by this Report the Company did not invoke any clawback provisions related to variable remuneration for individuals covered by the Remuneration Policy.



X. Disclosure of deviations in the scope of implementing the remuneration policy and derogations from the remuneration policy, along with clarifications regarding the causes and means of recognizing derogations, as well as elements of the remuneration policy to which derogations pertain

As of the preparation date of this Report the Supervisory Board is not aware of any derogations from the Remuneration Policy. Furthermore, the Supervisory Board has not consented to any derogations from the Remuneration Policy in accordance with the procedure specified therein.

XI. General Meeting opinion regarding the preceding remuneration report

Resolution no. 19 of 28 June 2022 of the Ordinary General Meeting of the Company issued a positive opinion regarding the Supervisory Board report on remuneration paid out in 2021. Consequently, this Supervisory Board report on remuneration was prepared under the same assumptions as the preceding report.

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