

CD PROJEKT®

**MANAGEMENT BOARD REPORT ON CD PROJEKT  
GROUP ACTIVITIES FOR THE PERIOD BETWEEN  
1 JANUARY AND 31 DECEMBER 2024**

This report on the activities of the CD PROJEKT Group and CD PROJEKT S.A., in its key aspects contains information related to the separate financial statement of CD PROJEKT S.A. Due to the fact that the activities and separate financial statement of CD PROJEKT S.A. have a dominant influence on the activities and consolidated financial statement of the CD PROJEKT Group as a whole, information presented in subsequent sections of this report will refer to consolidated financial statement of the Group, whose scope covers the activities and financial result of CD PROJEKT S.A.

#### 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.



**Dear Readers,**

It is with great satisfaction that I hand over to you a summary of another year of CD PROJEKT Group's activities. For us, the year 2024 was marked by intensive work, important decisions and notable successes which reinforce our belief that our strategy has put us on the right path.

The Cyberpunk franchise is riding high. In November we proudly announced that over 30 million copies of the base game had been purchased, along with over 8 million copies of the *Phantom Liberty* expansion. During the year *Cyberpunk 2077* went on to win additional accolades, including a prestigious BAFTA award, securing its status as one of the most consequential games of the recent years. We continue to strengthen the franchise – the macOS release will allow us to reach new players and further expand the Night City community. We are also broadening the universe built around our video games, as evidenced by another animation project which will, in the future, be released on Netflix. And that's just some of what we have in store regarding Cyberpunk.



In 2024 we also began a new phase of developing The Witcher universe. *The Witcher 4*, previously known as *Polaris*, entered full-scale production, while the game's first trailer, unveiled at The Game Awards in December, met with enthusiastic reception on the part of gamers and global media. Revealing Ciri as the main protagonist attracted great interest, showing that the Witcher universe still hides many stories waiting to be told.

The stories which we have already presented in our previous releases continue to attract attention and enable us to post excellent financial results. Despite the lack of new releases, our 2024 revenues reached almost 1 billion PLN, and our net profit line was the third best in the Group's history.

We are aware that the video game market continues to evolve – however, we believe that cutting-edge single-player games rooted in strong franchises and immersive narratives will continue to enjoy great popularity. Our experience, along with brands such as The Witcher and Cyberpunk, which it is our pleasure to further develop, help us build a strong position on the market and paint a positive outlook – while collaboration with global tech and innovation leaders enables us to keep abreast of technical developments in the industry and continue to deliver top-quality entertainment.

In parallel with setting ambitious business goals, we also focus on activities which promote sustainability and building a healthy organizational culture – this includes working to ensure a friendly, motivating work environment, fostering team engagement, and making decisions with long-term development of the company in mind. Our approach to these matters is more broadly presented in the *Sustainability statement*, which is an integral part of this Report.

Further growth of the Group would not be possible without support from our Shareholders. I wish to take this opportunity to thank you all for continuing to place your trust in us.

Special thanks are also due to our employees – it is because of you that we can carry out ambitious plans, creating games which have a lasting impact on the industry, and doing our part to shape the global popular culture.

We are optimistic about the future as CD PROJEKT gears up to pursue ever loftier goals.

Respectfully,

Michał Nowakowski

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## Key highlights of 2024

- In April *Cyberpunk 2077* took home the Best Evolving Game award at the 20th BAFTA Game Awards gala. This award is presented to games with exceptional post-release support by the dev team.
- In September it was announced that a new animation project, set in the Cyberpunk universe, was under development and would be released on Netflix.
- In October CD PROJEKT RED announced that in 2025 *Cyberpunk 2077: Ultimate Edition* would be coming to Mac devices equipped with Apple Silicon chips.
- In October the Studio announced that *The Witcher 4* – an upcoming release – had entered full-scale production.
- In November CD PROJEKT RED announced that new cumulative sales milestones had been reached by Cyberpunk games, with:
  - over 30 million copies of *Cyberpunk 2077* and
  - over 8 million copies of the *Phantom Liberty* expansion sold.
- In December, at The Game Awards gala held in Los Angeles, CD PROJEKT RED unveiled the first cinematic trailer of *The Witcher 4* (previously codenamed Project Polaris), featuring the game's main protagonist – Ciri.







01

BRIEF OUTLINE OF  
THE CD PROJEKT GROUP

## Activity profile

CD PROJEKT S.A. (also referred to as CD PROJEKT, the Company or us), headquartered in Warsaw, conducts business activities in the dynamically growing global digital entertainment segment, focusing on video games. The CD PROJEKT Group currently carries out its operations in two main global segments: CD PROJEKT RED and GOG.COM.

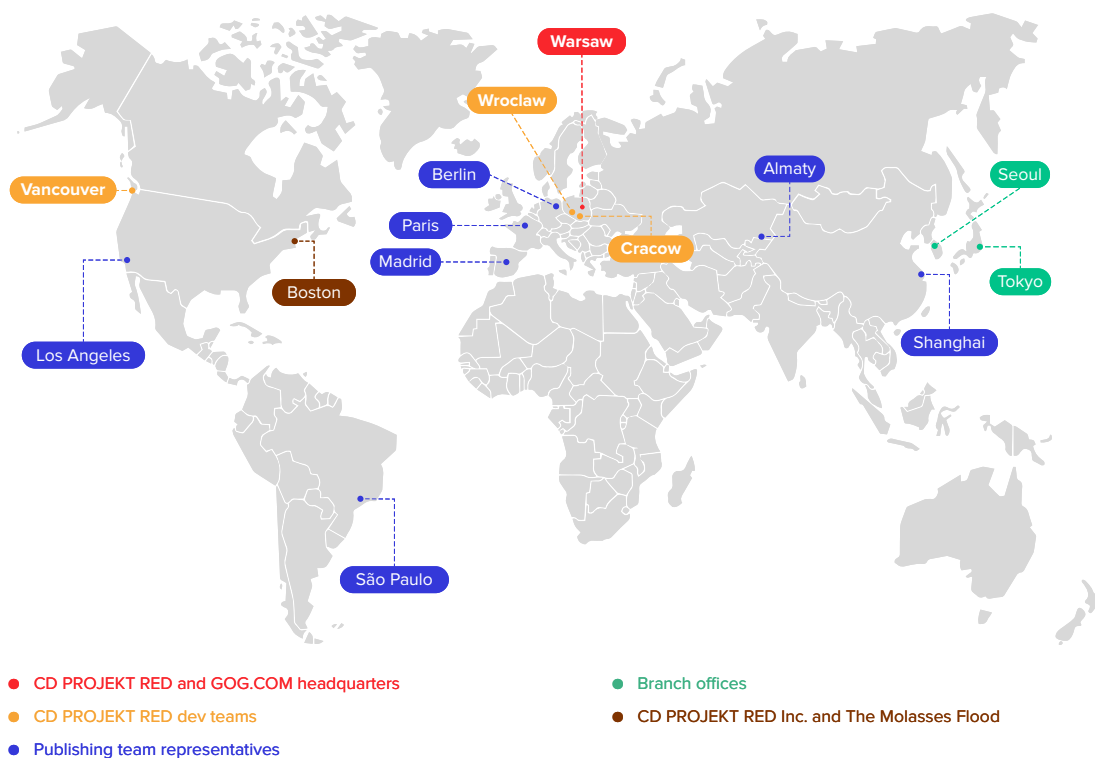
### CD PROJEKT RED

Development and publishing video games and managing the Company's brands, including through creation and production of tie-in products.

### GOG.COM

Digital distribution of videogames via the Company's proprietary GOG.COM platform and the GOG GALAXY application.

**Map 1** The CD PROJEKT Group around the world



During the reporting period:

- 96.9% of the CD PROJEKT Group's sales revenues were generated by exports,
- digital distribution, carried out, among others, by GOG.COM, accounted for 91.6% of the Group's sales revenues for the period.



## DISCLOSURE OF THE ADOPTED STRATEGY AND POLICY REGARDING GROWTH VECTORS

[ESRS 2 SBM-1]

In the framework of its strategy adopted in 2022 (see the [Strategy Update](#)), in the coming years the Studio intends to focus on:

1. Creating revolutionary role-playing games, by developing and publishing the following releases:
  - A new Witcher trilogy, the first installment of which is *The Witcher 4* (previously codenamed Polaris);
  - Project Orion – the second game set in the Cyberpunk universe;
  - Project Sirius – a game with multiplayer features set in The Witcher universe;
  - *The Witcher Remake* – a retelling of the first part of The Witcher, developed with the use of modern technologies, in collaboration with Fool's Theory.

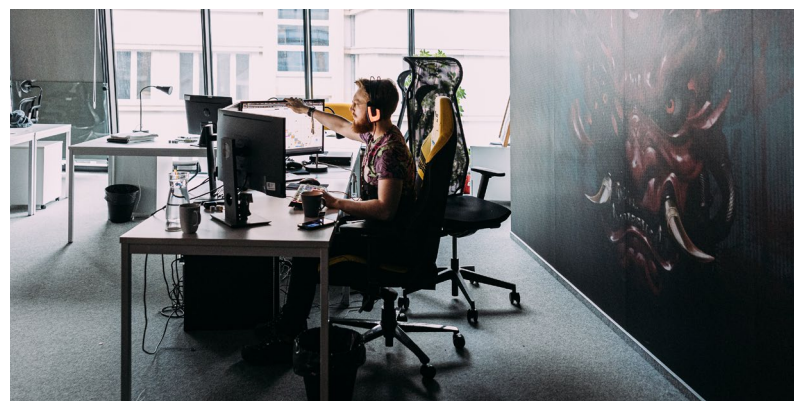
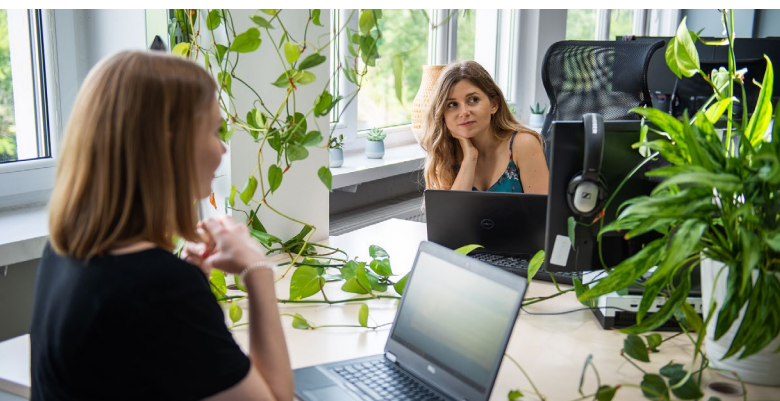
In addition, CD PROJEKT RED is carrying out conceptual work on the third proprietary IP codenamed Hadar.

2. Implementing the franchise flywheel concept, which involves developing an ecosystem of mutually supporting products, rooted in the potential of the Studio's franchises. The Group has announced its openness to collaboration with various external partners in order to create new ways to interact with its franchises. In the framework of the Cyberpunk universe, the Company is involved, among others, in animation and live action projects.
3. Further enrichment of our franchise ecosystem with games offering multiplayer features.

In addition to flagship projects listed in the Strategy Update, the Studio also engages in work on other unannounced projects which augment the franchise flywheel concept. These include game projects, along with various initiatives which match the broad definition of digital entertainment and will be publicly revealed once the Company has verified its commercial potential or launched the corresponding information campaigns.

Achieving the Group's ambitious business goals depends, among others, on its commitment to increasing team engagement by shaping a robust, healthy organizational culture based on mutual respect and observance of legal and ethical standards while promoting continuous talent development. Our initiatives, rooted in the so-called [five ambitions](#), support our plan to ensure sustainability at the CD PROJEKT Group and contribute to long-term increases in its value.

A full description of the assumptions upon which the CD PROJEKT Group's strategy is based can be found in a set of documents published on the [Company website](#).



**Scheme 1** CD PROJEKT Group – business model

**OUR KEY CAPITALS**
**HUMAN CAPITAL**

Team of experienced developers, highly skilled in creating and producing games, centered around a shared set of values

Internal publishing team with experience in leading global marketing campaigns, successfully promoting sales of our games

Effective backoffice team supporting our operations

**INTELLECTUAL CAPITAL**

IP rights: Cyberpunk and The Witcher, in selected fields of exploitation

**TECHNOLOGICAL CAPITAL**

Gamedev technologies and tools

**RELATIONS AND SOCIAL CAPITAL**

Strong communities established around our products

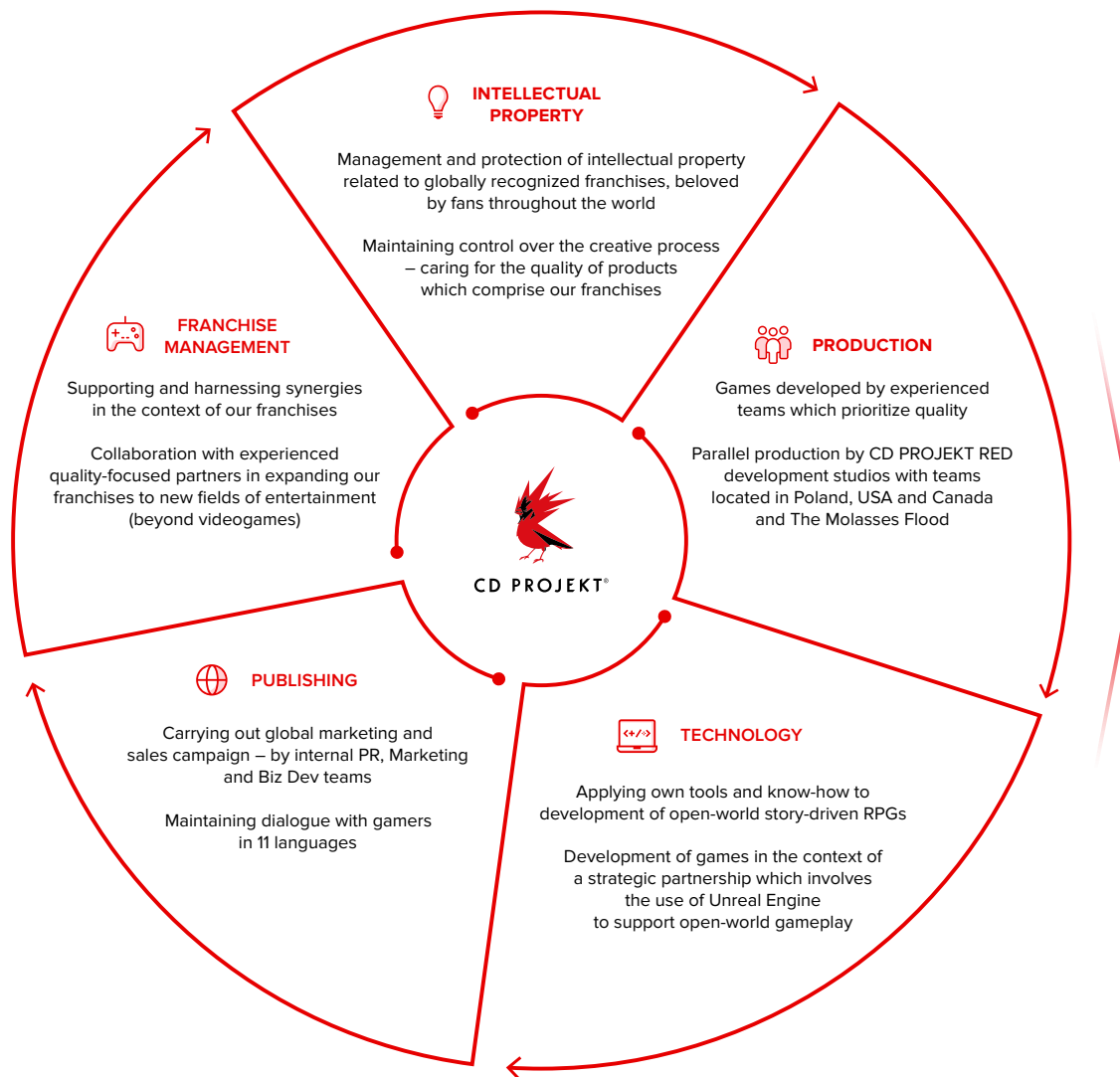
Longstanding trust-based relations with business partners

**PRODUCT CAPITAL**

Portfolio of available games and tie-in products

**FINANCIAL CAPITAL**

Financial reserves


**STAKEHOLDER VALUE <sup>1</sup>**

Presenting gamers with ambitious, innovative, high-quality games

Parallel development projects supporting an ambitious release schedule

Offering unique development opportunities and career advancement options for team members while retaining creative autonomy

Development and expansion of franchises by creating synergies and supporting recognition of our brands beyond the field of videogames

Steady stream of revenues and earnings - enabling financial independence

<sup>1</sup> We consider value in the context of the above diagram in relation to employees, gamers and investors.



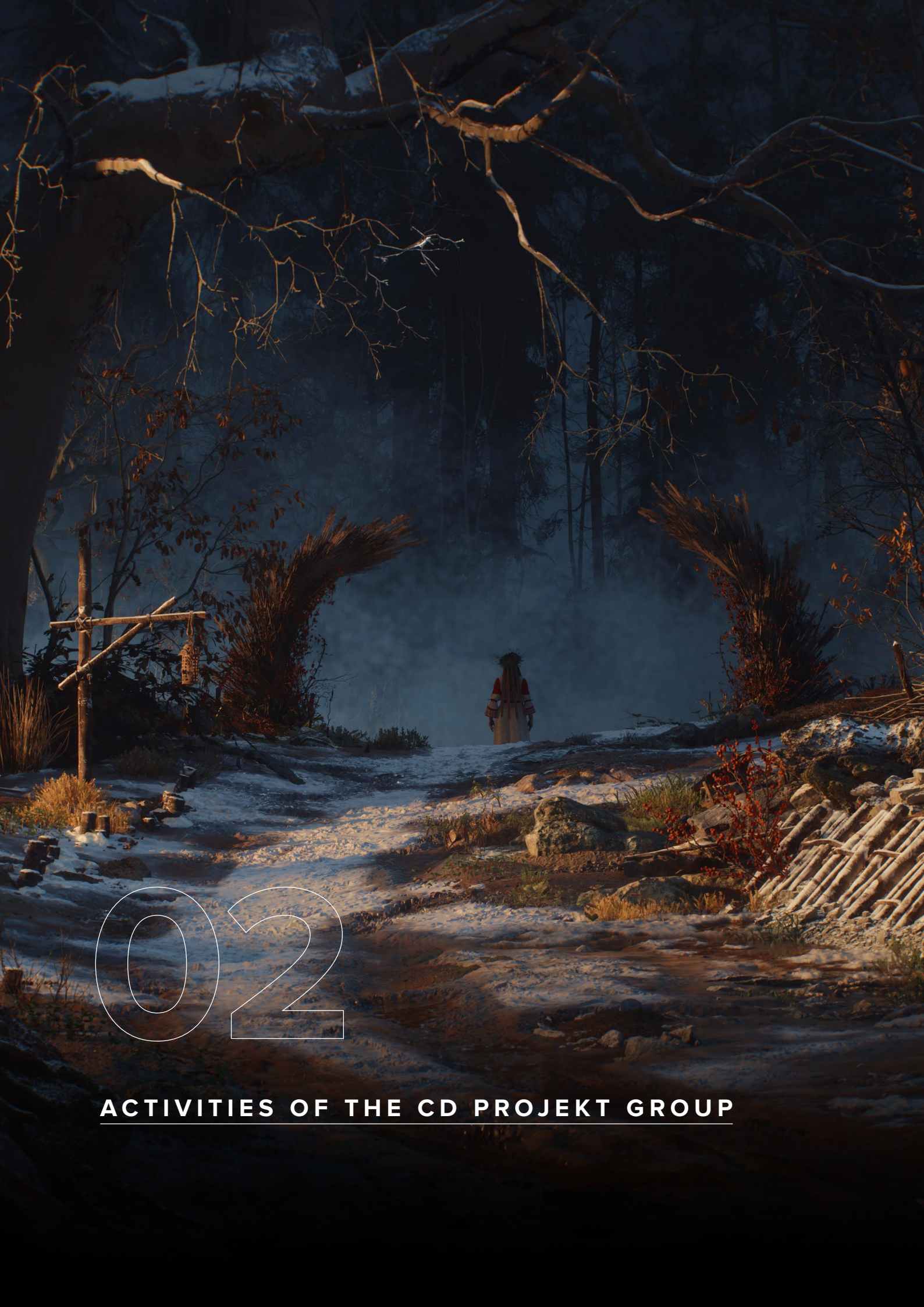
Intangible assets upon which the CD PROJEKT's business model is founded, include human capital, intellectual capital and social capital:

1. Human capital, consisting of the knowledge, experience and creativity of our employees, is an invaluable source of innovation, enabling us to develop unique products and services. It is due to the engagement and passion of the CD PROJEKT team that we have been able to develop games which resonate with millions of gamers worldwide.
2. Intellectual capital, comprising, among others, IP rights to games and brands such as *The Witcher* and *Cyberpunk*, constitutes the foundation for the Group's business activities and ensures a strong position on the market. Unique, widely recognized IPs attract gamers and contribute to the Company's value.
3. Solid business relations and social capital, based on trust and cooperation with business partners along with a vibrant and engaged gamer community, is a prerequisite of success in the videogame industry. Smooth cooperation with partners enables effective distribution and promotion of games, as well as access to cutting-edge technological solutions, while close links to the gaming community allow us to create products and services adapted to the prevailing tastes and demands.

The intangible assets listed above are mutually supportive, thus generating value for the Company and its stakeholders.







02

ACTIVITIES OF THE CD PROJEKT GROUP

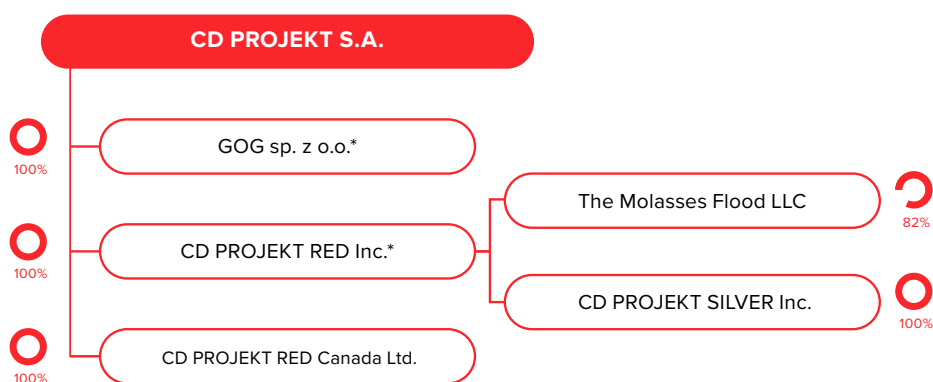


## Activities of the CD PROJEKT Group

### ORGANIZATIONAL STRUCTURE OF THE CD PROJEKT GROUP

As of 31 December 2024, the CD PROJEKT Group consisted of the parent entity – CD PROJEKT S.A. – and five subsidiaries: GOG sp. z o.o., CD PROJEKT RED Inc., CD PROJEKT RED Canada Ltd. (formerly known as CD PROJEKT RED Vancouver Studio Ltd.), The Molasses Flood LLC and CD PROJEKT SILVER Inc.

**Scheme 2** CD PROJEKT Group at the end of 2024 (capital and voting share)



\* Consolidated companies

**Table 1** Basic activity profile of each member company of the CD PROJEKT Group as of 31 December 2024

Company	Scope of activity
CD PROJEKT S.A.	The principal scope of activity of the company, carried out through its CD PROJEKT RED studio, involves development and publishing of videogames based on the Company's IP, selling the associated distribution rights, as well as manufacturing, selling, licensing and publishing tie-in products. CD PROJEKT S.A. also serves as the holding company of the CD PROJEKT Group, and coordinates the activities of subsidiaries which comprise the Group.
GOG sp. z o.o.	The company carries out global distribution of videogames through online channels. It also owns the GOG.COM proprietary global digital distribution platform and the GOG GALAXY application.
CD PROJEKT RED Inc.	The company coordinates development work on Project Orion and participates in publishing and promotional activities focused on CD PROJEKT Group projects.
CD PROJEKT RED Canada Ltd. <sup>2</sup>	The company carries out development works in the framework of the CD PROJEKT RED studio.
The Molasses Flood LLC	This gamedev studio is working on the project codenamed Sirius.
CD PROJEKT SILVER Inc.	A company established to participate in development of entertainment products tied to CD PROJEKT brands.

<sup>2</sup> until December 30, 2024, operating under the name CD PROJEKT RED Vancouver Studio Ltd.

No changes in the structure and organization of the CD PROJEKT Group occurred in the reporting period.

The above member companies of the CD PROJEKT Group, incorporated as of 31 December 2024, except for CD PROJEKT RED Canada Ltd., The Molasses Flood LLC and CD PROJEKT SILVER Inc., were subject to full consolidation. Detailed information can be found in the *Consolidated Financial Statement of the CD PROJEKT Group for 2024*.

## Disclosure of business segments, products and services, outlets, suppliers and clients

In 2024 the Group conducted business activities in two segments:

- CD PROJEKT RED,
- GOG.COM.

### CD PROJEKT RED SEGMENT



Activities within this segment focus on the Company's brands – The Witcher and Cyberpunk – and involve the following:

- developing and publishing videogames;
- coordinating promotion, distribution and sales of own products;
- managing the Group's brands and IP;
- collaborating with external partners in the scope of creating, selling, licensing or publishing tie-in products based on the Group's brands.

#### Key products and business model

[ESRS 2 SBM-1]

Videogame development commenced in 2002 and initially focused on the studio's RPG debut: *The Witcher*. This game, set in Andrzej Sapkowski's fantasy world, was released in October 2007.



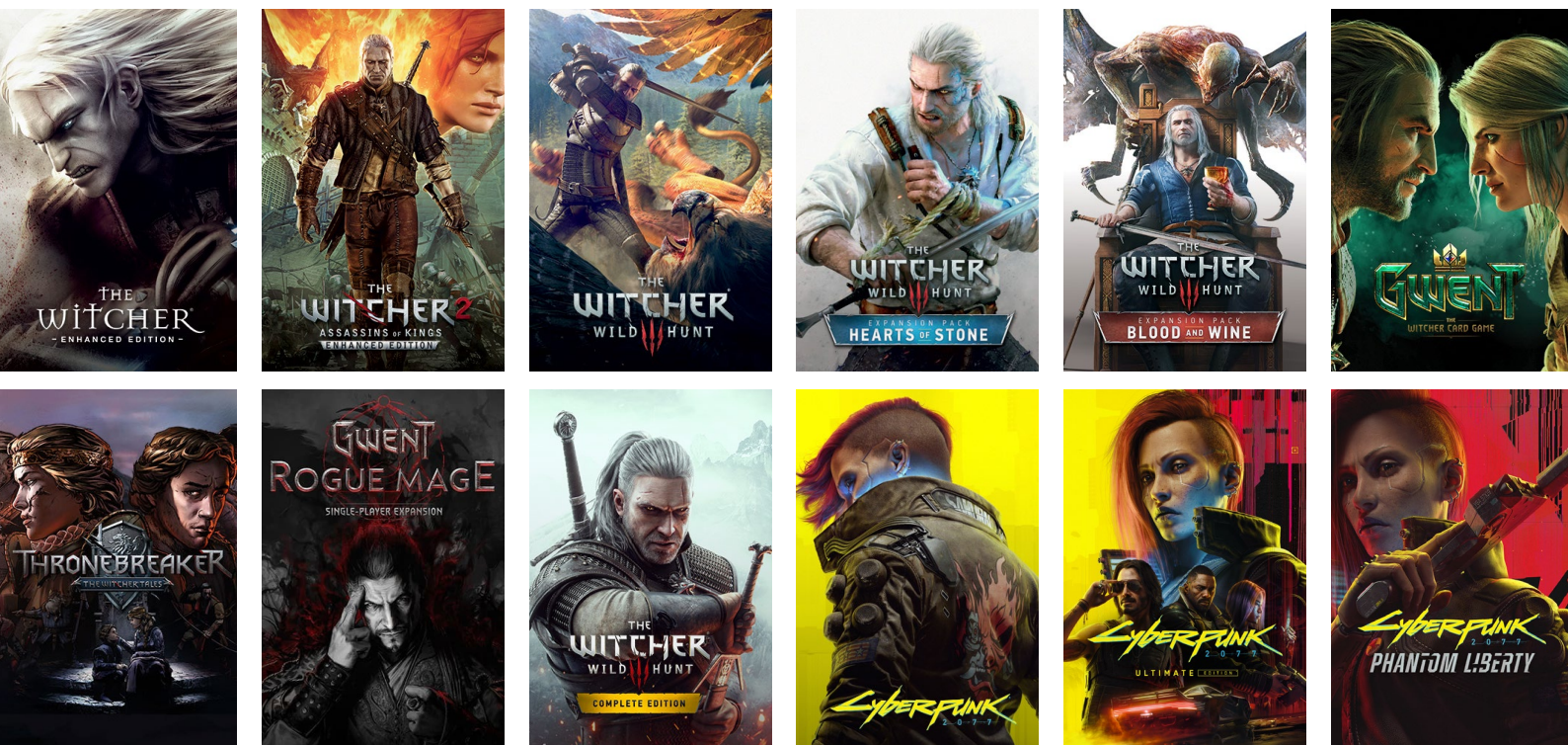
The Studio's key product portfolio currently includes the following videogames:

- *The Witcher*;
- *The Witcher 2: Assassins of Kings*;
- *The Witcher 3: Wild Hunt* with two expansion packs – *Hearts of Stone* and *Blood and Wine*;
- *Cyberpunk 2077* with its expansion pack – *Phantom Liberty*.

Sales of CD PROJEKT RED games are carried out under the following core business models:

- sales of territorial distribution rights (for box and digital editions), settled post factum on the basis of monthly or quarterly sales reports / licensing reports submitted by the Company's business partners;
- supplies of physical box editions to the Company's business partners for retail resale;
- sales of batches of activation codes which permit the game to be downloaded and installed;
- sales carried out through optional microtransactions in *GWENT: The Witcher Card Game*.

Digital distribution agreements concluded by the Company are typically settled in monthly cycles, while distribution of physical videogame editions follows quarterly reporting cycles. Depending on the specific partner or contract, the Company also collects licensing reports – these are submitted 30, 45 or 60 days following the end of each reporting period (typically each month or quarter).



### Key sources of revenue

In 2024 the most important CD PROJEKT RED products from the point of view of revenues were:

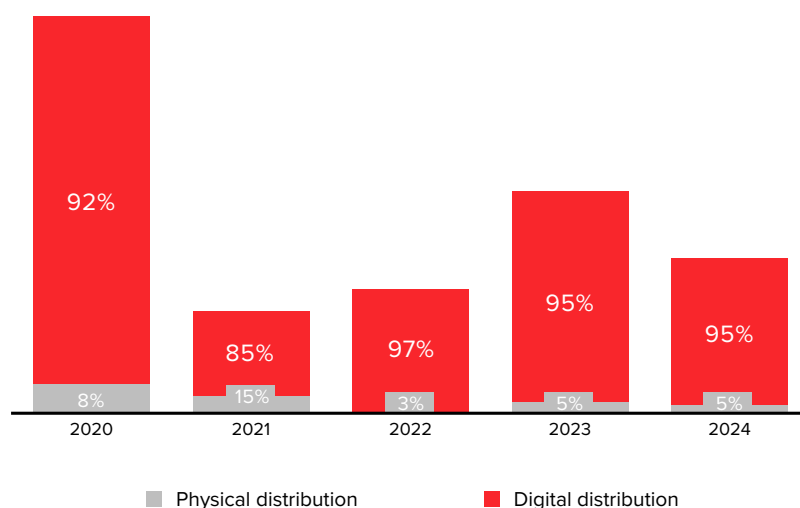
- *Cyberpunk 2077*, together with its expansion – *Phantom Liberty*,
- *The Witcher 3: Wild Hunt*, together with its expansions – *Hearts of Stone* and *Blood and Wine*.

Additionally, the Company continued to offer earlier installments in The Witcher franchise, including *The Witcher* and *The Witcher 2: Assassins of Kings*, both of which continue to attract players and provide a stable revenue stream. The Company also obtained revenues from tie-in products (in the framework of the “franchise flywheel” concept) associated with *The Witcher* and *Cyberpunk* franchises.

## Cyberpunk 2077

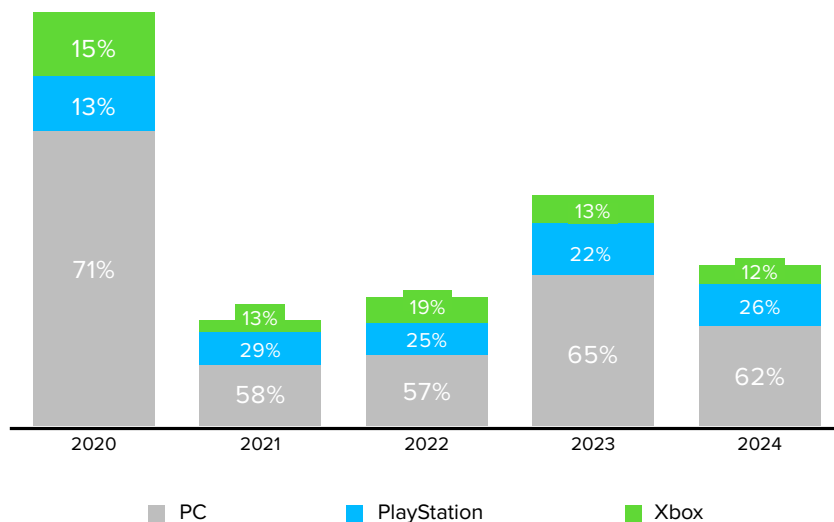
On 26 November 2024 the Studio announced that over 30 million copies of *Cyberpunk 2077* had been sold<sup>3</sup>, while cumulative sales of the *Phantom Liberty* expansion had topped 8 million copies<sup>4</sup>.

**Chart 1** *Cyberpunk 2077* and *Phantom Liberty* – sales by distribution type (revenues)<sup>5</sup>



Similarly to the preceding years, the PC edition of the game accounted for the largest share of *Cyberpunk 2077* sales in 2024.

**Chart 2** *Cyberpunk 2077* and *Phantom Liberty* – sales by hardware platform (revenues)<sup>5</sup>

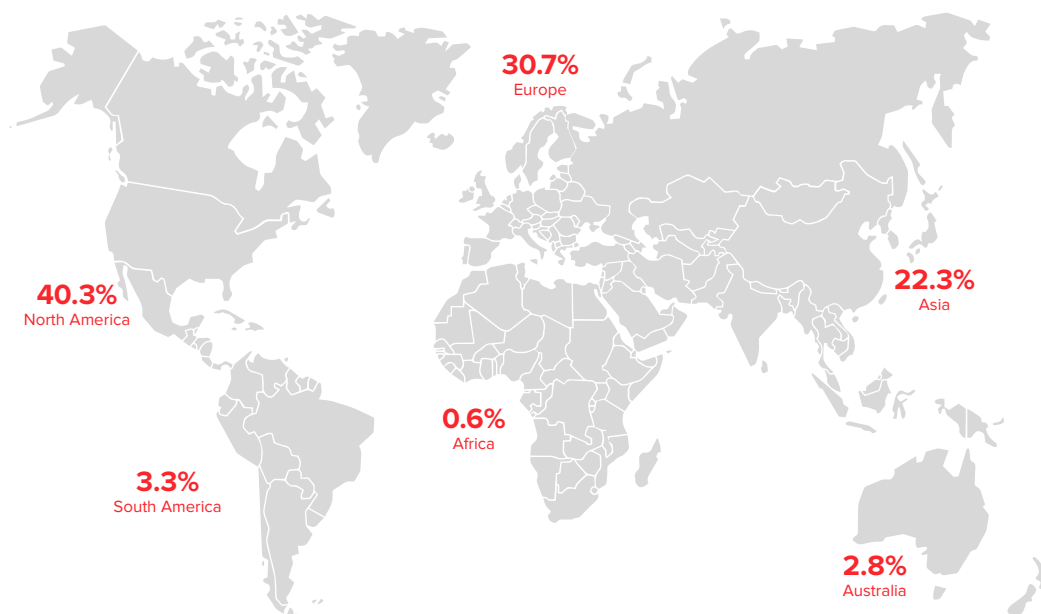


<sup>3</sup> Sum of the number of copies of the standalone game and the Ultimate Edition bundle

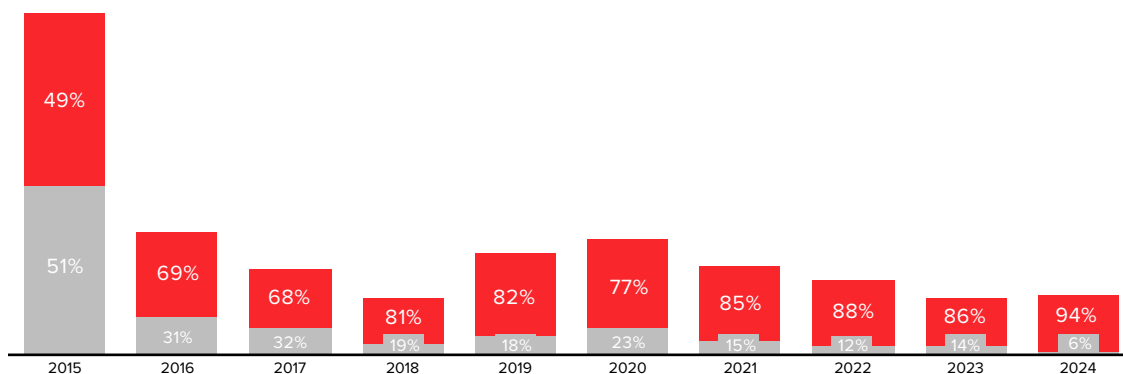
<sup>4</sup> Sum of the number of copies of the standalone expansion and the Ultimate Edition bundle

<sup>5</sup> Figures for the years 2020-2022 present only sales of *Cyberpunk 2077*, while figures for the years 2023-2024 include the combined sales of the base version of *Cyberpunk 2077*, the *Phantom Liberty* expansion, and both aforementioned items together in the Ultimate Edition version

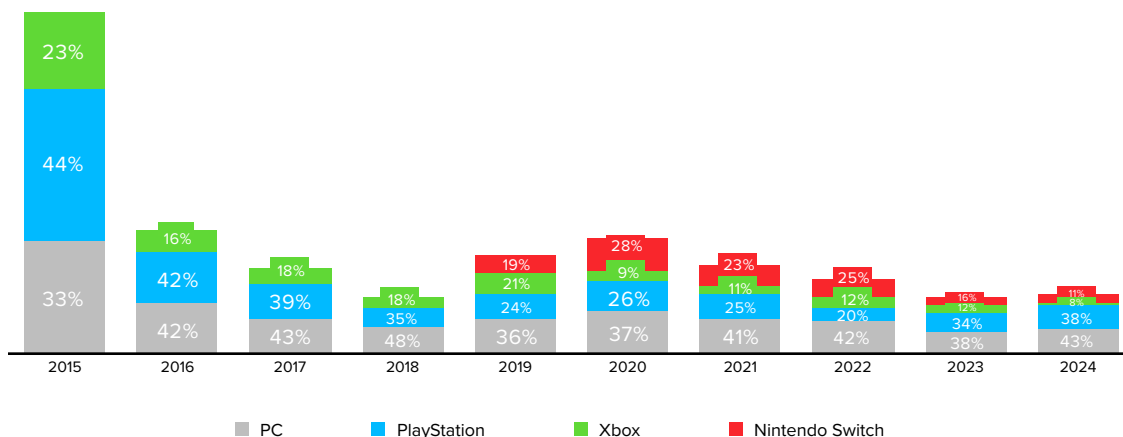
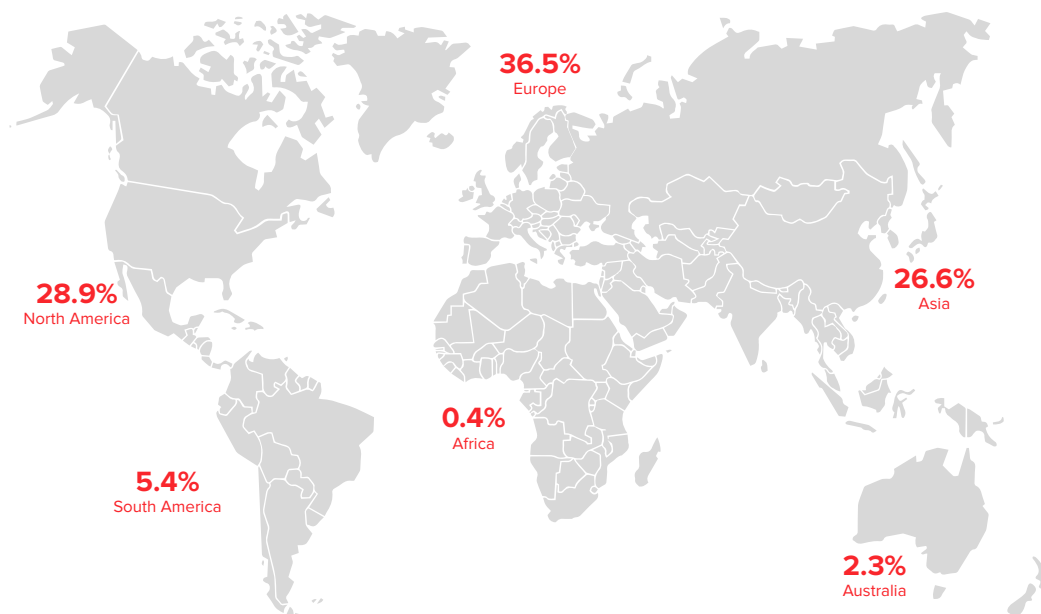


**Map 2** Purchases of *Cyberpunk 2077* and *Phantom Liberty* by region (revenues, 2024)**The Witcher 3: Wild Hunt**

2024 was another year of strong sales for *The Witcher 3: Wild Hunt*. In the reporting period, 94% of *The Witcher 3* copies sold were from digital distribution.

**Chart 3** Sales of *The Witcher 3* by distribution type (revenues)

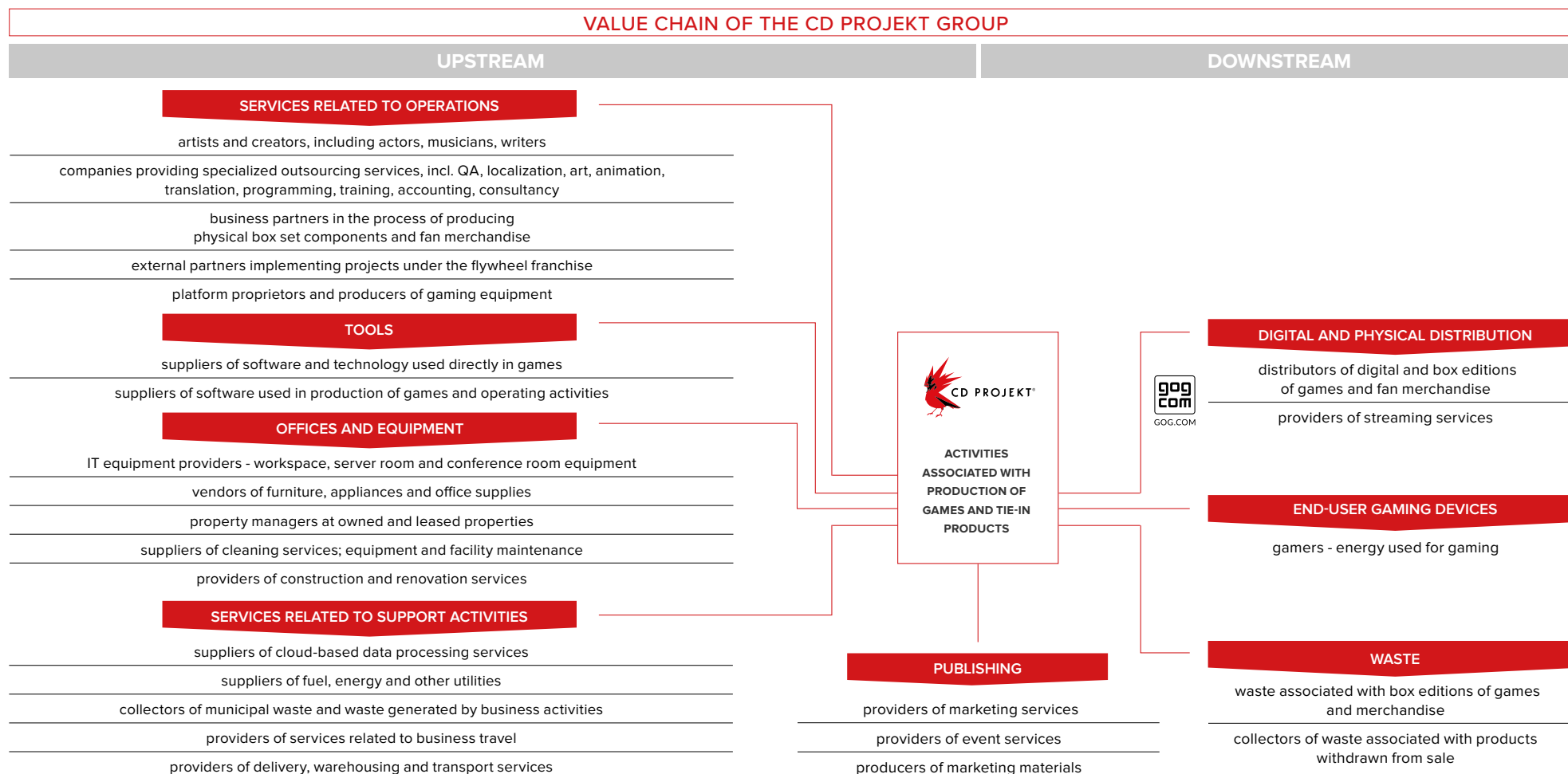
In 2024, much like in the preceding years, most purchases of *The Witcher 3: Wild Hunt* involved the PC edition of the game.

**Chart 4** Sales of *The Witcher 3* by hardware platform (revenues)**Map 3** Purchases of *The Witcher 3* by region (revenues, 2024)**Key suppliers and clients in the value chain**

[ESRS 2 SBM-1]

Development of large-scale RPGs is a process which involves collaboration with dozens of companies – this includes typical B2B relationships as well as contractual arrangements with representatives of the creative industry and artists from around the world. Thus, our business partners include actors, musicians, graphic artists, writers and translators, as well as – among others – videogame distributors, manufacturers of gaming consoles and computer hardware, developers of software, technologies and game engines, external studios (e.g. audio and motion capture) or providers of streaming services.

Schematic depiction of key elements of the CD PROJEKT Group value chain<sup>6</sup>.



<sup>6</sup> None of the CD PROJEKT Group member companies engage in activities related to extraction of fossil fuels, manufacturing of chemicals, manufacturing of controversial armaments, or tobacco farming. Given the fact that, as of the publication date of this report, the European Commission has not adopted a delegated regulation containing a registry of ESRS sectors, the report does not include disclosures mentioned in sections 40(b) and 40(c) ESRS 2 of the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (Official Journal of the European Union, 22 December 2023, item no. L 2023/2772).



In 2024 CD PROJEKT RED sales to two clients – Valve Corporation and Sony Interactive Entertainment – exceeded 10% of the Group's consolidated sales revenues and totaled 395 746 thousand PLN and 181 562 thousand PLN respectively (40.2% and 18.4% of the Group's sales revenues respectively). These clients are not affiliated with CD PROJEKT S.A. or any of its subsidiaries. No other client accounted for more than 10% of consolidated sales revenues of the CD PROJEKT Group.

The videogame development process relies on certain bought-in tools and technical solutions; however, these do not result in significant concentration of supply. No CD PROJEKT RED supplier accounted for more than 10% of the segment's total revenues in 2024.

## **GOG.COM**

### **Target and scope of business activity**

The segment's activities involve digital distribution of a handpicked portfolio of games for the PC and for macOS and Linux operating system, carried out through the proprietary storefront at GOG.COM and the GOG GALAXY application. In 2024 the platform was offered in English, French, German, Russian, Chinese and Polish – this includes full website and game localizations, as well as integration with locally popular payment channels (accepting payments in sixteen currencies – although note that sales on the territory of Russia and Belarus were suspended in March 2022 following the invasion of Ukraine by Russian armed forces).

The platform enables customers to purchase games, remit payment and download game files to their personal devices, while the GOG GALAXY application provides – among others – automatic updates, cloud saves, online and cross-play features.

Payments collected by GOG sp. z o.o. from customers are split with the Company's suppliers as agreed upon in distribution contracts. Typical contracts require the Company to submit sales reports to its suppliers in monthly or quarterly cycles, not later than 30 days following the close of the given reporting period. With regard to certain older products the company may be contractually permitted to adapt them to the requirements of modern operating systems, or to enable multiplayer gameplay if such features were originally provided by the given game.

### **Key products**

As of the publication date of this report, the GOG.COM digital distribution platform offers over 10 thousand products from more than 1 500 partners. This includes both timeless classics and fresh releases from such well-known brands as Sony, Bethesda, Disney, Electronic Arts, Ubisoft, Konami and Warner Bros.

Among the key differences between GOG.COM and its competition is its focus on ensuring that single-player gamers are distributed in the DRM-free model. The platform's mission also includes preservation of videogame history and fostering growth of the gaming community. In addition to the above, GOG.COM ensures compatibility of its games with current versions of MS Windows, macOS and popular distributions of Linux, which is a particular advantage in the case of classic games.

The Group uses GOG.COM to market its own products directly to end users – this includes games set in The Witcher universe, as well as *Cyberpunk 2077* together with its expansion – *Phantom Liberty*.

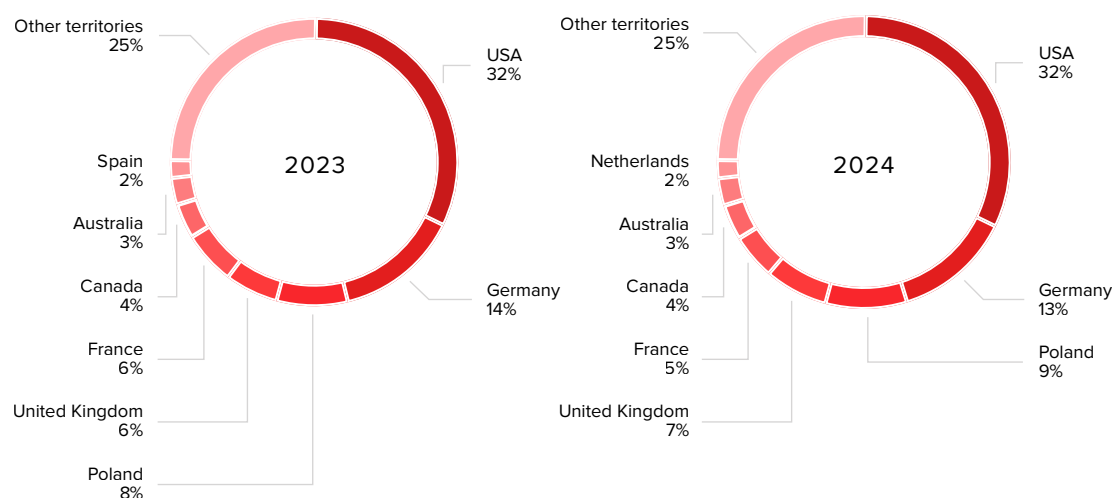
### Key sources of revenue

Revenues obtained in the GOG.COM segment in a given period are directly dependent on the popularity of the catalogue, on rolling out new products and on carrying out promotional campaigns. GOG continuously expands the scope of its cooperation with suppliers and seeks access to new, attractive products. GOG.COM is also home to seasonal and one-off sales campaigns, including summer, fall and Christmas bargain packages. Increasing user engagement as a result of partnerships with Amazon LUNA and Amazon Prime Gaming also provides an additional source of revenue.

### Key suppliers and clients

GOG sp. z o.o. markets games via online channels directly to millions of individual users worldwide. As such, the segment does not have key clients in the usual sense of the term.

**Chart 5** Sales of products and goods by GOG.COM in 2024 and 2023, by territory



In terms of territorial breakdown, sales in 2024 followed the pattern established in the preceding years. During this period the largest group of GOG.COM customers came from the United States (32%), followed by Germany (13%), Poland (9%) and the United Kingdom (7%).

As of the end of 2024 no single supplier in the GOG.COM segment accounted for more than 10% of the Group's consolidated revenues.

### KEY CORPORATE EVENTS

On 20 February 2024, at an Extraordinary General Meeting of CD PROJEKT, the Earnings Condition for the years 2024-2027 (cumulative consolidated net earnings obtained by the Group) was set in the framework of Incentive Program B at 3 billion PLN for entitlements assigned in 2024. All materials related to this General Meeting, including resolutions adopted thereby, are available on the [Company website](#).

On 14 June 2024 the Ordinary General Meeting of CD PROJEKT adopted standard resolutions concerning approval of the Group's and the Company's earnings reports for 2023, discharge for members of their respective governing bodies, and allocation of profit, along with amendments to the [Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of the Company](#). The full wording of all resolutions adopted at the OGM is available on the [Company website](#).

On 27 June 2024, pursuant to the General Meeting resolution, the Company paid out a dividend from its 2023 profit, at 1 PLN per share, in the total amount of 99 911 thousand PLN.

On 17 October 2024, in [Current Report no. 22/2024](#) the Management Board announced that on the same day Mr. Adam Kiciński, in accordance with the prior announcement disclosed by the Company on 5 October 2023 in [Current Report no. 39/2023](#), (I) tendered his resignation from membership of the Management Board, effective at end of day on 31 December 2024, and (II) confirmed his intent to seek appointment to the Supervisory Board of the Company beginning in 2025. Given the above, and also in light of various additional circumstances such as e.g. requirements applicable to supervisory boards, and anticipated changes therein, members of the Supervisory Board came to the conclusion that it would be optimal for the Company to enable election of a new Supervisory Board. Consequently, Ms. Katarzyna Szwarc, Mr. Michał Bień, Mr. Maciej Nielubowicz and Mr. Jan Łukasz Wejchert also tendered their resignations on the same day – all of them effective as of 31 December 2024. Further information can be found in [Current Report no. 23/2024](#) and in the section titled *Supervisory Board of CD PROJEKT S.A.* elsewhere in this report.

An Extraordinary General Meeting was held on 28 November 2024, adopting – among others – the following resolutions:

- appointment of members of the Supervisory Board to a new term commencing on 1 January 2025: Ms. Beata Cichocka-Tylman, Mr. David Gardner, Mr. Marcin Iwiński, Mr. Adam Kiciński and Ms. Agnieszka Słomka-Gołębiowska, and updating the remuneration of Supervisory Board members;
- setting the Earnings Condition in the framework of Incentive Program B for the years 2025-2028 at 4 billion PLN (the Group's cumulative net revenues for the aforementioned period);
- amending the Articles of Association of the Company (as described in the section titled *Amendments to Articles of Association of the Company* adopted in 2024 – see below).

The full wording of all resolutions adopted by the OGM is available on the [Company website](#).

## **EVENTS FOLLOWING THE BALANCE SHEET DATE**

On 8 January 2025, at a meeting of the Company's Supervisory Board:

- Mr. Adam Kiciński and Mr. Marcin Iwiński were appointed Chairs of the Supervisory Board for the new term; consequently, they will each hold the title of Joint Co-Chair of the Supervisory Board;
- Mr. David Gardner was appointed Deputy Chair of the Supervisory Board for the new term;
- An Audit Committee was appointed, with the following composition: Ms. Agnieszka Słomka-Gołębiowska, Ms. Beata Cichocka-Tylman, Mr. Adam Kiciński. Ms. Agnieszka Słomka-Gołębiowska will serve as Chair of the Audit Committee.

On 15 January 2025 the Management Board adopted a resolution concerning approval of the CD PROJEKT S.A. Dividend Policy, which will apply to dividends for the financial year 2025 and subsequent years. Further information can be found in the Dividend section of this report, as well as on the [Company website](#).

On 21 March 2025 the share capital of CD PROJEKT RED Inc. was increased by 708 thousand USD, to 8 628 thousand USD. This increase in the value of existing shares was fully paid up in cash by the parent Company.

The aim of this capital contribution is to facilitate remittance of the first batch of payment for a total of 100 000 shares of The Molasses Flood LLC, whose ownership, pursuant to agreements concluded with that company's minority shareholders on 12 and 18 March 2025 respectively, will be transferred to CD PROJEKT RED Inc. on 31 March 2025.

As a result of the foregoing, CD PROJEKT RED Inc. will become the owner of 100% (i.e. 550 000) of shares of the aforementioned company. It is the intention of CD PROJEKT Inc.'s Board of Directors to then proceed with a merger between The Molasses Flood LLC as the target company, and its sole shareholder - CD PROJEKT RED Inc. as the surviving company. The aim of the planned merger is to further integrate the team and activities carried out by The Molasses Flood LLC with the organizational structure and ongoing development processes at the CD PROJEKT RED studio, as well as to streamline the structure of the CD PROJEKT Group.



## Activities undertaken in the framework of implementing the strategy, and anticipated vectors of growth of the CD PROJEKT Group

Strategic initiatives carried out in support of further growth of the Company and the CD PROJEKT Group concern mainly implementing the CD PROJEKT RED game development schedule revealed in October 2022 as part of our Strategy Update, as well as working to expand the recognition and popularity of our franchises (including in collaboration with external entities).

At CD PROJEKT RED the year 2024 was marked by intensive development work on ongoing projects (further information can be found in the section titled Disclosure of significant accomplishments in the scope of research and development), continuation of activities related to development of supporting products as envisioned by the franchise flywheel concept, and kicking off the information campaign accompanying the first game in the new Witcher trilogy – *The Witcher 4*. During the same period GOG.COM focused on transitioning to a new strategy and the attendant restructuring of its team, as well as on integration of cloud gaming solutions.

In the coming quarters the Studio will continue to focus primarily on further development work on ongoing projects, carrying on with *The Witcher 4* information campaign, and building the Boston CD PROJEKT RED team. As for GOG.COM, its focus will be on implementing and validating core assumptions of its new strategy which emphasizes development of the platform and of the gaming community.

## Key factors relevant for further development of the CD PROJEKT Group

### CD PROJEKT RED

The following factors are regarded as key to development of the CD PROJEKT RED segment:

- recruitment and enabling professional development of top specialists, experts and managerial staff;
- effective implementation of the production plan – parallel development of top-quality AAA games and supporting products which meet the demands and expectations of gamers, by employing cutting-edge tools and development practices;
- technological development – creating and exploiting innovative solutions (including in the field of AI); further improvement and adaptation of the Unreal Engine technology in the framework of our strategic collaboration with Epic Games;
- building the Studio's reputation and perception of our products through effective communication with gamers and other stakeholders;
- further growth of the global electronic entertainment market with particular focus on the videogame segment;
- securing appropriate funding for our activities;
- stability of the legal environment, particularly as concerns IPR regulations.

### GOG.COM

The following factors are regarded as key to development of the GOG.COM segment:

- recruitment and enabling professional development of top specialists, experts and managerial staff;
- further increases in the popularity of video games;
- expansion of the platform's user base and promoting community engagement;
- expanding the video game catalogue and the platform's functionality;
- integration of cloud gaming technologies.

Important risk factors – both external and internal – which, in the Management Board's opinion, may negatively affect the Group's activities and growth are described in the risk assessment section elsewhere in this report.

In addition to the above, the activities of CD PROJEKT Group member companies are affected by external factors such as the macroeconomic outlook, legal reforms and changes in taxation. In this sense, CD PROJEKT is in a similar position to many other companies conducting business on domestic and international markets.

## Disclosure of significant accomplishments in the scope of research and development

Research and development work, including the ongoing search for new solutions, evaluating their effectiveness and identifying ways to apply them constitutes a core aspect of CD PROJEKT RED's business profile and the studio's daily activities.

R&D work related to videogame development begins at the conceptual phase and lasts while successive prototypes are made available for testing and optimization, ensuring compatibility, usability and playability – all the way to the final product: a ready-for-release videogame.

### Development activities

In 2024 development activities were carried out in the framework of the following projects:

- *The Witcher 4* (previously codenamed Polaris) – the first instalment in the upcoming Witcher trilogy;
- Project Sirius which is part of The Witcher franchise – a game developed in collaboration with our subsidiary – The Molasses Flood LLC;
- Project Orion – a game set in the Cyberpunk universe, which progressed to the development phase in September 2024 (from that point onward its development expenses are capitalized);
- an animation project set in the Cyberpunk universe, which will be released on the Netflix platform.

### Research activities

In 2024 research activities were carried out in the framework of the following projects:

- Project Orion – a game set in the Cyberpunk universe, which wrapped up its research phase at the end of August 2024;
- The Witcher Remake – a game being developed in collaboration with the Fool's Theory studio;
- internal conceptual work on a third franchise, codenamed Hadar, within which we eventually plan to develop a videogame.

In addition to the above, there was ongoing work on new technologies, as well as further development and improvements to existing games, mainly *Cyberpunk 2077* – including development of *Cyberpunk 2077: Ultimate Edition* for MacOS Apple devices equipped with Apple Silicon chips. Regarding development work on *The Witcher 4*, the Studio engaged in the Cinematic Experience project – an innovative set of tools automating creation of nonlinear quests, cutscenes and animations for open-world AAA games (co-financed by the European Union in the framework of the European Funds for Innovative Economy 2021-2027 program).

In addition to flagship projects detailed in the Strategy Update, the Studio was also involved in research and development work on other unannounced supporting projects which reinforce the franchise flywheel concept, and which will be publicly revealed following evaluation of their potential commercial or commencement of the related information campaign, as appropriate. In 2024 development expenses on four such projects (one of which is not a videogame) were subject to capitalization.

In 2024 the team responsible for Artificial Intelligence research studied the opportunities for employing existing AI-based tools or developing custom tools to support creation of future products – particularly in the scope of automating prototyping, testing and generating realistic crowds of non-player characters (NPCs). The AI team is currently pursuing approximately a dozen research projects.

In the framework of the Data, Insights & Experiences project – an interdisciplinary team which deals with data analysis, UX research, immersion and game features at large – theoretical as well as practical work was carried out in 2024. With regard to theoretical work, detailed desk research has been carried out focusing on accessibility features, enabling games to be enjoyed by gamers with special needs, including disabilities. The aim of this activity was to identify key research directions which may be accorded priority in the coming years. The team also carried out practical UX research in the framework of the Polaris project (*The Witcher 4*), focusing mainly on investigating how users interact with the game. The conclusions of these study feed back into the game development process.

A dedicated team at the Studio continued development of a proprietary online technology codenamed REDPlay, supporting cross-platform features in the Studio's games, and opening new channels of communication between the Studio and the gaming community.

In 2018 CD PROJEKT gained the status of a Research and Development Center (RDC). On 4 October 2024 the Ministry of Development and Technology issued a decision confirming that the Company continues to engage in R&D activities and upholding its status as a RDC.

In 2024 the GOG.COM team carried out work focused on UX improvements, both in B2C and B2B models; development of proprietary recommendation technologies capable of presenting users with personalized content, and development of internal reverse engineering know-how, which is required in the process of restoring, maintaining and improving classic games. These activities support the Studio's mission to maintain a unique offering and position its platform as a leader in the classic games segment.

## Disclosure of significant agreements<sup>7</sup>

None of the member companies of the CD PROJEKT Group entered into any significant agreements during the reporting period.

## Risk management at the Group

### Risk management process

[ESRS 2 SBM-3]

In 2021 a Risk Management Procedure was introduced at the Company, formalizing methods of managing and mitigating strategic risks. In December 2023 we updated this procedure and begun to apply an enhanced risk management process.

The risk management process in place at the Company permits identification, assessment and analysis of risks, as well as further action in order to achieve an acceptable level of risk given the identified threats, and thereby

<sup>7</sup> W Including insurance, partnership or cooperation agreements. An agreement is regarded as significant if the projected total value of liabilities arising under the agreement exceeds 10% of the consolidated assets of the Group.



reduce the likelihood or mitigate the consequences of potential circumstances which may have a negative effect on the activities of the Company, including its financial stability. While identifying strategic risks, we also work to identify opportunities which may ameliorate the circumstances related to risks under analysis, and determine means of handling risks (which may involve acceptance, mitigation, transfer or avoidance of the given risk).

The risk management process involves:

- Managerial staff which bears responsibility for the given areas covered by risks (Risk Owners),
- Persons appointed by the respective Risk Owners to manage given risks on a daily basis (Risk Custodians),
- The Privacy & Compliance team which operates within the framework of the Company's Legal Department.

For each risk, a Risk Owner is designated. One Risk Owner may manage multiple risks. Risk management at other member companies of the CD PROJEKT Group is the responsibility of their respective Management Boards.

Each risk identified at the Company is subjected to analysis in order to determine its impact and likelihood of materialization. In determining this likelihood the Company acknowledges existing control systems and their effectiveness, while impact assessment is based on potential consequences for the Company – both financial and otherwise.

We monitor the status of individual risks using Key Risk Indicators (KRIs), defined by Risk Owners individually for threats and opportunities identified within each risk.

The significance of a risk is determined by plotting the product of the likelihood and impact of that risk on the risk value matrix. Following assessment, the Risk Owner decides how to deal with the risk – in a way which is commensurate with its significance.

Risk Owners prepare contingency plans for circumstances when risk indicators exceed the threshold of acceptability<sup>8</sup>. The aim of this process is to ensure that the Group's business model and strategy remain robust in the face of the identified risks.

### Significant (strategic) risks

The following risks have been identified as significant for the activities of the CD PROJEKT Group. While due diligence was applied in identifying and describing such risks, in the course of its daily activities the Group may be exposed to new types of risks which it has not heretofore identified.

## BUSINESS MODEL RISKS

### Risk associated with focusing on a limited number of projects with long investment cycles and unpredictable commercial potential

CD PROJEKT RED focuses on developing multifaceted role-playing games with nonlinear storylines and based on cutting-edge technological solutions. Given the scope of such projects and their development lifecycles which span multiple years, these games – often referred to as “AAA” – require above-average development and marketing budgets, the vast bulk of which must be expended before any revenues are generated by the corresponding project. A hypothetical unsuccessful release of an AAA game may potentially result from e.g. failure to meet gamers' high expectations with regard to quality, gameplay appeal or content, technical issues associated with the game or negative reviews by journalists and market experts. Sales revenues in the wake of an unsuccessful release may be insufficient to recoup prior expenditures on development and promotion of the game.

<sup>8</sup> Mitigation strategies applicable to sustainability-related risks are presented in appropriate sections of the annexed *Sustainability Statement*.

### **Risk associated with entering new market segments**

Entering new market segments, where we may not yet possess extensive experience and know-how, provides an opportunity to reach a wider audience, which might then be enticed to take up interest in our games, but on the other hand carries the risk of project failures and may cause us to incur additional costs. Investing in new market segments may call for collaboration with external partners, which, in turn, might cause difficulties in ensuring optimal project management, i.e. making sure that collaborative activities are performed in a timely fashion, that our IP is appropriately understood, or that our quality expectations are honored. This could ultimately drive up costs, have a potential negative effect on our reputation, or reduce the value of our IP.

### **Risk of failure to meet production goals**

Engaging in R&D activities related to development and distribution of top-quality AAA games represents the core business of the CD PROJEKT Group. AAA development is a complex iterative process, characterized by long production cycles. We need to continually adapt to the changing market, accurately predict gamers' preferences, and follow up on trends created by competing gamedev studios. Our ability to meet production goals is also affected by technological progress – i.e. progressive changes in the scope of IT tools, software, technologies and gaming platforms. This results in the need to continually refine our solutions and offer ever more sophisticated products, along with the risk of having to adjust our projected development schedules. Basing our games on Unreal Engine, licensed from Epic Games International S.à r.l. introduces a dependency on the vendor. Failure to meet development goals, including in the context of production time, quality or entertainment appeal, may result, among others, in additional costs, reduced sales revenues, impairment charges on development expenditures, or a loss of reputation for the Studio.

### **Risk related to collaboration with key suppliers**

In the course of their activities, Group member companies cooperate with many external entities. The Group relies on these entities, among others, for specialized applications and software, licenses and other services required in its daily work. Offloading certain activities to experienced contractors may increase the efficiency of ongoing projects, but may also represent a risk. Choosing the wrong contractor or terminating cooperation with a key supplier of essential products or services may impair the progress of ongoing projects, harm sales and thereby have a detrimental effect on the financial performance and reputation of Group member companies. In 2022 the Company initiated strategic collaboration with Epic Games International S.à r.l. The character of this partnership entails the risk of terminating collaboration with a key business partner, which would impact our development schedule, our ability to achieve the stated goals, as well as the corresponding expenditures.

### **Risk of restriction of access to distribution channels which carry the Group's products, or to certain markets and hardware platforms**

The Company distributes its own products via physical channels (retail outlets) as well as digitally, which – except for the Group's proprietary GOG.COM platform – relies on cooperation with external distributors. Company games may be denied presence or withdrawn from selected storefronts, and their introduction or return to such storefronts may depend on multiple factors, some of which may be outside of Company control. In particular, development of games for "closed" platforms, such as gaming consoles or iOS devices, and directly distributing games on markets where the applicable legislation calls for certification (e.g. China) calls for direct cooperation with the certifier. Failure to meet certification criteria is a risk, as are changes in local laws or regulations affecting the certifier, termination of cooperation with the platform proprietor, delays in the certification process, denial of certification, or revocation of previously granted certification. Each of those events may adversely impact revenues from sales of the Group's products on selected territories or platforms. Restriction of sales in selected traditional or digital distribution channels may affect the Group's revenues and therefore also its earnings. The impact of this risk depends on many factors, such as the importance of the product, market share of the given distributor or the region to which the restriction applies.

### **Risk associated with unavailability of IT infrastructure or services, including cybersecurity risk**

The ability to carry out research and development work, along with publishing, marketing and back-office activities, as well as the operation of products and services offered by the CD PROJEKT Group, rely ever more heavily on the reliability, availability and security of IT infrastructures. IT systems, including servers, network infrastructure and Internet access devices may be susceptible to interference and outages caused by various factors, which may, in turn, negatively impact operations or effectiveness of ongoing projects. This risk may manifest itself, among others, in unavailability of on-premises or cloud infrastructure along with potential data security violations, loss or leakage of data caused, among others, by hacking, server downtime, supplier-side disruptions, long power outages or human error.

### **Risk of failure to meet expectations resulting from promotional campaigns**

The promotional campaign of a future release usually commenced long before the release itself, and is based on materials available at the given stage in the product development cycle. Throughout the development phase, the game, along its visuals and features, is subject to frequent changes, refinement and optimization. The promotional campaign consists of written and oral announcements (e.g. press releases, product descriptions, developer interviews), supported by promotional materials such as (screenshots and trailers), advertisements and other forms of content published in support of product release marketing. Such materials may not accurately reflect the finished product, resulting in erroneous expectations on the part of gamers, and the inability of the product to meet such expectations. This risk may manifest itself e.g. in the form of presentations of game visuals which are based on the current state of development and do not correspond to actual gameplay experience, emphasizing features which may ultimately be modified or removed from the product, or presenting certain limitations in a way which is not sufficiently clear and understandable. The risk may also stem from changes in the properties of product features introduced at a late stage in the production process, or technical limitations of platforms other than the platform on which the given product is showcased – coupled with imprecise communication giving rise to individual interpretations, as well as human error. In certain cases, this may expose the Company to legal challenges, trigger a decrease in stock prices, or harm the reputation of the Company and of the given product or brand.

## **LEGAL RISKS**

### **Risk of regulatory noncompliance**

The activities of the Group are subject to a wide range of legal regulations which may differ depending on the territory where Group member companies carry out activities, where our employees or shareholders are physically present, and where our products, services or licenses are offered. This calls for monitoring of our legal environment in various jurisdictions, especially as relates to protection of intellectual property, personal data protection, corporate law (including stock market regulations), antitrust regulations, consumer rights or labor law. Frequent changes in the applicable laws or interpretations, occurring both in Poland and abroad, carry the risk of noncompliance or infringement on the part of the Group's member companies. Some changes in legal regulations may fail to acknowledge the specific nature of the videogame industry, potentially forcing us to incur major unforeseen expenditures as we work to maintain legal compliance. Due to changing interpretations, lack of official guidelines governing application of legal provisions, and insufficient case law, the process of effectively managing legal risks faces numerous challenges. On the other hand, we also identify certain opportunities in this scope, such as the ability to influence new market regulations.

### **Risk associated with intellectual property rights**

Our products and services are based upon intellectual property. Effective acquisition, licensing and protection of intellectual property rights is therefore an important aspect of our activities. Given that our products and services are marketed in many different countries, it is natural to offer them in local languages and under local names. This, however, involves the risk that some of these names may conflict with existing trademarks, giving rise to trademark infringement claims. In addition, we may be unable to locally register some of our trademarks due to their resemblance or equivalence to trademarks which have already been registered. There is also a risk of inadvertent infringement of third-party property rights, including IPR. Such situations might arise



e.g. in the case of improperly worded contractual provisions in licensing or IP purchase agreements, erroneous assessment of the boundaries of permitted use, or unawareness on the part of creators of IPR and protection thereof in various countries around the world. In addition to the above, we face issues related to infringement of our own IPR, e.g. through unauthorized distribution of our games and merchandise which exploits our IPR. The Company is furthermore at risk of third-party registration of trademarks related to our games, as well as reuse of our game assets in third-party creations and products. In 2023 a new challenge emerged in relation to the spread of tools which apply generative artificial intelligence (GAI) to assist in creation of various works, including videogames. Use of GAI raises many legal concerns, including lack of IPR protection for content on which GAI relies, or potential inadvertent infringement of third-party IPR.

#### **Risk associated with changes or differing interpretations of fiscal regulations, and with subsidies**

Significant changes are occurring in tax law. Emerging regulations often impose additional reporting obligations upon taxpayers and introduce new restrictions related e.g. to eligibility of expenditures as tax-deductible revenues. Conflicts between interpretations of fiscal regulations issued by public authorities give rise to uncertainties with regard to the correctness of the our tax reporting. Making use of tax relief requires developing appropriate internal documentation and settlement standards, which, in turn, may potentially be brought into question by tax authorities. The Company also benefits from subsidies which support ongoing investment and development projects. Relying on this form of funding may involve the risk of having the relevant documentation, justifications for funding requests, or calculations and settlements, questioned by the authorities – while the corresponding projects are in progress as well as after they have concluded. On the other hand, we also identify certain opportunities in this scope, such as the ability to influence emerging fiscal regulations.

### **TEAM-RELATED RISKS**

#### **Risk related to recruitment and retention of employees, and team building**

The activities and growth prospects of our Group are largely reliant on the availability, knowledge, experience, talent and motivation of our employees. Employee churn presents an important danger to operational continuity and our ability to meet our declared business goals. It induces the need to seek employees on the labor market, which is sometimes problematic due to the low availability of individuals who possess the required skills. Departure of key team members may hamper innovation, slow down development work, harm the quality of production processes and cause us to forfeit unique ideas – all of which might reduce the appeal of our games and blunt our competitive edge. It may also result in increased costs (e.g. related to recruitment) and unrealized financial gains (e.g. due to production delays, disruption and loss of quality). The risk of losing employees may be exacerbated, among others, by improper recruitment procedures, noncompetitive remuneration and benefits or lack of career advancement opportunities.

Given the number of persons employed at the Group, and the diversity of our team, we face the risk of irregularities, including undesirable dynamics in employee relations. Any such irregularities have the potential to undermine team cohesion and carry legal consequences for the Group or harm its public image.

Notable risks in this area also involve low engagement on the part of employees, lack of effective collaboration between teams, or excessive working hours resulting in lower job satisfaction among our team members. Improper management of these issues can lead to lack of motivation and elevated stress levels among employees, with a potential trickle-down effect on churn rate, quality of work and organizational efficiency.

### **FINANCIAL RISKS**

Financial risks identified by the Group are described in the *Consolidated Financial Statement of the CD PROJEKT Group for 2024*.

## **ENVIRONMENTAL RISKS**

### **Risk associated with environmental and climate protection**

For the CD PROJEKT Group, risks associated with environmental and climate protection involve, on the one hand, migration to a low-emissions economy which is resilient to climate change, and on the other hand, actual effect of climate change upon the activities of Group member companies. These risks comprise transformation-regulatory risks, resulting from the need to adapt to UE sustainability regulations, along with the ISO 14001 standard and the EMAS regulation<sup>9</sup> and transformation-reputational risks related to our ability to achieve set environmental objectives. On the other hand, thanks to our actions – e.g. securing an EMAS certificate – we are able to identify and improve our chances of championing an eco-friendly approach in the digital entertainment industry.

In the course of our periodic analysis of climate risks we also identify threats and opportunities indirectly related to the climate and the environment – such as the risk related to the need to secure our infrastructure against extreme weather events and long-term changes in climate patterns, potential increases in energy prices, and technological risks (resulting in elevated investment expenses). We also identify certain opportunities in this scope – such as the ability to deploy eco-friendly solutions consistent with the EU taxonomy in new buildings at the CD PROJEKT campus, which, in the long run, should reduce our reliance on electrical and thermal energy, our water consumption, and the associated operating expenditures.

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<sup>9</sup> Eco-Management and Audit Scheme





03

RESULTS OF OPERATIONS  
OF THE CD PROJEKT GROUP



## Discussion of the key economic and financial figures disclosed in the consolidated and separate financial statements

### CONSOLIDATED INCOME STATEMENT

**Table 2** Consolidated income statement of the CD PROJEKT Group (in PLN thousands)

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023*	change	change %
<b>Sales revenue</b>	<b>985 030</b>	<b>1 230 199</b>	<b>-245 169</b>	<b>-19.9%</b>
Sales of products	797 396	1 041 784	-244 388	-23.5%
Sales of services	4 239	1 662	2 577	155.1%
Sales of goods for resale and materials	183 395	186 753	-3 358	-1.8%
<b>Cost of sales of products, services, goods for resale and materials</b>	<b>247 152</b>	<b>377 958</b>	<b>-130 806</b>	<b>-34.6%</b>
Costs of products and services sold	110 935	237 151	-126 216	-53.2%
Cost of goods for resale and materials sold	136 217	140 807	-4 590	-3.3%
<b>Gross profit/(loss) on sales</b>	<b>737 878</b>	<b>852 241</b>	<b>-114 363</b>	<b>-13.4%</b>
Selling expenses	135 368	243 796	-108 428	-44.5%
Administrative expenses, including:	248 310	169 116	79 194	46.8%
cost of research projects	78 504	20 002	58 502	292.5%
Other operating income	28 873	54 040	-25 167	-46.6%
Other operating expenses	17 539	24 336	-6 797	-27.9%
(Impairment)/reversal of impairment of financial instruments	-38	7	-45	-
<b>Operating profit/(loss)</b>	<b>365 496</b>	<b>469 040</b>	<b>-103 544</b>	<b>-22.1%</b>
Finance income	83 513	118 645	-35 132	-29.6%
Finance costs	18 925	49 193	-30 268	-61.5%
<b>Profit/(loss) before tax</b>	<b>430 084</b>	<b>538 492</b>	<b>-108 408</b>	<b>-20.1%</b>
Income tax	-39 790	57 387	-97 177	-
<b>Net profit/(loss)</b>	<b>469 874</b>	<b>481 105</b>	<b>-11 231</b>	<b>-2.3%</b>

\*restated data

### DESCRIPTION AND ASSESSMENT OF THE FACTORS AND UNUSUAL EVENTS AFFECTING THE RESULTS OF OPERATIONS OF THE CD PROJEKT GROUP IN 2024

The strong sales of *Cyberpunk 2077* together with the *Phantom Liberty* expansion, as well as the sales of *The Witcher 3: Wild Hunt*, which continue to be important to the Group's results, had the greatest impact on the results of the CD PROJEKT Group in 2024.

With regard to game production, the most significant expenditure on research and development incurred

during the reporting period comprised *The Witcher 4* (Polaris), Orion and Sirius projects, which were in the development phase at the end of the period under discussion, as well as *The Witcher Remake* (Canis Majoris) and Hadar projects, which were in the earlier research phase.

An unusual event occurred in 2024 which affected the Group's results of operations for the year. It consisted of a change in the value of the Group's net deferred tax asset/provision totalling PLN 58 489 thousand. The change was mainly due to the Company recognizing historical eligible costs of the research and development relief as part of adjustments to tax returns for the years 2020-2023 following the receipt of favourable decisions of the Supreme Administrative Court and an individual interpretation regarding the research and development relief, which was increased by the declared amount of the research and development relief for the current reporting period (a decrease in Income tax).

## DISCUSSION OF THE CONSOLIDATED INCOME STATEMENT OF THE CD PROJEKT GROUP BY OPERATING SEGMENT

### CD PROJEKT RED segment

**Table 3** Income statement of the CD PROJEKT RED segment (in PLN thousands)

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023*	change	change %
<b>Sales revenue</b>	<b>801 635</b>	<b>1 037 873</b>	<b>-236 238</b>	<b>-22.8%</b>
Sales of products	790 687	1 023 545	-232 858	-22.8%
Sales of services	3 273	1 014	2 259	222.8%
Sales of goods for resale and materials	7 675	13 314	-5 639	-42.4%
<b>Cost of sales of products, services, goods for resale and materials</b>	<b>118 296</b>	<b>252 363</b>	<b>-134 067</b>	<b>-53.1%</b>
Costs of products and services sold	110 998	237 305	-126 307	-53.2%
Cost of goods for resale and materials sold	7 298	15 058	-7 760	-51.5%
<b>Gross profit/(loss) on sales</b>	<b>683 339</b>	<b>785 510</b>	<b>-102 171</b>	<b>-13.0%</b>
Selling expenses	92 144	198 832	-106 688	-53.7%
Administrative expenses, including:	237 509	160 990	76 519	47.5%
cost of research projects	78 504	20 002	58 502	292.5%
Other operating income	27 049	50 922	-23 873	-46.9%
Other operating expenses	15 279	19 162	-3 883	-20.3%
(Impairment)/reversal of impairment of financial instruments	-38	7	-45	-
<b>Operating profit/(loss)</b>	<b>365 418</b>	<b>457 455</b>	<b>-92 037</b>	<b>-20.1%</b>
Finance income	76 974	114 729	-37 755	-32.9%
Finance costs	14 127	45 429	-31 302	-68.9%
<b>Profit/(loss) before tax</b>	<b>428 265</b>	<b>526 755</b>	<b>-98 490</b>	<b>-18.7%</b>
Income tax	-40 347	56 007	-96 354	-
<b>Net profit/(loss)</b>	<b>468 612</b>	<b>470 748</b>	<b>-2 136</b>	<b>-0.5%</b>

\*restated data

**Sales of products** of the CD PROJEKT RED segment in 2024 were mainly affected by the high sales of *Cyberpunk 2077* together with the *Phantom Liberty* expansion, the release of which took place on 26 September 2023. The sales of these products accounted for almost 74% of Sales of products of CD PROJEKT RED in 2024 and allowed, despite the lack of new releases in the period under discussion, to achieve sales results in this category that were only 22.8% lower than in 2023. Segment sales of finished goods also comprised:

- revenue relating to *Witcher 3: Wild Hunt* and expansions: *Hearts of Stone* and *Blood and Wine*;
- licence revenue from franchises;
- revenue from the games *GWENT: The Witcher Card Game*, *Witcher 2*, *Thronebreaker: The Witcher Tales* and *The Witcher*.

In 2024, **Sales of services** comprised mainly revenue relating to services provided to related entities.

**Sales of goods for resale and materials** of the CD PROJEKT RED segment in 2024 comprised mainly revenue from the sale of ready-made physical sets and elements of physical sets of own titles (media, boxes, figurines, gadgets) relating to *Cyberpunk 2077* and *The Witcher 3* to distributors.

The most significant component of the **Cost of finished goods, services, goods for resale and materials sold** of the CD PROJEKT RED segment was the Cost of finished goods and services sold, where mainly the cost of amortization of expenditure on development projects (own games manufactured) is presented. In 2024, the balance and its decrease relative to the comparative period were mainly affected by the amortization of expenditure on *Cyberpunk 2077* together with the *Phantom Liberty* expansion - recognized in the period under analysis at a value lower than in the previous, premiere year.

In 2024, the **Cost of goods for resale and materials sold** contained the cost of manufacture of ready-made physical sets, their elements and franchise products sold to distributors.

The costs of promotion of the studio's products had the largest share in the **Cost of sales** of the CD PROJEKT RED segment in 2024. These were primarily related to the promotion and sales support of *Cyberpunk 2077* together with the *Phantom Liberty* expansion, support of the segment's franchise lines and the launch of the promotional campaign for *The Witcher 4* (Polaris).

The second category of costs disclosed under this heading in 2024 were the costs of maintenance and updates of the products released, primarily *Cyberpunk 2077* and *The Witcher 3: Wild Hunt*.

In 2024, the segment reduced both the total level of promotion and sales support costs (mainly due to the absence of new releases in the period under analysis) and the total costs of maintenance and updates of the games released.

**Administrative expenses** of the CD PROJEKT RED segment comprise, in particular:

- remuneration of the administrative teams and the external costs of third party services classified in this category which, in step with an increase in the scale of operations of the segment's companies, are growing gradually;
- remuneration of the management (including performance-related remuneration for a given period);
- costs of work on the future games incurred at an initial stage (research phase) preceding the execution of the projects (development phase) and the start of their capitalization as part of Expenditure on development projects forming part of Non-current assets; the increase in expenditure in 2024 compared with the prior year is mainly due to the increased intensity of the work on the Orion (which completed the research phase and entered the development phase in September 2024), *The Witcher Remake* (Canis Majoris) and Hadar projects;
- the cost associated with the operation of the Incentive Program A and B.



An increase in **Administrative expenses** in 2024 compared with 2023 was mainly due to an increase in expenditure on work on the future games in the research phase, an increase in expenditure on implementing IT systems supporting the operating activities and an increase in the cost relating to the incentive plans and granting of the next batch of vested rights.

As regards **Other operating income and expenses**, the segment recognized mainly income from utilization of the tax relief for innovative employees, income from marketing collaborations, income from the lease of office space (and the accompanying maintenance costs) in the real estate complex located at ul. Jagiellońska 74 and 76 in Warsaw, and costs arising from the revaluation of the fair value of buildings and land in the complex. In the comparative period, a significant and one-off impact on the value of these items came from a partial reversal of the write-down of development expenditure incurred up to the end of 2022 (in the amount of PLN 21 531 thousand) associated with determination of a new framework for the Sirius project being developed by The Molasses Flood studio, and the write-off of a part of the expenditure on the Project in the first quarter of 2023 (PLN 2 745 thousand).

In 2024, the CD PROJEKT RED segment reported a significant surplus of **Finance income** over **Finance costs** resulting from interest income earned on bonds and bank deposits.

The CD PROJEKT RED segment reported a negative **Income tax** amount in the analysed year 2024. The Company's tax settlements had the greatest impact on the amount shown. The Polish tax system assumes separate taxation of income constituting so-called capital gains (mostly passive income of the taxpayer) and other, operating activities.

The Company generated income from capital gains of PLN 34 313 thousand in the reporting period, which did not generate a tax liability due to the utilization of tax loss carryforwards.

As part of its operating activities, the Company showed a tax loss from activities subject to a 19% CIT rate and earned income from activities subject to a 5% CIT rate (IP Box).

The tax loss from activities subject to a 19% CIT rate was mainly affected by expenses incurred for projects in the research phase.

Activities subject to a 5% CIT rate generated tax due of PLN 18 438 thousand.

At the same time, the negative value of the effective tax rate was mainly due to:

- a change in the value of the net deferred tax asset/provision (totalling PLN 58 007 thousand). The change was mainly due to the recognition of historical eligible costs of the research and development relief as part of adjustments to tax returns for the years 2020-2023 following the receipt of favourable decisions of the Supreme Administrative Court and an individual interpretation regarding the research and development relief, which was increased by the declared amount of the research and development relief for the current reporting period;
- a refund of a part of the withholding tax paid in other jurisdictions on licence income in the amount of PLN 14 710 thousand;
- the value of withholding tax paid in other jurisdictions lower than in the comparative period, which amounted to PLN 13 775 thousand in the period under analysis.

The consolidated **Net profit** of the CD PROJEKT RED segment for 2024 amounted to PLN 468 612 thousand and was similar to the amount in the comparative period.

## GOG.COM segment

**Table 4** Income statement of the GOG.COM segment (in PLN thousands)

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023*	change	change %
<b>Sales revenue</b>	<b>199 338</b>	<b>234 969</b>	<b>-35 631</b>	<b>-15.2%</b>
Sales of products	-	-	-	-
Sales of services	1 112	880	232	26.4%
Sales of goods for resale and materials	198 226	234 089	-35 863	-15.3%
<b>Cost of sales of products, services, goods for resale and materials</b>	<b>144 716</b>	<b>168 136</b>	<b>-23 420</b>	<b>-13.9%</b>
Costs of products and services sold	-	4	-4	-100.0%
Cost of goods for resale and materials sold	144 716	168 132	-23 416	-13.9%
<b>Gross profit/(loss) on sales</b>	<b>54 622</b>	<b>66 833</b>	<b>-12 211</b>	<b>-18.3%</b>
Selling expenses	43 304	45 063	-1 759	-3.9%
Administrative expenses, including:	10 926	8 364	2 562	30.6%
cost of research projects	-	-	-	-
Other operating income	3 252	5 409	-2 157	-39.9%
Other operating expenses	3 567	7 227	-3 660	-50.6%
(Impairment)/reversal of impairment of financial instruments	-	-	-	-
<b>Operating profit/(loss)</b>	<b>77</b>	<b>11 588</b>	<b>-11 511</b>	<b>-99.3%</b>
Finance income	6 539	3 916	2 623	67.0%
Finance costs	4 905	3 929	976	24.8%
<b>Profit/(loss) before tax</b>	<b>1 711</b>	<b>11 575</b>	<b>-9 864</b>	<b>-85.2%</b>
Income tax	577	1 320	-743	-56.3%
<b>Net profit/(loss)</b>	<b>1 134</b>	<b>10 255</b>	<b>-9 121</b>	<b>-88.9%</b>

\*restated data

**Sales of goods for resale and materials** had the largest share in the **Sales revenue** of the GOG.COM segment. They include the digital distribution of games from segment suppliers to final customers, carried out via the GOG.COM platform and the GOG GALAXY application.

The decrease in **Sales revenue** in relation to the comparative period, in which the *Phantom Liberty* expansion to *Cyberpunk 2077* was released, was mainly due to a decrease in **Sales of goods for resale and materials**, resulting from the number of game releases being smaller than in the comparative period, as well as the weakening of the PLN exchange rate in relation to the USD and EUR - the main currencies in which the website sales are made.

Games such as *Cyberpunk 2077: Phantom Liberty*, *Fallout 4: Game of the Year Edition* (the increased interest in the game was due to the effect of worldwide interest in the series based on the games in the *Fallout* series and the release of additional content, the *Fallout London* mod) and *Baldur's Gate 3* had the greatest impact on sales of goods for resale and materials in the GOG.COM segment in 2024.

Despite the number of releases being lower than in the comparative period of the previous year, GOG made several popular titles available for players to purchase in 2024, such as *S.T.A.L.K.E.R. 2: Heart of Chornobyl*, *Manor Lords* (in early access) and titles of critical importance to GOG's mission: *Resident Evil* series games (*Resident Evil 1*, *Resident Evil 2* and *Resident Evil 3*), as well as *Alpha Protocol*.

**Cost of goods for resale and materials sold** of the GOG.COM segment corresponds to the cost of games sold, and its decrease in the reporting period is mainly due to lower sales of goods for resale and materials of the segment.

Among the expenses shown in the segment, related to the functioning of the GOG.COM platform, the following have the most significant share in the segment's **Selling expenses**:

- the remuneration of the team responsible for operating, development and promotion of the GOG.COM platform;
- transaction costs related to the processing of payments on the GOG.COM platform;
- the costs of the ICT infrastructure related to making sales;
- the costs of the marketing activities concerning the GOG.COM website and the GOG GALAXY application – in the analysed period, these were primarily the costs of a promotion related to the digital distribution of games on the GOG.COM platform;
- the amortization/depreciation expense, including the amortization of completed development projects.

The decrease in **Selling expenses** of the GOG.COM segment in the reporting period was due to, among other things, a decrease in sales and, consequently, a decrease in sales-dependent selling expenses, including, among other things, the costs of processing payments and the costs of delivering digital content to end users.

The main components of the **Administrative expenses** of the GOG.COM segment include remuneration of the administrative teams, fixed remuneration of the Company's Management Board, as well as the costs of the incentive plan and other external services classified in this category. The increase in Administrative expenses in the period under analysis in relation to the comparative period was mainly due to an increase in salaries and wages and non-recurring costs related to the implementation of new systems to support financial processes.

The total balance of **Other operating income** of the GOG.COM segment in 2024 was mostly affected by:

- income from the activation fee associated with the launch of the Amazon Luna service;
- writing off of expired licence liabilities.

The total balance of **Other operating expenses** of the GOG.COM segment in 2024 was mostly affected by costs related to revaluation of the estimated recoverable amount of a portion of prepayments (the so-called minimum guarantees) made to providers of digital content offered on the GOG.COM platform.

In 2024, the GOG.COM segment showed a surplus of **Finance income** over **Finance costs**. Finance income comprises mainly income on forward FX hedging contracts and interest on bank deposits, whereas finance costs include mainly foreign exchange losses.

**Net profit** of the segment in 2024 amounted to PLN 1 134 thousand compared to PLN 10 255 thousand in the comparative period, in which the *Phantom Liberty* expansion to *Cyberpunk 2077* was released.

**Table 5** Net profitability ratio – Alternative Performance Measure

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023
	CD PROJEKT GROUP		CD PROJEKT RED		GOG.COM	
Net profit margin (Net profit / Sales revenues)	47.7%	39.1%	58.5%	45.4%	0.6%	4.4%



The Net profitability ratio presents additional information, indicating what part of Sales revenue remains within the enterprise in the form of a Net profit after covering all the costs and tax charges shown in the Income statement. An increase in the value of this ratio means an increase in the effectiveness of the activities carried out, related to the level of the Sales revenue earned. The ratio used is a standard and commonly used measure in financial analysis, and its usefulness was analysed in terms of the information provided to investors on the effectiveness of the activities of the CD PROJEKT Group and its segments.

The increase in the Group's Net profitability ratio in 2024 compared with the previous year is the result of its improvement in the CD PROJEKT RED segment, which was mainly affected by the high sales of *Cyberpunk 2077* together with the *Phantom Liberty* expansion, with lower post-release costs of finished goods sold and selling expenses.

## INCOME STATEMENT OF CD PROJEKT S.A.

**Table 6** Income statement of CD PROJEKT S.A. (in PLN thousands)

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023*	change	change %
<b>Sales revenue</b>	<b>799 593</b>	<b>1 036 542</b>	<b>-236 949</b>	<b>-22.9%</b>
Sales of products	790 687	1 023 626	-232 939	-22.8%
Sales of services	1 231	413	818	198.1%
Sales of goods for resale and materials	7 675	12 503	-4 828	-38.6%
<b>Cost of sales of products, services, goods for resale and materials</b>	<b>119 738</b>	<b>253 818</b>	<b>-134 080</b>	<b>-52.8%</b>
Costs of products and services sold	111 664	240 201	-128 537	-53.5%
Cost of goods for resale and materials sold	8 074	13 617	-5 543	-40.7%
<b>Gross profit/(loss) on sales</b>	<b>679 855</b>	<b>782 724</b>	<b>-102 869</b>	<b>-13.1%</b>
Selling expenses	96 936	201 124	-104 188	-51.8%
Administrative expenses, including:	227 857	155 812	72 045	46.2%
cost of research projects	79 145	20 002	59 143	295.7%
Other operating income	27 508	52 029	-24 521	-47.1%
Other operating expenses	15 207	19 187	-3 980	-20.7%
(Impairment)/reversal of impairment of financial instruments	-38	7	-45	-
<b>Operating profit/(loss)</b>	<b>367 325</b>	<b>458 637</b>	<b>-91 312</b>	<b>-19.9%</b>
Finance income	76 974	117 621	-40 647	-34.6%
Finance costs	14 129	45 396	-31 267	-68.9%
<b>Profit/(loss) before tax</b>	<b>430 170</b>	<b>530 862</b>	<b>-100 692</b>	<b>-19.0%</b>
Income tax	-40 504	56 157	-96 661	-
<b>Net profit/(loss)</b>	<b>470 674</b>	<b>474 705</b>	<b>-4 031</b>	<b>-0.8%</b>

\*restated data

## DISCUSSION OF THE INCOME STATEMENT OF CD PROJEKT S.A.

CD PROJEKT S.A. is the Parent Company of the CD PROJEKT Group and, at the same time, the largest entity in both the Group and the CD PROJEKT RED segment. Therefore, a commentary on the Income statement of the CD PROJEKT RED segment (excluding the impact of the significantly smaller subsidiaries) corresponds directly to the operations and results of CD PROJEKT S.A.

In 2024, the **Sales revenue** of CD PROJEKT S.A. amounted to PLN 799 593 thousand and was 22.9% lower than the Company's Sales revenue for 2023. The Company's **Net Profit** for 2024 amounted to PLN 470 674 thousand and was 0.8% lower than in the prior year.

In 2024, the value of the Sales revenue and Net profit of CD PROJEKT S.A. accounted for, respectively, 99.7% and 100.4% of the Sales revenue and Net profit disclosed in the Income statement of the CD PROJEKT RED segment discussed above.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE CD PROJEKT GROUP

**Table 7** Consolidated statement of financial position of the CD PROJEKT Group (in PLN thousands)

	31.12.2024	31.12.2023	change	change %
<b>NON-CURRENT ASSETS</b>	<b>1 574 164</b>	<b>1 450 685</b>	<b>123 479</b>	<b>8.5%</b>
Property, plant and equipment	262 978	183 038	79 940	43.7%
Intangible assets	69 305	70 058	-753	-1.1%
Expenditure on development projects	695 421	527 182	168 239	31.9%
Investment properties	31 605	34 245	-2 640	-7.7%
Goodwill	56 438	56 438	0	0.0%
Shares in non-consolidated subordinated entities	39 453	38 095	1 358	3.6%
Prepayments and deferred costs	24 431	41 906	-17 475	-41.7%
Other financial assets	292 137	455 907	-163 770	-35.9%
Deferred tax assets	101 989	43 433	58 556	134.8%
Other receivables	407	383	24	6.3%
<b>CURRENT ASSETS</b>	<b>1 468 260</b>	<b>1 162 815</b>	<b>305 445</b>	<b>26.3%</b>
Inventories	1 802	3 576	-1 774	-49.6%
Trade receivables	167 628	193 520	-25 892	-13.4%
Current income tax receivable	15 211	1 128	14 083	1 248.5%
Other receivables	69 721	57 741	11 980	20.7%
Prepayments and deferred costs	25 868	27 872	-2 004	-7.2%
Other financial assets	540 620	362 719	177 901	49.0%
Bank deposits over 3 months	522 524	338 205	184 319	54.5%
Cash and cash equivalents	124 886	178 054	-53 168	-29.9%
<b>TOTAL ASSETS</b>	<b>3 042 424</b>	<b>2 613 500</b>	<b>428 924</b>	<b>16.4%</b>

\* restated data

	31.12.2024	31.12.2023	change	change %
<b>EQUITY</b>	<b>2 800 667</b>	<b>2 403 223</b>	<b>397 444</b>	<b>16.5%</b>
Share capital	99 911	99 911	0	0.0%
Supplementary capital	2 069 034	1 714 604	354 430	20.7%
Share premium	116 700	116 700	0	0.0%
Other reserves	49 017	23 169	25 848	111.6%
Foreign exchange differences on translation	431	-1 202	1 633	-
Retained earnings / (Accumulated losses)	-4 300	-31 064	26 764	-86.2%
Net profit (loss) for the period	469 874	481 105	-11 231	-2.3%
<b>NON-CURRENT LIABILITIES</b>	<b>22 574</b>	<b>38 774</b>	<b>-16 200</b>	<b>-41.8%</b>
Other financial liabilities	17 706	20 038	-2 332	-11.6%
Other liabilities	2 274	2 494	-220	-8.8%
Deferred tax provisions	67	-	67	-
Deferred income	1 665	2 315	-650	-28.1%
Provision for retirement and similar benefits	862	518	344	66.4%
Other provisions	-	13 409	-13 409	-100.0%
<b>CURRENT LIABILITIES</b>	<b>219 183</b>	<b>171 503</b>	<b>47 680</b>	<b>27.8%</b>
Other financial liabilities	12 408	6 884	5 524	80.2%
Trade payables	74 733	58 835	15 898	27.0%
Current income tax liabilities	782	462	320	69.3%
Other liabilities	12 924	15 201	-2 277	-15.0%
Deferred income	15 175	13 170	2 005	15.2%
Provision for retirement and similar benefits	8 740	6 743	1 997	29.6%
Other provisions	94 421	70 208	24 213	34.5%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3 042 424</b>	<b>2 613 500</b>	<b>428 924</b>	<b>16.4%</b>

\* restated data

## DISCUSSION OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE CD PROJEKT GROUP

### Assets

**Expenditure on development projects**, in which the Group recognizes expenditure on the development of new products and technologies, incurred and deferred, had the largest share in the value of the Group's **Non-current assets** as at the end of 2024. The increase in the balance of this expenditure over 2024 is the result of the production expenditure incurred by the CD PROJEKT RED segment (mainly *The Witcher 4* (Polaris), Sirius and Orion), which together reached a value higher than the amortization of completed productions.



The balance of **Property, plant and equipment** primarily consists of:

- the value of the real estate complex at ul. Jagiellońska 74 and 76, the recognized part thereof being the part to be used by CD PROJEKT S.A. for its own purposes;
- expenditure on construction work on the CD PROJEKT campus in Warsaw (Assets under construction) which contributed to an increase in the balance of the item compared with 31 December 2023;
- plant and machinery, where the Group recognizes, among other things, computers, servers and other electronic devices used in its activities;
- assets in respect of the right-of-use of leased office space (with the corresponding value of Other financial liabilities in respect of concluded contracts on the lease of space being recognized on the Equity and liabilities side at the same time).

The most significant items recognized in **Intangible assets** are mainly the value of the CD PROJEKT corporate brand and *The Witcher* trademark, as well as the value of the copyrights and computer software held by the Group.

**Goodwill** is another material component of the Non-current assets of the CD PROJEKT Group and is composed of amounts resulting from accounting for the merger of the parent company with the CDP Investment Group on 30 April 2010 and accounting for the acquisition of a development studio located in Wrocław by CD PROJEKT S.A. from Strange New Things sp. z o.o. sp. k. on 18 May 2018. The Goodwill reported did not change over the discussed period.

The balance of **Investment properties** consists of the values of the properties at ul. Jagiellońska 74 and ul. Jagiellońska 76, the parts thereof classified as earmarked for lease. The decrease in this balance is mainly due to the amortization charge recorded for the period in question.

The value of **Shares in non-consolidated subordinated entities** as at the end of 2024 comprises shares in The Molasses Flood LLC, Boston, CD PROJEKT RED Canada Ltd. and CD PROJEKT SILVER Inc.

Current and non-current **Other financial assets** as at the end of 2024 comprise:

- the value of domestic and foreign Treasury bonds (or bonds secured with guarantees of foreign governments) purchased by CD PROJEKT S.A. as part of the diversification of credit risk, including the measurement of derivative financial instruments hedging the value of bonds in foreign currencies;
- the value of investments in private equity funds operating in the gaming sector;
- the value of loans granted to non-consolidated related parties.

The increase in **Deferred tax** asset during 2024 is mainly the result of an increase in the value of recognized eligible research and development costs and an adjustment to the tax results for previous years following CD PROJEKT S.A.'s receipt of favourable decisions of the Supreme Administrative Court and an individual interpretation regarding the research and development relief.

The value of **Inventories** as at the end of 2024 consists mainly of ready-made physical sets and elements of physical sets of the editions of games of own production intended for external distributors. The decrease in Inventories is due to the ongoing delivery of orders.

The consolidated balance of **Trade receivables** as at 31 December 2024 comprised mainly receivables resulting from licence reports received after the balance sheet date, relating to sales in the periods of the last quarter of the year in the CD PROJEKT RED segment. The decrease in the balance relative to the end of 2023 is a direct result of lower segment sales at CD PROJEKT RED compared with the previous year in the last quarter of the year which, in 2023, was the first post-release quarter of the sales of the *Phantom Liberty* expansion to *Cyberpunk 2077*.

The balance of the Group's **Other receivables** as at the end of 2024 comprised mainly receivables in respect of the withholding tax deducted by foreign recipients of the licences granted by the CD PROJEKT RED segment, VAT settlements and advances to suppliers.

The consolidated value of the current and non-current **Prepayments and deferred costs** recognized as at the end of the analysed period was mainly affected by the amount of the so-called minimum guarantees, i.e. advances and prepayments made by GOG.COM to its suppliers towards fees for the distribution of games offered on the GOG.COM platform, not recognized in the income statement by the balance sheet date. The decrease in the balance in question is primarily due to the implementation of a successful project to maximise the use of previously contracted minimum guarantees, together with a better match between the new minimum guarantees and the expected commercial potential of the titles to be added to the platform's offer. In addition, a smaller part of the decrease is also due to the write-down of minimum guarantees assets.

The total value of financial reserves in the form of **Cash and cash equivalents, Bank deposits over 3 months** and liquid financial assets in the form of purchased Treasury bonds (recognized in total in current and non-current Other financial assets) held by the Group as at 31 December 2024 amounted to PLN 1 472 034 thousand, i.e. PLN 162 576 thousand more than the balance as at the end of the prior year.

As at the end of 2024, Non-current assets accounted for 51.7% and Current assets for 48.3% of the Total assets of the CD PROJEKT Group.

### Equity and liabilities

An increase in the CD PROJEKT Group's **Equity** during 2024 was mainly due to the net profit earned and the settlement of costs of the incentive plans in an amount exceeding a decrease in equity resulting from the payment of dividend for 2023.

In current and non-current **Other financial liabilities** as at the end of 2024, the Group recognizes liabilities in respect of the perpetual usufruct of land at the Jagiellońska 74 and Jagiellońska 76 complexes in Warsaw and the valuation of derivative financial instruments hedging foreign exchange risk related to bonds denominated in foreign currencies.

The increase in the Group's **Trade payables** as at the end of 2024 is mainly due to trade payables of the CD PROJEKT RED segment relating to the services provided to this segment.

The value of the Group's **Other liabilities** as at 31 December 2024 comprised mainly current tax liabilities (VAT, PIT) and social insurance payables.

In **Deferred income** (current and non-current) as at the end of 2024, the Group's segments recognized mainly:

- CD PROJEKT RED – the so-called minimum guarantees, i.e. advances towards royalties related to sales in future periods, received or receivable from publishers and distribution partners;
- GOG.COM – deferred income settlements with the Company's customers (including the Store credit and Wallet granted);
- CD PROJEKT RED – deferred income concerning subsidies;
- GOG.COM – the value of pre-orders for games with a release date in future periods, placed by customers.

The balance of the current and non-current **Provision for retirement and similar benefits** includes mainly a holiday pay provision in the CD PROJEKT RED segment.

The increase in short-term **Other provisions** of the CD PROJEKT Group is the result of the reclassification of the balance of the provision for other costs from long-term and the increase in CD PROJEKT RED's balance of the provisions for performance-based remuneration and costs.

As at the end of 2024, Equity represented 92.1% of the Equity and liabilities of the CD PROJEKT Group, whereas Current and non-current liabilities represented 7.9% thereof.

The consolidated statement of financial position by business segment of the Group is contained in the *Consolidated financial statement of the CD PROJEKT Group for 2024*.

### **DESCRIPTION OF THE STRUCTURE OF ASSETS AND EQUITY & LIABILITIES OF THE CONSOLIDATED BALANCE SHEET, INCLUDING FROM THE PERSPECTIVE OF LIQUIDITY**

As at the end of 2024, the CD PROJEKT Group had assets with a carrying value of PLN 3 042 424 thousand. Within these assets, liquid financial reserves maintained in bank accounts in the form of bank deposits and Treasury bonds (foreign and domestic) amounted to PLN 1 472 034 thousand and represented 48.4% of total assets. Assets with limited liquidity (Property, plant and equipment, Expenditure on development projects, Investment properties and Shares in non-consolidated subordinated entities) totalling PLN 1 029 457 thousand represented 33.8% of total assets. As at 31 December 2024, the total of Trade receivables, Other current receivables and Inventories amounted to PLN 239 151 thousand, whereas the total value of current and non-current liabilities amounted to PLN 241 764 thousand. As at the end of 2024, the Group did not have any external liabilities in respect of loans or borrowings. The accumulated cash and cash equivalents, deposits and Treasury bonds ensure the Group's high liquidity and may be used to secure the financing of the Group's further development, including the financing of the development of future products and technologies, promotional support for scheduled premières, securing future investment opportunities and ensuring provisions for possible unplanned situations or emerging opportunities.

### **EVALUATION CONCERNING THE MANAGEMENT OF FINANCIAL RESOURCES**

In 2024, the Group managed its financial resources by striving to balance the security of resources, their availability and the highest possible efficiency in their use. Own funds were the main source of financing for the operations. As at the end of 2024, the Group did not have any external liabilities in respect of loans or borrowings.

The purpose of maintaining financial reserves in the form of cash and cash equivalents, deposits and bonds is to secure the financing of the Group's ongoing development, including, in particular, the financing of the implementation of the current strategy involving the parallel implementation of a number of multi-year research and development projects, independent publishing activities, the development of activities related to the Company's brands in new areas, and to secure reserves for possible unplanned situations or emerging opportunities.

## STATEMENT OF FINANCIAL POSITION OF CD PROJEKT S.A.

**Table 8** Statement of financial position of CD PROJEKT S.A. (in PLN thousands)

	31.12.2024	31.12.2023	change	change %
<b>NON-CURRENT ASSETS</b>	<b>1 558 149</b>	<b>1 416 032</b>	<b>142 117</b>	<b>10.0%</b>
Property, plant and equipment	258 426	179 132	79 294	44.3%
Intangible assets	66 712	68 867	-2 155	-3.1%
Expenditure on development projects	692 726	524 472	168 254	32.1%
Investment properties	31 606	34 245	-2 639	-7.7%
Goodwill	49 168	49 168	0	0.0%
Investments in subordinated entities	63 473	57 229	6 244	10.9%
Prepayments and deferred costs	3 770	4 913	-1 143	-23.3%
Other financial assets	292 137	455 907	-163 770	-35.9%
Deferred tax assets	99 731	41 723	58 008	139.0%
Other receivables	400	376	24	6.4%
<b>CURRENT ASSETS</b>	<b>1 395 792</b>	<b>1 101 889</b>	<b>293 903</b>	<b>26.7%</b>
Inventories	1 802	3 576	-1 774	-49.6%
Trade receivables	167 893	204 658	-36 765	-18.0%
Current income tax receivable	15 170	1 069	14 101	1 319.1%
Other receivables	72 435	52 031	20 404	39.2%
Prepayments and deferred costs	10 614	10 148	466	4.6%
Other financial assets	540 486	362 719	177 767	49.0%
Bank deposits over 3 months	522 524	338 205	184 319	54.5%
Cash and cash equivalents	64 868	129 483	-64 615	-49.9%
<b>TOTAL ASSETS</b>	<b>2 953 941</b>	<b>2 517 921</b>	<b>436 020</b>	<b>17.3%</b>



	31.12.2024	31.12.2023	change	change %
<b>EQUITY</b>	<b>2 763 464</b>	<b>2 366 855</b>	<b>396 609</b>	<b>16.8%</b>
Share capital	99 911	99 911	0	0.0%
Supplementary capital	2 025 642	1 681 466	344 176	20.5%
Share premium	116 700	116 700	0	0.0%
Other reserves	50 537	24 691	25 846	104.7%
Retained earnings/(Accumulated losses)	-	-30 618	30 618	-100.0%
Net profit (loss) for the period	470 674	474 705	-4 031	-0.8%
<b>NON-CURRENT LIABILITIES</b>	<b>21 506</b>	<b>37 094</b>	<b>-15 588</b>	<b>-42.0%</b>
Other financial liabilities	16 740	18 379	-1 639	-8.9%
Other liabilities	2 274	2 494	-220	-8.8%
Deferred income	1 665	2 315	-650	-28.1%
Provision for retirement and similar benefits	827	497	330	66.4%
Other provisions	-	13 409	-13 409	-100.0%
<b>CURRENT LIABILITIES</b>	<b>168 971</b>	<b>113 972</b>	<b>54 999</b>	<b>48.3%</b>
Other financial liabilities	11 608	2 579	9 029	350.1%
Trade payables	39 780	26 400	13 380	50.7%
Other liabilities	5 807	7 099	-1 292	-18.2%
Deferred income	8 740	6 887	1 853	26.9%
Provision for retirement and similar benefits	6 914	6 414	500	7.8%
Other provisions	96 122	64 593	31 529	48.8%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 953 941</b>	<b>2 517 921</b>	<b>436 020</b>	<b>17.3%</b>

## DISCUSSION OF THE STATEMENT OF FINANCIAL POSITION OF CD PROJEKT S.A.

CD PROJEKT S.A. is the Parent Company of the CD PROJEKT Group and, at the same time, the largest entity in both the Group and the CD PROJEKT RED segment. Therefore, a commentary on the statement of financial position of the Group, excluding information relating to the GOG.COM segment and the impact of the statement of financial position of the subsidiaries, covers the operations and results of CD PROJEKT S.A. to a large extent.

As at the end of 2024, the total assets of CD PROJEKT S.A. amounted to PLN 2 953 941 thousand and were PLN 88 483 thousand lower than the total assets of the CD PROJEKT Group, representing 97.1% of the Group's total assets.

The largest differences between the consolidated statement of financial position of the CD PROJEKT Group and the separate statement of financial position of CD PROJEKT S.A. relate to the following items:

- Investments in subordinated entities – CD PROJEKT S.A., as the owner of the other Group companies on a stand-alone basis, discloses the value of investments in subordinated entities which amounted to PLN 63 473 thousand as at the end of 2024 and is eliminated at the Group consolidation level or is presented in Shares in non-consolidated subordinated entities;

- Other items of Assets and Liabilities – on a stand-alone basis, they do not take into account the values resulting from the consolidation of the financial statements of other Group companies, including, in particular, with regard to the items indicated, amounts attributable to the subsidiary GOG sp. z o.o. whose total assets represent 3.6% of the total assets of the CD PROJEKT Group.

## CONSOLIDATED STATEMENT OF CASH FLOWS OF THE CD PROJEKT GROUP

**Table 9** Consolidated statement of cash flows of the CD PROJEKT Group (in PLN thousands)

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023
<b>OPERATING ACTIVITIES</b>		
<b>Net profit/(loss)</b>	<b>469 874</b>	<b>481 105</b>
<b>Total adjustments:</b>	<b>109 912</b>	<b>89 787</b>
Depreciation and amortization of property, plant and equipment, intangible assets, expenditure on development projects and investment properties	14 289	13 970
Amortization of development projects recognized as cost of goods sold	105 478	231 112
Foreign exchange (gains)/losses	(16 125)	28 089
Interest and shares in profits	(63 631)	(47 182)
(Gains)/Losses on investing activities	18 665	(84 938)
Increase/(Decrease) in provisions	(3 611)	7 392
(Increase)/Decrease in inventories	1 774	9 125
(Increase)/Decrease in receivables	6 277	(60 033)
Increase/(Decrease) in liabilities, excluding loans and borrowings	(334)	(4 974)
Change in other assets and liabilities	20 593	(26 668)
Other adjustments	26 537	23 894
<b>Cash from operating activities</b>	<b>579 786</b>	<b>570 892</b>
Income tax expense	(53 573)	25 988
Withholding tax paid abroad	13 783	31 399
Income tax (paid)/refunded	(18 699)	(17 398)
<b>Net cash from operating activities</b>	<b>521 297</b>	<b>610 881</b>
<b>INVESTING ACTIVITIES</b>		
<b>Inflows</b>	<b>948 495</b>	<b>696 457</b>
Sale of intangible assets and property, plant and equipment	199	645
Repayment of loans granted	617	1 662
Expiry of bank deposits over 3 months	679 497	530 600
Redemption of bonds	204 887	95 135
Interest on bonds	18 047	13 116

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023
Interest received on deposits	27 033	28 090
Inflows from execution of forward contracts	17 968	27 081
Other inflows from investing activities	247	128
<b>Outflows</b>	<b>1 419 042</b>	<b>1 303 802</b>
Acquisition of intangible assets and property, plant and equipment	97 923	57 187
Expenditure on development projects	249 311	272 655
Expenditure on intangible assets	224	973
Acquisition of investment properties and capitalization of expenditure	22	122
Loans granted	-	4 215
Purchase of shares in subsidiaries	3 161	8 013
Placement of bank deposits over 3 months	860 492	531 475
Purchase of private equity interests in the gaming sector	1 298	1 467
Purchase of bonds and cost of their purchase	206 611	427 695
<b>Net cash from investing activities</b>	<b>(470 547)</b>	<b>(607 345)</b>

#### FINANCING ACTIVITIES

<b>Inflows</b>	<b>23</b>	<b>32</b>
Settlement of lease receivables	19	31
Interest received	4	1
<b>Outflows</b>	<b>103 941</b>	<b>103 341</b>
Dividends and other distributions to shareholders	99 911	99 911
Payment of lease liabilities	3 255	2 622
Interest paid	775	808
<b>Net cash used in financing activities</b>	<b>(103 918)</b>	<b>(103 309)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(53 168)</b>	<b>(99 773)</b>
<b>Change in cash and cash equivalents in the balance sheet</b>	<b>(53 168)</b>	<b>(99 773)</b>
<b>Cash and cash equivalents as at the beginning of the period</b>	<b>178 054</b>	<b>277 827</b>
<b>Cash and cash equivalents as at the end of the period</b>	<b>124 886</b>	<b>178 054</b>

## DISCUSSION OF THE CONSOLIDATED STATEMENT OF CASH FLOWS OF THE CD PROJEKT GROUP

Under **Operating activities** in 2024, the CD PROJEKT Group showed net cash inflows of PLN 521 297 thousand, i.e. PLN 89 584 thousand lower than in 2023.

The consolidated net profit was adjusted for:

- I. Non-cash items (a total increase):
  - **Depreciation/Amortization** – mainly of Property, plant and equipment and Intangible assets;
  - **Amortization of development projects**, recognized as the cost of sales, corresponding primarily to the amortization of expenditure on the development projects related to *Cyberpunk 2077* together with the *Phantom Liberty* expansion and *The Witcher 3* edition for new generation consoles, Xbox Series XIS and PlayStation 5;
  - **Foreign exchange (gains)/losses**, a decrease resulting mainly from the measurement of foreign Treasury bonds and foreign currency bank deposits;
  - **(Gain)/loss on investing activities**, an increase resulting mainly from the settlement and valuation of derivative financial instruments, the revaluation of buildings and land in the real estate complex at ul. Jagiellońska 74 and 76 in Warsaw and transactions in Treasury bonds;
  - **Increase/(decrease) in provisions** (a decrease);
  - **Other adjustments**, an increase resulting mainly from the elimination of the accounting for costs of the incentive plan and adjustments to amortization/depreciation recognized in the cost of sales and in operating expenses;
- II. Items related to changes in current assets and current liabilities (a total increase):
  - **(Increase)/decrease in inventories**, an increase in the balance of cash flows as a result of a drop in inventories;
  - **(Increase)/decrease in receivables**, an increase in the balance of cash flows mainly as a result of an increase in the balance of advances for development projects in the CD PROJEKT RED segment;
  - **Increase/(decrease) in liabilities, excluding financial liabilities**, a decrease;
  - **Change in other assets and liabilities**, an increase in the balance of cash flows resulting mainly from a decrease in the so-called minimum guarantees contracted by GOG.COM during the reporting period;
- III. Item recognized in other sections of the statement of cash flows – **Interest and shares in profits**, resulting in a decrease in the cash flows shown under operating activities;
- IV. The difference between the corporate income tax recognized in the income statement and the tax actually paid during 2024, taking into account settlements related to withholding tax (a decrease).

The negative balance of **Net cash inflows from investing activities** during the year 2024 under analysis was mainly due to investments made in **Expenditure on development projects**, primarily related to game production within the CD PROJEKT RED segment (including mainly *The Witcher 4*, *Sirius* and *Orion* projects), transactions related to the management of cash reserves (transactions in bank deposits and bonds) and, in addition, outflows due to **Acquisition of intangible assets and property, plant and equipment**.

The negative balance of **Net cash from investing activities** of the CD PROJEKT Group in 2024 was mainly due to the payment of dividend.

In total, in 2024, the CD PROJEKT Group generated **Net cash outflows** of PLN 53 168 thousand. At the same time, the total balance of financial reserves which comprise Cash and cash equivalents, Bank deposits over 3 months and Treasury bonds purchased went up by PLN 162 576 thousand. In the same period, the Group paid a dividend of PLN 99 911 thousand and invested PLN 249 311 in the development of new products and related technologies.



## STATEMENT OF CASH FLOWS OF CD PROJEKT S.A.

**Table 10** Statement of cash flows of CD PROJEKT S.A. (in PLN thousands)

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023
<b>OPERATING ACTIVITIES</b>		
<b>Net profit/(loss)</b>	<b>470 674</b>	<b>474 705</b>
<b>Total adjustments:</b>	<b>94 212</b>	<b>86 120</b>
Depreciation and amortization of property, plant and equipment, intangible assets, expenditure on development projects and investment properties	12 148	12 340
Amortization of development projects recognized as cost of goods sold	105 486	231 122
Foreign exchange (gains)/losses	(16 204)	28 089
Interest and shares in profits	(62 169)	(46 396)
(Gains)/Losses on investing activities	18 680	(87 855)
Increase/(Decrease) in provisions	2 195	6 604
(Increase)/Decrease in inventories	1 774	6 310
(Increase)/Decrease in receivables	8 722	(67 984)
Increase/(Decrease) in liabilities, excluding loans and borrowings	(1 652)	(7 337)
Change in other assets and liabilities	1 640	(13 294)
Other adjustments	23 592	24 521
<b>Cash from operating activities</b>	<b>564 886</b>	<b>560 825</b>
Income tax expense	(54 279)	24 788
Withholding tax paid abroad	13 775	31 369
Income tax (paid)/refunded	(17 829)	(18 355)
<b>Net cash from operating activities</b>	<b>506 553</b>	<b>598 627</b>
<b>INVESTING ACTIVITIES</b>		
<b>Inflows</b>	<b>946 944</b>	<b>695 146</b>
Sale of intangible assets and property, plant and equipment	181	152
Repayment of loans granted	617	1 662
Expiry of bank deposits over 3 months	679 497	530 600
Redemption of bonds	204 887	95 135
Interest on bonds	18 047	13 116
Interest received on deposits	25 500	27 272
Inflows from execution of forward contracts	17 968	27 081
Other inflows from investing activities	247	128
<b>Outflows</b>	<b>1 414 963</b>	<b>1 298 614</b>

	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023
Acquisition of intangible assets and property, plant and equipment	94 444	53 348
Expenditure on development projects	248 679	271 175
Expenditure on intangible assets	224	973
Acquisition of investment properties and capitalization of expenditure	22	122
Loans granted	-	4 215
Purchase of shares in a subsidiary	-	440
Contribution to the capital of a subsidiary	3 193	7 704
Placement of bank deposits over 3 months	860 492	531 475
Purchase of private equity interests in the gaming sector	1 298	1 467
Purchase of bonds and cost of their purchase	206 611	427 695
<b>Net cash from investing activities</b>	<b>(468 019)</b>	<b>(603 468)</b>

#### FINANCING ACTIVITIES

<b>Inflows</b>	<b>23</b>	<b>32</b>
Settlement of lease receivables	19	31
Interest received	4	1
<b>Outflows</b>	<b>103 172</b>	<b>102 781</b>
Dividends and other distributions to shareholders	99 911	99 911
Payment of lease liabilities	2 557	2 094
Interest paid	704	776
<b>Net cash from financing activities</b>	<b>(103 149)</b>	<b>(102 749)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(64 615)</b>	<b>(107 590)</b>
<b>Change in cash and cash equivalents in the balance sheet</b>	<b>(64 615)</b>	<b>(107 590)</b>
<b>Cash and cash equivalents as at the beginning of the period</b>	<b>129 483</b>	<b>237 073</b>
<b>Cash and cash equivalents as at the end of the period</b>	<b>64 868</b>	<b>129 483</b>

#### DISCUSSION OF THE STATEMENT OF CASH FLOWS OF CD PROJEKT S.A.

CD PROJEKT S.A. is the Parent Company of the CD PROJEKT Group and, at the same time, the largest entity in both the Group and the CD PROJEKT RED segment, which accounts for 81.2% of the Group's sales and controls, as at the end of 2024, 95.9% of the Group's cash and cash equivalents, deposits and investments in Treasury bonds, and has the largest impact on the cash flows of the CD PROJEKT Group, as part of its operating, investing and financing activities. Therefore, a commentary on the statement of cash flows of the Group, excluding information relating directly to the GOG.COM segment and the immaterial impact of smaller subsidiaries, covers, in principle, the operations and results of CD PROJEKT S.A.

## DISCUSSION OF THE FEASIBILITY OF INVESTMENT PLANS

As at 31 December 2024, the Group had no liabilities in respect of loans and borrowings and held its own cash, deposits and Treasury bonds and bonds guaranteed by governments totalling PLN 1 472 034 thousand. As at the end of 2024, the Group's trade receivables amounted to PLN 167 628 thousand and its current liabilities amounted to PLN 219 183 thousand. The planned sources of funding for future investment plans include accumulated own funds and future net cash inflows from operating activities. As at the date of preparation of this report, the Group does not anticipate any problems in securing funds for the implementation of its investment plans in the foreseeable future.

## DIVIDENDS

In the period under discussion, the Company did not have a formalized dividend policy.

In accordance with the Management Board's recommendation and the Supervisory Board's positive opinion regarding its proposal, the Company's Annual General Meeting decided to allocate the amount of PLN 99 910 510.00 from the profit generated in 2023 to dividends (PLN 1 per 1 share of the Company participating in the dividend). The Company paid the dividend on 27 June 2024.

After the end of the analysed period, on 15 January 2025, the Management Board passed a resolution on adopting the Dividend Policy of CD PROJEKT S.A. which will apply to the dividend for the financial year 2025 and subsequent years. It is the intention of the Management Board to recommend to the General Meeting in the coming years dividend payments of at least 25% of the Company's net profit on an average annual basis, subject to the possibility of delaying dividend payments. More information on the adopted Policy, including its full text, is available on the [Company's website](#).

## INFORMATION ON LOANS AND BORROWINGS IN 2024

In 2024, the CD PROJEKT Group had no external debt in respect of loans and borrowings and, therefore, no agreements in this respect were incurred or terminated.

## INFORMATION ON LOANS GRANTED IN 2024

In 2024, none of the CD PROJEKT Group companies granted any loans to entities from outside the Group and no new loans were granted within the Group. In 2024, The Molasses Flood LLC used financing through a loan from CD PROJEKT S.A., which was granted in the amount of USD 1 150 thousand under the loan agreement dated 16 September 2022 and was provided to the company in tranches between 2022 and 2023. The Company began repaying the loan in 2023. As at 31 December 2024, the outstanding amount of the loan was USD 659 thousand. The loan is repayable by 31 August 2027. The interest rate on the loan granted is determined on the basis of a variable rate, namely the 90-day Average SOFR, updated quarterly, plus a margin updated annually (in 2024, the margin was 2.2 p.p.).

## INFORMATION ON SURETIES AND GUARANTEES GRANTED IN 2024 AND OTHER MATERIAL OFF-BALANCE-SHEET ITEMS

In 2024, CD PROJEKT S.A. submitted a promissory note to the National Centre for Research and Development (NCBiR) as a performance bond under the grant agreement for the project entitled 'Cinematic Experience - an innovative set of tools that automates the process of creating non-linear missions, scenes and animations for open worlds in AAA games'. The NCBiR has the right to fill in the promissory note in the event of breach or termination of the contract, up to the amount of the funds transferred, plus interest and recovery costs. The security is valid for the entire duration of the project and 5 years after its completion.

More information on sureties and guarantees and other material off-balance-sheet items is presented in the *Consolidated financial statement of the CD PROJEKT Group for 2024*.

## **INFORMATION ON THE CURRENT ECONOMIC AND FINANCIAL POSITION OF THE GROUP**

For years, the Group has been conducting profitable operations which generate net cash inflows from operating activities. The work completed in the previous years, culminating in the Group's biggest ever release of *Cyberpunk 2077*, to which the expansion *Phantom Liberty* was released in the comparative period, took the Company and the Group to a new business and economic level.

The Consolidated Net profit generated in the reporting period was mainly related to the continued sales of products launched in the previous years. At the same time, the Group worked intensively on new projects in the reporting period, as part of its ongoing research and development projects which (together with successive releases) should drive revenues in the following years. Positive current financial results and a stable financial position have enabled the Company to pay dividends for another year in a row - PLN 99 911 thousand in 2024. As at the balance sheet date, the Group has PLN 1 472 034 thousand worth of financial reserves accumulated to finance its operations and investment projects, including research and development projects and future marketing campaigns accompanying the launch of new releases.

## **INFORMATION ON THE ANTICIPATED ECONOMIC AND FINANCIAL POSITION OF THE GROUP**

In line with the CD PROJEKT Group's strategy update announced on 4 October 2022, focusing on the long-term development of key projects, the Group's activities in the coming years will be based on existing and new productions under the brands: *The Witcher*, *Cyberpunk* and a third franchise, with a video game codenamed Hadar planned for the future. The performance of research and development work associated with subsequent projects will require ongoing funding and commitment from the team. At the same time, there are plans to continue actively the sales of CD PROJEKT RED's productions already released, which - based on historical data - are characterised by a multi-year life cycle. The sales of the games already released will be supported by new product launches and franchise flywheel events.

As at the date of preparation of this report, the Management Board believes that the Group's financial and economic position is stable and does not anticipate any threats to liquidity or restrictions to the Group's solvency in the period of 12 months after the balance sheet date.

## **TRANSACTIONS WITH RELATED ENTITIES**

Transactions between related entities are concluded on an arm's length basis as part of the normal business activities carried out by the CD PROJEKT Group entities. Detailed information on transactions with related entities and the terms and conditions of transactions between related entities is provided in the *Separate financial statement of CD PROJEKT S.A. for 2024* and in the *Consolidated financial statement of the CD PROJEKT Group for 2024*.

Within the activities of the CD PROJEKT Group in 2024, there were mainly the following types of transactions between related entities:

- sale of licences between CD PROJEKT S.A., The Molasses Flood LLC and GOG sp. z o.o. as part of the activities carried out by the individual entities;
- sale relating to research and development projects involving the creation of games and technologies by CD PROJEKT RED Inc., The Molasses Flood LLC and CD PROJEKT RED Canada Ltd. (formerly CD PROJEKT RED Vancouver Studio Ltd.) for CD PROJEKT S.A.;
- provision of services such as legal, tax, IT (including security and operations), marketing, administrative and management services provided by CD PROJEKT S.A. to its subsidiaries;



- provision of financial, HR and IT services between CD PROJEKT RED Inc., The Molasses Flood LLC and CD PROJEKT RED Canada Ltd. (formerly CD PROJEKT RED Vancouver Studio Ltd.);
- lease of office space by CD PROJEKT S.A. to GOG sp. z o.o. and sublease of office space between The Molasses Flood LLC and CD PROJEKT RED Inc.;
- sale of CD PROJEKT RED Inc.'s services to CD PROJEKT S.A., related to the coordination of publishing and promotional activities in North America;
- a loan granted to The Molasses Flood LLC by CD PROJEKT S.A.;
- other transactions arising from current operating activities, e.g. costs of employee relocation or re-invoicing of jointly incurred costs.

## **DESCRIPTION OF THE MAIN DOMESTIC AND FOREIGN INVESTMENTS AND THE STRUCTURE OF THE MAIN CAPITAL INVESTMENTS**

As at the end of 2024, the material items of the Group's Assets comprised Cash and cash equivalents (PLN 124 886 thousand), Bank deposits with a maturity date of more than 3 months (PLN 522 524 thousand), domestic Treasury bonds (PLN 585 521 thousand) and foreign Treasury bonds (PLN 239 103 thousand) issued or guaranteed by foreign governments. Surplus cash is invested both domestically and abroad, in deposits with banks cooperating with the Group or in low-risk financial instruments (respecting the principle of diversification of deposits placed and investments made). As of 31 December 2024, Cash and cash equivalents, deposits and bonds amounted to PLN 1 472 034 thousand.

The business activities of the Group, and CD PROJEKT S.A. in particular, are directly related to the production and release of video games. The ongoing production of new projects is, at the same time, the main focus of the investments of the Group and the parent company. Expenditure incurred on new development projects is presented within Non-current assets under Expenditure on development projects. The balance of expenditure incurred as at the end of 2024 amounted to PLN 695 421 thousand and increased by PLN 168 240 thousand compared with the end of 2023. CD PROJEKT RED's intention is to further increase the production capacity, number and scale of its projects in line with the updated strategy announced in October 2022.

In connection with the acquisition of the properties at ul. Jagiellońska 74 and 76 in Warsaw in 2018 and 2019, the Group began the process of revitalising the CD PROJEKT campus by adapting it to the needs and specific nature of its business. In 2023, the construction of a car park was completed, and the construction of a new office building began. The Group intends to continue this process in the coming years.

A detailed description of the individual items making up the Group's Non-current assets is included in the commentary on the Consolidated statement of financial position of the Group in this report.

As at the end of 2024, the CD PROJEKT Group had the following wholly owned subsidiaries of CD PROJEKT S.A. operating abroad:

- CD PROJEKT RED Inc. (Boston, Waltham, USA);
- CD PROJEKT RED Canada Ltd. (Vancouver, Canada - formerly CD PROJEKT RED Vancouver Studio Ltd.).

Moreover, CD PROJEKT RED Inc. holds 100% of the shares in CD PROJEKT SILVER Inc. (Los Angeles, USA) and 82% of the shares in The Molasses Flood LLC (Boston, Waltham, USA).

As at the end of 2024, GOG sp. z o.o. was the Company's only domestic subsidiary in the CD PROJEKT Group (100% of the shares).

Total investments in domestic and foreign subordinated entities disclosed in the separate financial statements of CD PROJEKT S.A. - the Group's holding company - amounted to PLN 63 473 thousand as at the end of 2024.

In 2024, the CD PROJEKT Group financed its current operations and investment projects with its own funds.

## **EXPLANATION OF THE DIFFERENCES BETWEEN THE FINANCIAL RESULTS REPORTED FOR 2024 AND THE PREVIOUSLY PUBLISHED FORECASTS FOR A GIVEN YEAR**

The CD PROJEKT Group has not published any financial forecasts for 2024, therefore, no explanations are given for the differences between the financial results shown in the report.

## **DESCRIPTION OF THE UTILIZATION OF ISSUE PROCEEDS BY THE COMPANY BY THE DATE OF PREPARATION OF THE REPORT**

In the period from 1 January to 31 December 2024 and by the date of preparation of this report, the Company did not issue any securities.





**STATEMENT REGARDING THE IMPLEMENTATION  
OF CORPORATE GOVERNANCE POLICIES**



## Statement regarding the implementation of corporate governance policies

### STATEMENT

The statement on the application of corporate governance policies at the CD PROJEKT Group and CD PROJEKT S.A. in 2024 constitutes a distinct part of the Management Board report on the activities of the CD PROJEKT Group and CD PROJEKT S.A., pursuant to § 70 section 6 item 5 of the Finance Minister's regulation of 29 March 2018 concerning current and periodic information to be published by issuers of securities, and the conditions for considering as equivalent the information required by the laws of a non-member state (JL 2018, item 757).

### APPLICABLE CORPORATE GOVERNANCE POLICIES

In 2024 CD PROJEKT S.A. was subjected to corporate governance policies set forth in the 2021 Code of Best Practice for WSE Listed Companies (annexed to Stock Exchange Council resolution of 13/1834/2021 of 29 March 2021) (hereinafter referred to as "Best Practices").

The Best Practices can be accessed on the Warsaw Stock Exchange website at <https://www.gpw.pl/best-practice2021>.

As of the preparation date of this statement, our COMPLY ratio stands at 86%. Information regarding application of Best Practices is available on our website under the [Corporate Governance tab](#). Our statement regarding application of Best Practices provides explanations in the context of policies we apply, as well as those which we do not apply.

#### Scheme 3 COMPLY ratio of the company



With regard to the status of implementation of Best Practices, we currently do not apply nine of these policies – numbered 2.1, 2.2 and 2.11.6 ("Management Board and Supervisory Board" section), as well as 3.1, 3.3, 3.4, 3.6, 3.7 and 3.10 ("Internal systems and functions" section).

### DISCLOSURE POLICY AND INVESTOR COMMUNICATIONS

#### All policies related to disclosure policy and investor communications are applied.

Our Company maintains a clear information policy. We strive to provide all stakeholders with equal access to information regarding our activities, in both Polish and English [1.1]. We organize meetings, conferences and calls with investors, analysts, experts and media representatives, as well as chat sessions with individual investors. During meetings which involve members of the Management Board, these members answer questions related to, among others, financial results and ongoing production plans [1.6-1.7]. Our earnings are published as soon as possible after the close of each reporting period [1.2]. We have adopted a business strategy which acknowledges our ESG ambitions. The Strategy, along with our actions and achievements, can be found on our website under the Strategy and Sustainability tabs [1.3-1.4]. Our Sustainability Statement, which is annexed to the Management Board report on CD PROJEKT Group and CD PROJEKT S.A. activities, as well as CD PROJEKT's financial statements, provide information on our involvement in social initiatives, along with funds allocated to charity work [1.5].



## MANAGEMENT BOARD AND SUPERVISORY BOARD

### Policies applied:

Appointment to the Management Board and Supervisory Board is contingent upon possessing the required competences, skills and experience. Membership of the Management Board represents the main area of professional activity for all Management Board members [2.6]. Members of the Management Board may not hold membership of the governing bodies of any entity external to the CD PROJEKT Group, except as expressly authorized by the Supervisory Board [2.7]. The extent of involvement of Supervisory Board Members enables them to properly discharge their duties [2.8]. In 2024 two members of the Supervisory Board met independence criteria and had no actual and material links to any shareholder who controls at least 5% of the total number of votes at the Company, while as of the publication date of this report three members of the Supervisory Board meet the aforementioned criteria [2.3]. Chair of the Audit Committee is reserved to an independent member of the Supervisory Board who is not also the Chair of the Supervisory Board [2.9]. Management Board and Supervisory Board resolutions are adopted in open ballots. A secret ballot may be held upon request in matters indicated in the Code of Commercial Companies [2.4]. Members of the Supervisory Board and Management Board who oppose the given resolution are entitled to have their dissent registered in the minutes [2.5]. We provide the Supervisory Board with appropriate administrative, technical and organizational resources to enable efficient operation [2.10]. The Supervisory Board submits to the General Meeting an annual report on its activities, which includes disclosure required under law, as well as those mandated by the Best Practices [2.11].

### Policies not applied:

**[2.1]** *Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.*

**Explanation:** Thus far, the Supervisory Board and the General Meeting have not adopted formal diversity regulations related to the Company's governing bodies. Since 2019 a Diversity Policy has been in force at the Company. Pursuant to this policy, a general non-discrimination principle applies to members of the Management Board and Supervisory Board, as well as to all team members. Furthermore, we are a signatory to the Diversity Charter, which prohibits workplace discrimination and obligates its signatories to engage in activities which foster and promote diversity. Diversity, equality and respect for human rights are all basic values enshrined in the Rules of the Game. CD PROJEKT Group Business and Ethics Standards. The Company also continues to monitor legislative changes in the area of gender diversity and plans actions to align its activities with legal requirements. As of the submission date of this report we have not attained a minority gender participation level of 30% on the Management Board; however, with regard to the Supervisory Board, since 1 January 2025 the minority gender participation ratio stands at 40%.

**[2.2]** *Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.*

**Explanation:** As noted in the explanation accompanying principle 2.1, thus far the Supervisory Board and the General Meeting have not adopted formal diversity regulations related to the Company's governing bodies. Appointment of Management Board and Supervisory Board members is based primarily on factors which include professional experience, education and knowledge, including in areas in which the Company conducts its business. As of the submission date of this report we have not attained a minority gender participation level of 30% on the Management Board; however, with regard to the Supervisory Board, since 1 January 2025 the minority gender participation ratio stands at 40%.

**[2.11.6]** *In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such a report includes at least information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.*

**Explanation:** Reports submitted by the Supervisory Board do not specify the extent to which the diversity policy is implemented in relation to the Management Board and the Supervisory Board, including the achievement of the corresponding objectives. As noted in the explanation accompanying policy 2.1, thus far the Supervisory Board and the General Meeting have not adopted formal diversity regulations related to the Company's governing bodies. Should the Company decide to adopt such regulations, the Supervisory Board's report will include the corresponding disclosures.

## INTERNAL SYSTEMS AND FUNCTIONS

### Policies applied:

Oversight of the internal control system is the responsibility of the Management Board, managerial staff and other persons employed by the Company in the context of accounting, financial and operational control, in the framework of, among others, Legal and Tax Departments, and ESG Team. Risk management is the responsibility of holders of executive positions (referred to as risk owners). Compliance is the responsibility of the Chief Compliance Officer [3.2]. Persons responsible for compliance and risk management answer directly to appropriate members of the Management Board [3.5]. The Management Board submits to the Supervisory Board its annual assessments of the effectiveness of internal systems and functions [3.8]. The Supervisory Board includes annual reviews of the systems and functions specified in principle 3.1 in its activity reports, while the Audit Committee monitors the effectiveness thereof [3.9].

### Policies not applied:

**[3.1]** *Listed companies maintain efficient internal control, risk management and compliance systems and an efficient internal audit function adequate to the size of the company and the type and scale of its activity; the management board is responsible for their functioning.*

**Explanation:** We partly deviate from this policy insofar as we have not established a distinct internal audit function. Internal control is implemented on the basis of our existing managerial framework and is entrusted to persons who possess the required competences. In particular, this includes representatives of the Legal Department (with particular involvement of Corporate Law and Privacy & Compliance Teams), the Tax and the Accounting Departments, the Finance Department (with particular involvement of Financial Control Team), and the ESG Team. A formalized risk management process is in place, based on the Risk Management Policy and the Compliance Policy which guides us in managing compliance-related matters. There is no distinct internal audit unit; however, we declare that if a decision is made to establish such a unit as part of our organizational framework, we will comply with this policy.

**[3.3]** *Companies participating in the WIG20, mWIG40 or sWIG80 index appoint an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such a person should be appointed.*

**Explanation:** There is currently no internal auditor or dedicated audit unit at the Company. Should an internal auditor be appointed, we will comply with this policy.

**[3.4]** *The remuneration of persons responsible for risk and compliance management and of the head of internal audit should depend on the performance of delegated tasks rather than short-term results of the company.*

**Explanation:** Base remuneration of risk managers and compliance officers is fixed and follows existing market standards. Internal audit has not been disaggregated in our structure as a distinct organizational unit; hence we are unable to comment upon the remuneration provided to such a unit.

**[3.6]** *The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.*

**Explanation:** There is currently no internal auditor or dedicated audit unit at the Company. Should an internal auditor be appointed, we will comply with this policy.

**[3.7]** *Principles 3.4 to 3.6 apply also to members of the company's group which are material to its activity if they appoint persons to perform such tasks.*

**Explanation:** We partly deviate from this policy – with regard to appointing individuals responsible for risk management and internal audit functions at the Group's significant member companies. Our subsidiaries have restricted organizational frameworks which are adapted to the size of each such entity. With regard to compliance management, our subsidiaries individually appoint persons responsible for this activity.

**[3.10]** *Companies participating in the WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the audit committee.*

**Explanation:** There is currently no internal auditor or dedicated audit unit at the Company. Should an internal auditor be appointed, we will comply with this policy.

## **GENERAL MEETING AND SHAREHOLDER RELATIONS**

**All policies related to general meetings and shareholder relations are applied.**

We work to ensure that our dialogue with shareholders enables proper exercise of their rights without obstructing operations of the Company's governing bodies [4.10]. Shareholders may participate in the General Meeting and exercise voting rights remotely, using electronic communication tools [4.1]. General Meetings are recorded, with live streams and recordings posted on our corporate website [4.3]. When selecting the date and venue of a General Meeting we try to enable the greatest possible number of shareholders to participate [4.2]; the same also applies to media representatives [4.4]. Should a General Meeting be convened in the manner specified in Art. 399 § 2-4 and Art. 400 § 3 of the Code of Commercial Companies, the Management Board shall take action to enable the General Meeting to be held [4.5]. The Supervisory Board issues opinions on all draft resolutions submitted by the Management Board to the General Meeting [4.7]. Draft resolutions submitted to the General Meeting are published on our website, along with the corresponding justifications. Should a shareholder demand to include a particular matter in the meeting agenda – we will ask them to present a suitable justification for the proposed resolution [4.6]. While the General Meeting is in progress, any shareholder may introduce draft resolutions in matters covered by the meeting agenda. Notwithstanding this right, our Guide to the CD PROJEKT General Meeting contains basic provisions related to submission of draft resolutions by shareholders prior to the General Meeting, pursuant to policy 4.8 [4.8]. Information about candidates for appointment to the Supervisory Board, together with their resumes, are posted on our website well in advance of the General Meeting. Each member of the Supervisory Board submits a statement concerning fulfillment of criteria applicable to members of the Audit Committee, as well as on the existence of actual and materials relations between themselves and any shareholder who controls at least 5% of the total number of votes in the Company [4.9.1-4.9.2]. Members of the Management Board and Supervisory Board take part in General Meetings insofar as is necessary to address shareholders' questions [4.11]. Regarding resolutions concerning the issue of shares with subscription rights, should such circumstances arise, the corresponding resolution will specify the issue price or the mechanism of setting the price [4.12]. Thus far, resolutions concerning issue of shares with exclusion of subscription rights have been

adopted only in the context of incentive programs, were regarded as aligned with the Company's interest, and did not constitute a violation of rights held by existing shareholders of the Company who did not participate in the take-up of such shares [4.13]. In January 2025 the Management Board of the Company adopted a Dividend Policy which was subsequently published on the Company website. Management Board recommendations concerning allocation of profit achieved during the given financial year are based on analysis of all aspects, financial and otherwise, which the Management Board deems relevant for reaching a decision in this matter. The final decision regarding allocation of profit and payment of a dividend rests with the General Meeting [4.14].

## CONFLICT OF INTERESTS, RELATED PARTY TRANSACTIONS

### All policies related to conflicts of interest and related party transactions are applied.

Members of the Management Board should notify the Supervisory Board of any conflict of interest which has arisen, or may arise, in connection with their duties [5.1]. If a Member of the Management Board or of the Supervisory Board believes that the given decision contradicts the Company's interest, their dissenting opinion is recorded in the meeting minutes [5.2]. All transactions with affiliated parties are concluded in the interest of the Company or its Group, and in accordance with internal regulations governing related party transactions, which mandate that such transactions should be carried out in the Company's interest [5.3]. In situations where a related party transaction requires approval by the Supervisory Board, the Supervisory Board may avail itself of third-party opinions [5.5]. In situations where a related party transaction requires approval by the General Meeting, the Supervisory Board shall prepare an opinion concerning the advisability of such a transaction [5.6] and shareholders will be provided with information required to assess whether the transaction is in the Company's interest [5.7]. The Management Board of the Company decides upon conditions and means of carrying out buy-back programs in a way which ensures that shareholders' interest is respected. This is done in the form of a resolution [5.4].

## REMUNERATION

### All policies related to remuneration are applied.

Remuneration offered to members of the Management Board and Supervisory Board, as well as other top managers, is sufficient to ensure recruitment, retention and incentivization required to properly manage the Company and supervise its operations [6.1]. The remuneration of members of the Supervisory Board is not dependent on the number of meetings held. Members of the Audit Committee obtain additional fixed monthly remuneration in association with their involvement in the Audit Committee. Members of the Supervisory Board do not receive any remuneration tied to short-term earnings posted by the Company [6.4-6.5]. In adopting incentive programs we are guided, among others, by the need to secure optimal conditions for long-term improvement of financial results posted by the Company and the Group, along with long-term growth in Company value [6.2]. Our long-term incentive program for members of the Management Board and other top managers is based on financial and non-financial criteria covering periods which are, in each case, at least three years long [6.3].

## Internal control and risk management

[ESRS 2 GOV-5]

## STRUCTURE OF THE INTERNAL CONTROL SYSTEM

Internal control processes at CD PROJEKT Group member companies are carried out by appropriately trained personnel – in particular, representatives of the Legal Department (with particular involvement of Corporate Law and Privacy & Compliance Teams), the Tax and the Accounting Departments, the Finance Department (with particular involvement of Financial Control Team), and the ESG Team. The aforementioned teams cooperate in the context of control processes, with regard to both financial reporting and sustainability, disseminate knowledge



of standards and best reporting practices to other involved teams, and carry out joint work on drafting work regulations and schedules. Activities undertaken in the context of control are rooted in internal regulations (policies, by-laws, procedures) which determine the scope of duties and responsibilities of each employee. When required, external expert advice is sought. CD PROJEKT S.A. provides support for other member companies of the CD PROJEKT Group whose organizational structure is less extensive – this occurs on the basis of intra-group service contracts. Comprehensive oversight of internal control processes at each member company of the CD PROJEKT Group is the responsibility of their respective management boards.

## **RISK MANAGEMENT PRINCIPLES**

In 2021 we rolled out a Risk Management Procedure at CD PROJEKT S.A., which specifies rules for identifying, assessing and monitoring risks. In 2023 this procedure was updated and risk management processes optimized. In the risk management process, we single out strategic risks (related to our business strategy), operating risks (related to our internal processes, systems and external events which affect the effectiveness of our business strategy) and financial risks (related to the Company's financials). Risks regarded as significant for the CD PROJEKT Group are described in the section titled "Risk management at the Group" elsewhere in this report.

Risks are assessed in a continuous manner through identification and analysis of threats and opportunities which may affect our current activities. Risks related to preparation of financial statements are mitigated by a variety of actions, including mechanisms which ensure security of our IT systems.

Risk management at member companies of the CD PROJEKT Group is the responsibility of the management board of each company. Oversight of risk management at CD PROJEKT S.A. is the responsibility of the Audit Committee.

## **REPORTING PROCESSES**

In our work on preparing financial statements and consolidated financial statements for the Company and the Group, the appropriate teams extract data from dedicated financial and accounting systems, including ERP systems, as well as other internal sources of knowledge. IT systems in use at the Company, among others, facilitate financial management, enable circulation of financial and accounting data, support electronic document flows, generate complex financial reports and assist in planning, budgeting and verifying financial results.

The teams involved in this process verify the correctness of data and collate it in the form of legally required reports. Ensuring veracity of disclosures is the responsibility of teams involved in their preparation – depending on their specific competences – and is guided by internal regulations, particularly in the framework of the Accounting Department which bears responsibility, among others, for accounting services, managing books and statutory disclosures. Maintaining security, availability, confidentiality and integrity of data processed in IT systems is the responsibility of the IT & Security team, as well as (in terms of legal and regulatory compliance) – the Privacy & Compliance team, which operates in the framework of CD PROJEKT S.A.'s Legal Department.

The process of assembling the Sustainability Statement covers a survey of sustainability aspects which are important for the CD PROJEKT Group, in accordance with the double materiality principle described in ESRS<sup>10</sup> standards. The survey involves a broad range of stakeholders, both external and internal. An ESG Management Group has been established in the Company's organizational structure, consisting of VPs and directors whose competences cover sustainability aspects identified in the materiality survey. Members of the Group are responsible for gathering and verifying, in a timely fashion, data concerning sustainability, which is supplied to the ESG Team in the framework of our annual reporting cycle. This process also covers subsidiary companies

<sup>10</sup> European Sustainability Reporting Standards, introduced by Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 as regards sustainability reporting (Corporate Sustainability Reporting Directive, CSRD)

subjected to consolidation. The resulting draft statement is verified by ESG Management Group members, depending on their specific scopes of responsibility, and subsequently by the Chief Compliance Officer and VP of Investor Relations. Finally, the statement is submitted for approval to the CFO. It is also subjected to external attestation.

## OVERSIGHT OF THE PREPARATION OF FINANCIAL STATEMENTS

Financial statements of the Company and the Group are prepared in accordance with the following regulations:

- CD PROJEKT S.A. Accounting Policy,
- International Accounting Standards,
- Accounting Act of 29 September 1994.

Supervising proper preparation of financial statements and sustainability disclosures is the responsibility of the CFO – Board Member.



Preparation of separate financial statements at the Group's subsidiaries is the responsibility of their respective management boards. Financial statements at the Group's subsidiaries are prepared and approved in accordance with the legal regulations in force in the given country. With regard to GOG sp. z o.o., statements are submitted for approval to the Shareholders' Meeting.

## AUDITS AND REVIEWS OF FINANCIAL STATEMENTS

Separate and consolidated annual financial statements are subjected to formal audits, while semiannual financial statements are subjected to reviews by independent licensed auditors, pursuant to the Act of 11 May 2017 on statutory auditors, audit firms and public supervision (**Auditor Act**). The annual statement of GOG sp. z o.o. is also subject to an audit.

Review reports accompanying semiannual financial statements are submitted to shareholders, while audit reports accompanying annual financial statements are submitted to shareholders and to the General Meeting.

The sustainability statement is subjected to external attestation by a licensed auditor (starting with our statement for 2024).

The entity contracted to carry out audits and reviews of the Company's financial statement is selected by the Supervisory Board. Further information about CD PROJEKT's auditor can be found in the section titled "Entity authorized to perform audits of financial statements" further below.

## Shareholders who hold major stock packages

Up-to-date information about CD PROJEKT's shareholding structure is updated on an ongoing basis and can be found under the [Shareholders](#) tab on our website.

The Company's share capital amounts to 99 910 510 PLN, divided into 99 910 510 shares with a nominal value of 1 PLN per share. The shareholding structure is determined on the basis of formal notifications issued by shareholders who control at least 5% of the total number of votes at the General Meeting of Shareholders.

### Shareholders controlling at least 5% of the vote at the General Meeting as of 31 December 2024:

Shareholder	Qty. of shares	Percentage share in share capital (%)	Number of votes controlled	Percentage share of total number of votes at the GM (%)
Marcin Iwiński	12 873 520	12.89%	12 873 520	12.89%
Michał Kiciński*	9 989 363	10.00%	9 989 363	10.00%
Piotr Nielubowicz	6 858 717	6.86%	6 858 717	6.86%
Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A. (all funds collectively)**	5 417 124	5.42%	5 417 124	5.42%
<i>incl. Nationale-Nederlanden Otwarty Fundusz Emerytalny**</i>	5 030 225	5.03%	5 030 22	5.03%

\* As disclosed in the most recent notification submitted to the Company on 13 November 2023.

\*\* As disclosed in the most recent notification submitted to the Company on 12 August 2024.

### Events following the balance sheet date

On 23 January 2025, after the balance sheet date, the Company received a notification concerning the sale of 223 520 shares of the Company stock by Mr. Marcin Iwiński. As a result, the number of shares held by Mr. Marcin Iwiński decreased to 12 650 000, which constitutes 12.66% of the Company's share capital and affords 12 650 000 votes at the General Meeting (12.66% of the total number of votes).

## Holders of securities which provide special control rights

All shares of the Company are ordinary bearer shares which do not incorporate any special rights, including control rights.

## Limitations on the exercise of voting rights

Limitations on the exercise of voting rights by shareholders are detailed in §25a and b of the Articles of Association of the Company.

In accordance with the Articles of Association of the Company, the following restrictions apply to the exercise of voting rights:

- no shareholder (acting singlehandedly or jointly, in the case of groups of entities) may exercise more than 20% of voting rights incorporated by all Company shares outstanding on the day of the General Meeting,
- if a shareholder (acting singlehandedly or jointly, in the case of groups of entities) is entitled to exercise voting rights at the General Meeting from stock packages held under different legal titles, the votes they control are subject to cumulation,
- if, as a result of the aforementioned cumulation, the number of voting rights controlled by the given shareholder (acting singlehandedly or jointly, in the case of groups of entities) exceeds 20% of the total number of votes, these votes are subject to reduction.

According to §25b of the Articles of the Association of the Company, restriction of voting rights does not apply to parties controlling 50% or more than 50% of the total number of votes at the Company solely when the shares have been purchased by way of a public tender offer to acquire all remaining shares of the Company.

Except as listed above, no other limitations apply to the exercise of voting rights, including temporal restrictions on voting or other provisions under which, in cooperation with the Company, ownership of securities is deprived of some rights incidental thereto.

## Limitations on transferability of ownership rights to the Issuer's securities

The Issuer's Articles of Association do not provide for any limitations on transferability of ownership rights to the Issuer's securities.

## Rules regarding appointment and dismissal of managers

Key provisions regarding appointment and dismissal of managers are described in the Articles of Association of the Company, Management Board Regulations and the Act of 15 September 2000 – Code of Commercial Companies.

The Management Board consists of one or more members. Members of the Management Board are appointed and dismissed by the Supervisory Board for a joint four-year term. Supervisory Board resolutions concerning appointment, dismissal or suspension of Management Board members require a 4/5 supermajority of votes.



## Right to adopt decisions concerning issue or buy-back of the Issuer's shares

The Articles of Association of the Company do not provide for any special empowerment of the Management Board in the context of deciding to issue or buy back Company shares.

## Rules for amending the Issuer's Articles of Association

Any change in the Issuer's Articles of Association requires a suitable General Meeting resolution, pursuant to the provisions of the Code of Commercial Companies, along with a corresponding entry in the registry of entrepreneurs which is part of the National Court Register. Any announcement of a convocation of a General Meeting whose agenda includes proposed amendments to the Articles of Association includes a description of existing statutory provisions as well as the full text of any proposed amendments.

According to the Articles of Association of the Company, responsibility for collating the consolidated text of the amended Articles of Association rests with the Supervisory Board.

### AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY ADOPTED IN 2024

In 2024 the Articles of Association were amended by General Meeting resolutions adopted on 28 November 2024. The amendments introduced by these resolutions were subsequently registered on 14 December 2024, and concerned mainly the following:

- operations of the Company Supervisory Board, including a newly introduced statutory provision whereby the Supervisory Board may appoint two persons as its Chair, in which case each of these persons will be referred to as a Co-Chair, and alignment of other statutory provisions with this model (§ 18 section 1, § 20 section 1 and § 22);
- clarifying and reorganizing existing provisions which govern adoption of Supervisory Board resolutions and participation in Supervisory Board meetings (§ 19 section 1, § 19 section 2 and § 20 section 3);
- introducing an express provision whereby the Company may allocate portions of its profits assigned to reserve capital towards dividend payments (§ 28 section 5).

## General Meeting

Organization of the General Meeting and its key prerogatives are described in the Articles of Association, General Meeting Regulations and the Act of 15 September 2000 – Code of Commercial Companies.

In 2024 several changes in the General Meeting Regulations were introduced by Resolution no. 14 of the General Meeting of 28 November 2024. These changes will become effective at the opening of the next General Meeting. The full text of the amended Regulations is available on the Company website.

## ORGANIZATION OF THE GENERAL MEETING

The General Meeting is the highest governing body of the Company and may be called on an ordinary or extraordinary basis. General Meeting resolutions require a 3/5 supermajority of votes, except in matters where the applicable regulations call for a higher supermajority.

The General Meeting is called to order by the person discharging the responsibilities of Chair or Deputy Chair of the Supervisory Board. If neither is present, the General Meeting is called to order by a person appointed for this duty by the Management Board.

In addition to notarized minutes of the General Meeting, the General Meeting Chairperson may appoint a Secretary to prepare distinct minutes of the General Meeting, or parts thereof. The Secretary does not need to be a registered participant of the General Meeting.

General Meetings are held in Warsaw. Shareholders may take part in the proceedings personally, by a proxy, or using electronic communication tools (e-GM), in accordance with the Terms and Conditions of Participation in the General Meeting of CD PROJEKT S.A. using Remote Electronic Communication Tools.

## COMPETENCES OF THE GENERAL MEETING AND SHAREHOLDER RIGHTS

The General Meeting, among others:

- approves financial statements and grants discharge to members of governing bodies;
- adopts resolutions concerning allocation of profit and payment of dividends;
- appoints and dismisses members of the Supervisory Board and determines their remuneration;
- is empowered to determine the maximum amount of expenses related to remuneration of Supervisory Board advisors, which the Company may incur during the given financial year;
- adopts resolutions concerning issue of convertible bonds and priority bonds;
- appoints intermediaries in disputes between the Company and members of its Management Board.

The Company respects shareholder rights as defined by the Act of 15 September 2000 – Code of Commercial Companies, including the right to:

- demand convocation of a General Meeting;
- participate in the General Meeting and exercise voting rights – personally or through a proxy;
- submit and object to draft resolutions;
- obtain information about the Company to the extent defined by the applicable laws.

Upon request of a shareholder eligible for participation in the General Meeting, a Ballot Committee is appointed. Ballot Committee members are elected from among all persons eligible for participation in the General Meeting. Each shareholder is entitled to nominate a single candidate, except for the requesting shareholder, who is entitled to nominate three candidates.

A Chairperson is appointed from among all persons eligible for participation in the General Meeting, with each shareholder entitled to nominate a single candidate.

## GENERAL MEETINGS HELD IN 2024

Three General Meetings were held in 2024 – on 20 February 2024 (Extraordinary General Meeting), on 14 June 2024 (Ordinary General Meeting) and on 28 November 2024 (Extraordinary General Meeting). Key resolutions adopted at the General Meetings are described in the “Key corporate events” section elsewhere in this report. The full wording on these resolutions is available on the Company’s website.

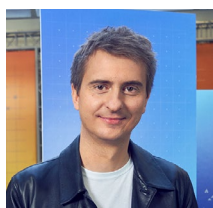
## Managerial and supervisory bodies

### MANAGEMENT BOARD OF CD PROJEKT S.A.

[ESRS 2 GOV-1]

Organization of the Management Board and its key prerogatives are described in the Articles of Association of the Company, Management Board Regulations and the Act of 15 September 2000 – Code of Commercial Companies.

#### Composition of the Management Board as of 31 December 2024



#### **Michał Nowakowski – Joint Chief Executive Officer, Member of the Board**

Jointly-responsible for the company's long term vision, coordinates the company's activities and its management. In particular responsible for the Company's business strategy and effective sales policy. Supports development of new product lines and manages the Company's back catalog (franchise flywheel). Shapes long-term business relations with key partners. Represents company in relation with the investors.

Directly supervises the following:

Business development | Comic Book and Animation narrative | Investor Relations



#### **Adam Badowski – Joint Chief Executive Officer, Member of the Board**

Jointly-responsible for the company's long term vision, coordinating the company's activities and its management. In particular responsible for the Company's creative vision, and for managing, developing and maintaining the Company's creative teams. Develops and defines the unique image and style which distinguish the Company and its products on the market.

Directly supervises the following:

Game direction | Story | Global Art

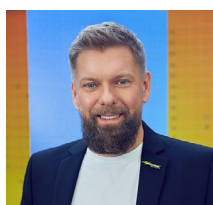


#### **Adam Kiciński – Chief Strategy Officer, Member of the Board**

Responsible for the Company's strategy and for its implementation.

Directly supervises the following:

Strategy



#### **Piotr Nielubowicz – Chief Financial Officer, Member of the Board**

Responsible for the Company's financial strategy, and for financial and non-financial reporting and legal area. Oversees strategic corporate projects, key investments and Company's climate and environmental policy.

Directly supervises the following:

Finance | Accounting | Taxes | Legal & Compliance



#### **Piotr Karwowski – Joint Chief Operating Officer, Member of the Board**

Responsible for the Company's game development processes and optimization of its operational capabilities, including in-house production, external games development and management of the Group's studios. Additionally oversees development of online and user experience competencies.

Directly supervises the following:

Game production | Studio operations | IT & Cybersecurity | Shared Development Services



#### **Paweł Zawodny – Joint Chief Operating Officer, Member of the Board**

Responsible for shaping the Company's tech strategy and optimization of its operational capabilities. Plays a pivotal role in driving both the technological and organizational transformation of CD PROJEKT RED. Oversees the Company's activities in the scope of employment, talent management and work methodology, ensuring they are aligned with the Company's broader transformation objectives.

Directly supervises the following:

HR | Culture, Diversity & Inclusion | Technologies (including R&D)



#### **Jeremiah Cohn – Chief Marketing Officer, Member of the Board**

Responsible for the Company's global marketing strategy, product communication and branding in support of franchise development. Oversees efforts to build recognition of the Company, its IP, and product releases by shaping engagement with fans and the gamers community.

Directly supervises the following:

Marketing | PR & Communication | Franchises

\* Until 31.12.2024

### **Changes in the composition of the Management Board in 2024 and after the balance sheet date, up until the preparation date of this report**

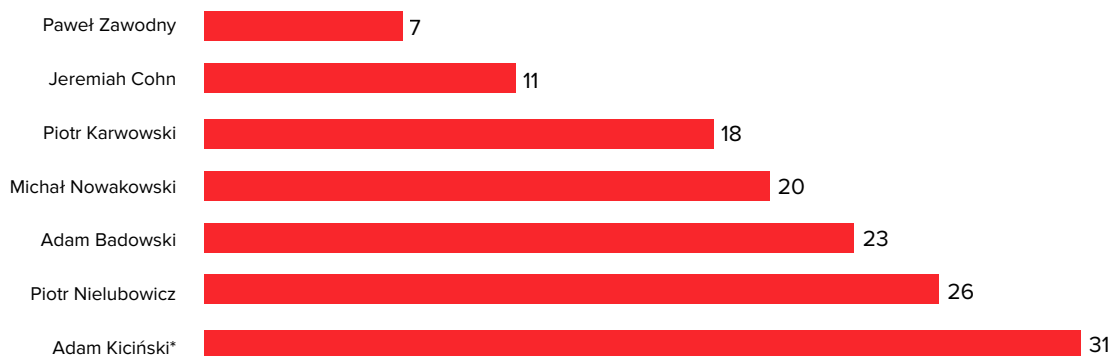
In 2024 the Management Board of the Company consisted of seven Members.

On 17 October 2024 Mr. Adam Kiciński, in accordance with his prior announcement, (i) tendered his resignation from membership of the Management Board, effective at end of day on 31 December 2024, and (ii) confirmed his intent to seek appointment to the Supervisory Board of the Company beginning in 2025. The full content of the notification received by the Company from Mr. Adam Kiciński is appended to [Current Report no. 22/2024](#).

As a result of Mr. Adam Kiciński's resignation, since 1 January 2025 the Management Board of the Company consists of six Members. The composition of the Management Board does not include any workforce representatives.

Resumes of incumbent Management Board Members, including descriptions of their experience in the area of video game development and electronic entertainment, which represents the primary focus of the Company's economic activity, along with the Company's products and geographical location, as well as information concerning membership of the governing bodies of other companies, are available on the Company's website under the [Management Board tab](#).

### **Tenure of incumbent members of the Management Board as employees at the Group's member companies (in years)**



\* Member of the Board until 31.12.2024



### Operations and prerogatives of the Management Board

The Management Board manages all Company matters which are not otherwise reserved to the General Meeting and the Supervisory Board. In particular, the Management Board:

- works to ensure that Company matters are managed in a clear and effective manner, and in compliance with the applicable laws;
- determines the Company's strategy and its main business objectives, and is responsible for ensuring implementation thereof;
- manages Company matters and represents the Company in courts of law and otherwise. The right to represent the Company appertains to two Management Board members acting in concert, or to a single Management Board member acting in concert with a commercial proxy;
- exercises due diligence in the decision-making process, acts within the boundaries of acceptable risk, and remains loyal to the Company.

A meeting of the Management Board may be called by any of its members. In carrying out its meetings, the Management Board may use remote electronic communication tools (in particular, videoconferencing tools). The Management Board may adopt resolutions at meetings or outside of meetings, using remote communication tools or in writing. Management Board resolutions are adopted by an absolute majority of votes. Management Board Members who oppose the given resolution are entitled to have their dissent recorded in the minutes.

In discharging its duties the Management Board is also guided by the principles listed in 2021 Code of Best Practice for WSE Listed Companies.

### COMPOSITION OF THE SUPERVISORY BOARD AS OF 31 DECEMBER 2024

[ESRS 2 GOV-1]

Organization of the Supervisory Board and its key prerogatives are described in the Articles of Association of the Company, Supervisory Board Regulations and the Act of 15 September 2000 – Code of Commercial Companies.

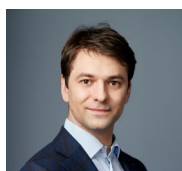
#### Composition of the Supervisory Board as of 31 December 2024



**Marcin Iwiński**  
CHAIRPERSON  
OF THE SUPERVISORY  
BOARD



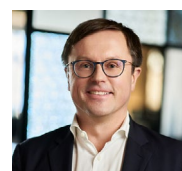
**Katarzyna Szwarc**  
DEPUTY CHAIRPERSON  
OF THE SUPERVISORY  
BOARD\*



**Maciej Nielubowicz**  
SECRETARY  
OF THE SUPERVISORY  
BOARD\*



**Michał Bień**  
MEMBER  
OF THE SUPERVISORY  
BOARD\*  
INDEPENDENT MEMBER



**Jan Łukasz Wejchert**  
MEMBER  
OF THE SUPERVISORY  
BOARD\*  
INDEPENDENT MEMBER

\* Until 31.12.2024

In 2024 two members of the Supervisory Board – Michał Bień and Jan Łukasz Wejchert – met independence criteria specified in the Auditor Act, and had no actual and material links to any shareholder controlling at least 5% of the total number of votes at the Company.

#### Changes in the composition of the Supervisory Board in 2024 and following the balance sheet date, up until the preparation date of this report

In 2024 the Supervisory Board of the Company consisted of five Members.

In 17 October 2024 a meeting of the Supervisory Board of the Company took place, during the course of which:

- I. Mr. Adam Kiciński notified members of the Supervisory Board of his resignation from membership of the Management Board, effective at the end of 2024, along with his intent to seek appointment to the Supervisory Board of the Company;
- II. In light of the foregoing, Mr. Marcin Iwiński, Chair of the Supervisory Board and eligible shareholder of the Company, announced his intent to submit a request to convene an Extraordinary General Meeting of the Company, i.a. in order to consider Mr. Adam Kiciński's candidature for membership of the Supervisory Board of the Company, effective on 1 January 2025.
- III. Members of the Supervisory Board discussed the target composition of the Supervisory Board, and in the course of this discussion, arrived at the conclusion that, given the foregoing, and also considering the applicable legislation governing composition of supervisory boards and changes therein, along with their intent to enable shareholders to appoint additional independent members of the Supervisory Board, it would be beneficial for the Company to facilitate appointment of a new Supervisory Board.
- IV. As a result of the above, the following members of the Supervisory Board submitted their resignation – all of which became effective at the end of day on 31 December 2024.
  - Ms. Katarzyna Szwarz submitted her resignation from the functions of Vice-Chair and Member of the Supervisory Board of the Company,
  - Mr. Michał Bień submitted his resignation from the functions of Member of the Supervisory Board of the Company and Chair and Member of the Audit Committee of the Company,
  - Mr. Maciej Nielubowicz submitted his resignation from the functions of Secretary and Member of the Supervisory Board of the Company and Member of the Audit Committee of the Company,
  - Mr. Jan Łukasz Wejchert submitted his resignation from the functions of Member of the Supervisory Board of the Company and Member of the Audit Committee of the Company.

On the same day the Company received a notification from Mr. Marcin Iwiński requesting convocation, by the Management Board, of an Extraordinary General Meeting, and including in its agenda a vote on the candidatures of Ms. Beata Cichocka-Tylman, Mr. David Gardner, Mr. Adam Kiciński and Ms. Agnieszka Słomka-Gołębiowska for membership of the Supervisory Board, as well as dismissal of Mr. Marcin Iwiński from the Supervisory Board for the current term, and his reappointment, along with all remaining candidates, to the Supervisory Board for a new joint four-year term beginning on 1 January 2025.

As a result of the above, on 28 November 2024 a General Meeting of the Company took place, and adopted, among others, the following resolutions:

- dismissal (effective at end of day on 31 December 2024) and reappointment (effective on 1 January 2025) of Mr. Marcin Iwiński as Member of the Supervisory Board of the Company,
- appointment of Ms. Beata Cichocka-Tylman, Mr. David Gardner, Mr. Adam Kiciński and Ms. Agnieszka Słomka-Gołębiowska as Members of the Supervisory Board for a new term – in each case, effective as of 1 January 2025.

Consequently, a new joint four-year term of the Supervisory Board of the Company commenced on 1 January 2025. Since that date the Supervisory Board consists of: Mr. Marcin Iwiński, Ms. Beata Cichocka-Tylman, Mr. David Gardner, Mr. Adam Kiciński and Ms. Agnieszka Słomka-Gołębiowska.

Three members of the new Supervisory Board – Ms. Beata Cichocka-Tylman, Mr. David Gardner and Ms. Agnieszka Słomka-Gołębiowska – meet independence criteria specified in the Auditor Act, and have no actual and material links to any shareholder controlling at least 5% of the total number of votes at the Company. The composition of the Supervisory Board does not include any workforce representatives.

Resumes of incumbent Supervisory Board Members, including descriptions of their experience in the area of video game development and electronic entertainment, which represents the primary focus of the Company's economic activity, along with the Company's products and geographical location, as well as information concerning membership of the governing bodies of other companies, are available on the Company's website under the [Supervisory Board tab](#).

On 8 January 2025, at the first meeting of the new Supervisory Board:

- Mr. Adam Kiciński and Mr. Marcin Iwiński were appointed Chairs of the Supervisory Board for the new term; consequently, under § 18 section 1 of the Articles of Association of the Company, they will share the title of Co-Chairs of the Supervisory Board;
- Mr. David Gardner was appointed Deputy Chair of the Supervisory Board for the new term;
- An Audit Committee was appointed, as described in the section titled “Audit Committee of CD PROJEKT S.A.” further below.

### Operations and prerogatives of the Supervisory Board

The Supervisory Board is the non-executive governing body of the Company. It exercises ongoing supervision over the Company’s activities. It consists of five members, appointed and dismissed by the General Meeting.

The Supervisory Board holds meetings as needed, however at least three meetings must be convened during each financial year. In order to hold a meeting of the Supervisory Board, all of its members must be invited. Supervisory Board resolutions are adopted by an absolute majority of votes, or by a 4/5 supermajority of votes in matters specified in § 19 of the Articles of Association of the Company. The Supervisory Board may adopt meetings during meetings or outside of meetings – in writing or using remote electronic communication tools.

In discharging its duties the Supervisory Board is also guided by the principles listed in 2021 Code of Best Practice for WSE Listed Companies.

### AUDIT COMMITTEE OF CD PROJEKT S.A.

The Audit Committee acts on the basis of Art. 128 section 1 of the Act on statutory auditors, audit firms and public supervision of 11 May 2017 and the Audit Committee Regulations.

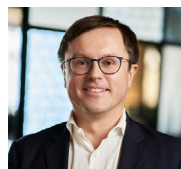
### Composition of the Audit Committee as of 31 December 2024



**Michał Bień**  
CHAIRPERSON  
OF THE AUDIT  
COMMITTEE\*



**Maciej Nielubowicz**  
MEMBER  
OF THE AUDIT  
COMMITTEE\*



**Jan Łukasz Wejchert**  
MEMBER  
OF THE AUDIT  
COMMITTEE\*

\* Until 31.12.2024

**Michał Bień** – in 2024 met the independence criteria specified in Art. 129 section 3 of the Auditor Act, and also met the criteria specified in Art. 129 section 5 of the Auditor Act, i.e. possessing knowledge and skills related to the Company’s main business segment, gained during his tenure as Member of the Supervisory Board of the Company.

**Maciej Nielubowicz** – in 2024 met the criterion specified in Art. 129 section 1 of the Auditor Act, i.e. possessing knowledge and skills in the area of accounting or auditing financial statements, gained in the course of higher education and professional experience at other entities, and also met the criteria specified in Art. 129 section 5 of the Auditor Act, i.e. possessing knowledge and skills related to the Company’s main business segment, gained during his tenure as Member of the Supervisory Board of the Company.

**Jan Łukasz Wejchert** – in 2024 met the independence criteria specified in Art. 129 section 3 of the Auditor Act and the criterion specified in Art. 129 section 1 of the Auditor Act, i.e. possessing knowledge and skills in the area of accounting or auditing financial statements, gained in the course of higher education and professional experience at other entities, and also met the criteria specified in Art. 129 section 5 of the Auditor Act, i.e.

possessing knowledge and skills related to the Company's main business segment, gained during his tenure as Member of the Supervisory Board of the Company.

The Supervisory Board verifies fulfillment of the above criteria on the basis of declarations or additional information supplied by the Management Board. The Supervisory Board may, at any time, alter the composition of the Audit Committee, or dismiss a member of the Audit Committee.

### Changes in the composition of the Audit Committee in 2024 and after the balance sheet date, up until the preparation date of this report




As described in more detail in the section devoted to changes in the composition of the Supervisory Board, all incumbent members of the Audit Committee tendered their resignations on 17 October 2024, effective at and of day on 31 December 2024.

On 8 January 2025, at the first meeting of the Supervisory Board for the new term, a new Audit Committee was appointed, with the following composition:

- **Professor Agnieszka Słomka-Gołębiowska** – meeting the independence criteria specified in Art. 129 section 3 of the Auditor Act, along with the criterion specified in Art. 129 section 1 of the Auditor Act, i.e. possessing knowledge and skills in the area of accounting or auditing financial statements, gained in the course of higher education and professional experience at other entities;
- **Ms. Beata Cichocka-Tylman** – meeting the independence criteria specified in Art. 129 section 3 of the Auditor Act, along with the criterion specified in Art. 129 section 1 of the Auditor Act, i.e. possessing knowledge and skills in the area of accounting or auditing financial statements, gained in the course of higher education and professional experience at other entities, and also meeting the criteria specified in Art. 129 section 5 of the Auditor Act, i.e. possessing knowledge and skills related to the Company's main business segment, gained in the course of professional experience at other entities;
- **Mr. Adam Kiciński** – meeting the criteria specified in Art. 129 section 5 of the Auditor Act, i.e. possessing knowledge and skills related to the Company's main business segment, gained in the course of his professional experience at the Company, including as member of its Management Board.

The newly appointed Audit Committee is chaired by Professor Agnieszka Słomka-Gołębiowska.

As a result of the above, in 2024 and as of the preparation date of this report, the composition of the Audit Committee was consistent with legal requirements.

Criterion specified in the Act	Fulfillment of criterion at CD PROJEKT (as of the preparation date of this Report)
The majority of Audit Committee members, including its chairperson, fulfill independence criteria	
At least one member of the Audit Committee possesses knowledge and skills in the scope of accounting or auditing financial statements	
At least one member of the Audit Committee possesses knowledge and skills related to the Company's main business segment	

### Operations of the Audit Committee

The Audit Committee is a standing committee and consists of three members, one of whom is named Chair of the Audit Committee. Members of the Audit Committee are appointed in an open ballot by the Supervisory Board from among its members. The term of office of the Audit Committee is equivalent to the term of office of the Supervisory Board.

The Audit Committee may, among others:

- solicit information from the Company or the Group in matters related to financial reporting, financial audits, control, internal audits and risk management, insofar as is required for the Audit Committee to perform its duties;
- invite to its meetings individuals who possess knowledge and information required to analyze matters which are being considered by the Audit Committee;
- apply to the Management Board to prepare analyses and opinions in support of Audit Committee operations.

The Audit Committee submits reports on its activities to the Supervisory Board, describing its composition and number of meetings held by the Audit Committee during each financial year.

### Meetings of the Audit Committee

The Audit Committee is a collegial body and is required to hold meetings prior to publication of financial statements, as scheduled by its Chair. Meetings of the Audit Committee may be held in person or using remote electronic communication tools. The Audit Committee works by issuing decisions, opinions, petitions, recommendations and reports, which are submitted to other governing bodies of the Company.

Five meetings of the Audit Committee took place in 2024.

## **INVOLVEMENT OF THE GOVERNING BODIES OF THE COMPANY IN MATTERS RELATED TO SUSTAINABILITY**

[ESRS 2 GOV-1], [ESRS 2 GOV-2]

Duties of the Audit Committee of the Supervisory Board include monitoring the effectiveness of risk management systems as relates to sustainability, as well as of sustainability disclosures. On the Management Board level oversight of sustainability disclosures is the responsibility of the CFO – Member of the Board. Management of impact, risks and opportunities in individual areas of sustainability is performed by the appropriate Members of the Management Board, as determined by their respective responsibilities explained in the section titled “Management Board of CD PROJEKT S.A.” elsewhere in this report. In 2023 the Management Board of the Company appointed the ESG Management Group, which consists of top managers, and assigned to its members specific duties related to managing organizational impact in their respective areas of responsibility – including setting goals and managing risks with regard to key aspects of sustainability.

Specific goals related to key impact, risks and opportunities are drafted by members of the ESG Management Group and submitted to the Management Board for approval in the first quarter of each year. Monitoring their implementation is the responsibility of the ESG Team. Status update meetings with members of the ESG Management Group responsible for each goal are held after the close of each quarterly period. The status of implementation of goals is presented to the CFO and to the Audit Committee following the close of the given financial year.

Since 2022 an ESG Team has operated in the framework of the Investor Relations Department. Its manager holds periodic meetings with the CFO, who is charged with oversight of sustainability disclosures. During these meetings the ESG Team manager reports, among others, on the implementation of goals related to specific areas of sustainability, and on the Company’s activities aiming at ensuring that disclosures provided by the CD PROJEKT Group are consistent with the applicable regulations.

One of the members of the Audit Committee possesses professional knowledge in matters related to sustainability. Moreover, members of the Supervisory Board and of the Management Board may solicit external advice in implementing specific sustainability-related projects. The governing bodies of the Company also have access to a knowledge base maintained by the Polish Association of Listed Companies, which includes, among others, summaries, reports, training materials and conference materials. ESG Team members provide regular updates to the governing bodies of the Company regarding legislative changes and best practices related to sustainability management and sustainability disclosures.



## ENTITY AUTHORIZED TO PERFORM AUDITS OF FINANCIAL STATEMENTS

Rules related to selection and rotation of entities authorized to perform audits of financial statements are specified in the Policy of choosing and rotating an audit firm entitled to audit financial statements and provide permitted non-audit services in CD PROJEKT S.A. Group (the Policy).

On 4 July 2024, having familiarized itself with a recommendation of the Company Audit Committee concerning prolongation of the contract with the licensed auditor, the Supervisory Board of CD PROJEKT S.A. adopted a resolution selecting Grant Thornton Polska PSA with a registered office in Poznań as the entity responsible for performing audits and reviews of separate and consolidated financial statements of the Company and the CD PROJEKT Group for 2024-2025, including annual and semiannual reports, as appropriate (also covering verification of their compliance with ESEF standards), and for performing reviews of remuneration reports for 2024-2025. The corresponding agreement was signed on 9 July 2024.

Attestation of sustainability disclosures for 2024 was also entrusted to Grant Thornton Polska PSA with a registered office in Poznań.

Information concerning compensation due to the entity contracted to audit financial statements is provided in Note 46 in the *Financial Statement of CD PROJEKT S.A. for 2024*, and in Note 48 in the *Consolidated Financial Statement of the CD PROJEKT Group for 2024*.

Grant Thornton Polska PSA has also been contracted to perform audits of the financial statements of GOG sp. z o.o.

### Changes in the contents of the Policy

No changes in the contents of the Policy occurred in 2024.

### Key provisions of the Policy

#### Selection of entity authorized to perform audits

The Audit Committee presents the Supervisory Board with its recommendations concerning selection, appointment, reappointment and dismissal of a statutory auditor, and rules and conditions for entering into agreements with statutory auditors. The Supervisory Board's decision to appoint a specific auditor is issued in the form of a resolution and is based on the Audit Committee's recommendation.

In its recommendation, the Audit Committee:

- indicates an audit firm which it proposes to contract in order to perform statutory audits,
- declares that the recommendation is free of third-party influence,
- declares that the Company has not entered into agreements which contain provisions specified in Art. 66 section 5a of the Accounting Act of 29 September 1994.

If the Supervisory Board resolution deviates from the Audit Committee recommendation, the Supervisory Board justifies its reason for deviating from the recommendation and submits this justification to the General Meeting.

When the need arises to contract a new entity to perform audits of financial statements, the Audit Committee performs an official procedure which involves a tender offer. Offers are submitted to at least four distinct audit firms. In cases where the Audit Committee recommendation concerns prolongation of an audit contract, the Audit Committee may forgo collection of offers from entities other than the entity with regard to which it recommends prolongation of the audit contract.

The initial contract with a new audit firm is signed for at least two years, with a prolongation option concerning further periods, each of which must be at least two years long.

The Audit Committee recommendation concerning prolongation of the Company's contract with an audit firm fulfills the above criteria. In Decision no. 1 of 27 June 2024 the Audit Committee submitted to the Supervisory Board its recommendation to prolong the existing contract with Grant Thornton Polska PSA with a registered seat in Poznań, concerning audits and reviews of separate and consolidated financial statements of the Company and the CD PROJEKT Group for 2024-2025, including verification of their compliance with ESEF standards, as well as statutory audits of remuneration reports for 2024-2025.

#### **Rules concerning rotation of statutory auditor**

The statutory auditor may be contracted to perform financial audit services for a period not exceeding 5 years. The maximum duration of an unbroken period whereby the same audit firm performs statutory audits is 10 years.

If the Company is notified of circumstances indicating that the statutory auditor cannot fulfill requirements arising from legal regulations, professional ethics guidelines, independence principles or the national code of professional conduct, the Company, in collaboration with the Audit Committee, shall analyze whether the existing contract with that audit firm may be dissolved.

#### **Permissible services other than audits of financial statements**

The entity authorized to perform audits of financial statements may provide to member companies of the CD PROJEKT Group services other than audits or reviews of financial statements, as long as:

- such services are not prohibited under Art. 5 section 1 paragraph 2 of Regulation no. 537/2014;
- such services are listed in the catalogue of permitted services pursuant to Art 136 section 2 of the Act;
- the extent of such services does not involve the tax policy of the Group member companies;
- the Audit Committee has performed an analysis of threats and safeguards related to the independence of the audit firm and the key statutory auditor and has consented to procurement of such services.

In 2024, in accordance with the corresponding Audit Committee decision, the audit firm contracted to perform audits of financial services provided other permissible services to the Company, namely a review of the CD PROJEKT S.A. Supervisory Board report on remuneration of Management Board and Supervisory Board members in 2023. The Audit Committee did not identify any threats to the independence of the entity authorized to perform audits of financial statements.

## **Diversity policy**

Diversity, equality and respect for human rights are among our core values enshrined in Rules of the Game: Business and Ethics Standards at the CD PROJEKT Group. We pledge to guarantee equal treatment for everyone, regardless of gender, disability, race, religion, social background, age, skin color or sexual orientation. In 2019 we adopted a Diversity Policy which includes a general non-discrimination principle with regard to all employees, members of the Supervisory Board, members of the Management Board and key managers. Our employment-related decisions are based mainly on professional experience, knowledge and education. We are also signatories to the Diversity Charter which forbids discrimination at the workplace, and mandates action to encourage and promote diversity. The Company continues to monitor legislative changes in the area of gender diversity, and plans actions required to maintain compliance with the applicable legal requirements.





05

**CORPORATE GOVERNANCE –**  
**SUPPLEMENTARY INFORMATION**



## Agreements which may result in changes in the proportions of shares held by shareholders and bondholders

### INCENTIVE PROGRAMS FOR 2023–2027

On 18 April 2023 the General Meeting of the Company voted to institute two new incentive programs for the financial years 2023-2027 replacing the 2020-2025 incentive program: Incentive Program A and Incentive Program B respectively.

#### **Incentive Program A**

Incentive Program A is aimed at persons who are not members of the Company's Management Board. According to the adopted provisions, entitlements will be assigned under this program in each financial year belonging to the 2023-2027 period (i.e. in five stages). The total number of entitlements assigned under Incentive Program A may not exceed 1,500,000. Entitlements shall vest either by:

- I. extending an offer to participants to claim subscription warrants which incorporate the right to take up the equivalent number of shares issued in the framework of a conditional increase in the Company share capital, or
- II. extending an offer to participants to purchase from the Company a certain number of own shares which the Company will have previously acquired in the framework of a buy-back program instituted specifically for this purpose. The take-up and exercise of subscription warrants or purchase of own shares from the Company, as appropriate, will require participants to fulfill the loyalty condition, which is defined as the existence of a legal relationship between the participant of Incentive Program A and the Company or an affiliate thereof. The share take-up or purchase price in the exercise of entitlements assigned under Incentive Program A will be equivalent to the nominal price of Company shares. The vesting period is 3 years.

As of the preparation date of this report:

- 100 444 entitlements have been assigned at the first stage of Incentive Program A (in 2023), 89 960 of which remain outstanding,
- 183 189 entitlements have been assigned at the second stage of Incentive Program A (in 2024), 170 700 of which remain outstanding,
- 123 186 entitlements have been assigned at the third stage of Incentive Program A (in 2025), 122 915 of which remain outstanding.

#### **Incentive Program B**

Incentive Program B is aimed at members of the Company's Management Board as well as persons who do not hold membership of the Management Board. According to the adopted provisions, entitlements will be assigned under this program in each financial year belonging to the 2023-2027 period (i.e. in five stages). The total number of entitlements assigned under Incentive Program B may not exceed 3,500,000. Entitlements shall vest either by:

- I. extending an offer to participants to claim subscription warrants which incorporate the right to take up the equivalent number of shares issued in the framework of a conditional increase in the Company share capital, or
- II. extending an offer to participants to purchase from the Company a certain number of own shares which the Company will have previously acquired in the framework of a buy-back program instituted specifically for this purpose.

The take-up and exercise of subscription warrants or purchase of own shares from the Company, as appropriate, will depend on confirmation by the Company of the fulfillment of the earnings condition (for 70% of entitlements), the market condition (for 30% of entitlements), certain individual conditions applied on a case-by-case basis, as well as – in all cases – the loyalty condition, which is defined as the existence of a legal relationship between the participant of Incentive Program B and the Company or an affiliate thereof. The base share take-up or purchase price in the exercise of entitlements assigned under Incentive Program B will be equivalent to the closing price of Company stock on the last trading day preceding the adoption of a resolution enrolling the given participant in the program. The program provides for a potential reduction in the take-up or purchase price coupled with

a proportional reduction in the number of entitlements exercisable by the given participant. The vesting period is four years (with the option to shorten the vesting period to three years for entitlements tied to the earnings condition, in case the four-year earnings condition is met ahead of time).

As of the preparation date of this report:

- 662 000 entitlements have been assigned at the first stage of Incentive Program B (in 2023), 656 000 of which remain outstanding,
- 723 500 entitlements have been assigned at the second stage of Incentive Program B (in 2024), 723 500 of which remain outstanding.
- 740 500 entitlements have been assigned at the third stage of Incentive Program B (in 2025), 740 500 of which remain outstanding.

#### **Earnings condition – applicable to 70% of entitlements assigned during each stage of Incentive Program B**

The earnings condition is considered fulfilled if, during the given vesting period, the CD PROJEKT Group posts sufficient consolidated earnings from continuing activities aggregated with the costs of estimating entitlements assigned during the given stage of Incentive Program B as entered in the accounting records of CD PROJEKT Group member entities.

For entitlements assigned during the first stage of Incentive Program B (in the financial year 2023) the earnings condition for the years 2023-2026 is 2 billion PLN; for entitlement assigned during the second stage of Incentive Program B (in the financial year 2024) the earnings condition for the years 2024-2027 is 3 billion PLN, while for entitlement assigned during the third stage of Incentive Program B (in the financial year 2025) the earnings condition for the years 2025-2028 is 4 billion PLN.

For each subsequent stage of Incentive Program B, associated with the financial years 2026 and 2027 respectively, the corresponding four-year earnings condition will, in each case, be determined by the General Meeting in the form of a resolution (on the Management Board's request).

#### **Market condition – applicable to 30% of entitlements assigned during each stage of Incentive Program B**

The market condition is defined as a change in the price of Company stock on the Warsaw Stock Exchange in such a way that the percentage difference between the closing price of Company stock on the final trading session of the final year subject to verification in the context of the above-mentioned earnings condition compared to the closing price of Company stock on the final trading session of the year preceding the year covered by the given stage of Incentive Program B is equal to or greater than the corresponding percentage change in the value of the WIG index increased by 10 percentage points over the same period.

## Information regarding the control system of employee share programs

The share-based incentive programs in force as of the publication date of this report, i.e. Incentive Program A and Incentive Program B for the years 2023-2027 were introduced by the General Meeting of the Company on 18 April 2023. Detailed regulations applicable to these programs were adopted by the Management Board of the Company on 21 May 2023 and subsequently approved by the Supervisory Board on 23 May 2023. On 18 December 2024 the Management Board of the Company introduced changes in regulations applicable to Incentive Programs A and B for foreign tax residents, and these changes were subsequently approved by the Supervisory Board on 20 December 2024. The full wording of these regulations is available on the [Company's corporate website](#).



Implementation of both programs is overseen by the Supervisory Board and the Management Board of CD PROJEKT S.A.

## Disclosure of the purchase and redemption of own shares

### PURCHASE OF OWN SHARES

The Company did not purchase any own shares during the reporting period.

### REDEMPTION OF OWN SHARES

The Company did not redeem any own shares during the reporting period.

## Company shares held by members of the Management Board and the Supervisory Board

**Table 11** Shares held by members of the Management Board and Supervisory Board of the Company\*

Name	Position	as of 24.03.2025	as of 31.12.2024	as of 01.01.2024
Piotr Nielubowicz	Management Board Member, Chief Financial Office	6 858 717	6 858 717	6 858 717
Adam Badowski	Management Board Member, Joint Chief Executive Officer	692 640	692 640	692 640
Michał Nowakowski	Management Board Member, Joint Chief Executive Officer	530 290	530 290	530 290
Piotr Karwowski	Management Board Member, Joint Chief Operating Officer	108 728	108 728	108 728
Paweł Zawodny	Management Board Member, Joint Chief Operating Officer	18 508	18 508	18 508
Marcin Iwiński	Co-Chair of the Supervisory Board	12 650 000	12 873 520	12 873 520
Adam Kiciński	Co-Chair of the Supervisory Board; Management Board Member until 31 December 2024	4 046 001	4 046 001	4 046 001
Katarzyna Szwarc	Deputy Chair of the Supervisory Board until 31 December 2024	n/a	10	10
Maciej Nielubowicz	Supervisory Board Member until 31 December 2024	n/a	51	51

\* based on declarations and notifications filed with the Company (the nominal value of each share of CD PROJEKT S.A. is 1 PLN)

Persons discharging managerial and executive responsibilities at CD PROJEKT S.A. do not directly hold any shares of entities affiliated with CD PROJEKT S.A.

## Remuneration paid out to members of the Company's governing bodies

The Company pays out remuneration to members of its Management Board and Supervisory Board in accordance with the remuneration policy. A [Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of CD PROJEKT S.A.](#) is in force at the Company, having been adopted in 2020 and subsequently amended by a resolution of the General Meeting on 14 June 2024. On 4 July 2024 the Supervisory Board of the Company, following Management Board recommendations, also adopted a resolution which clarifies certain elements of this policy.

The policy contains all elements required under law, including descriptions of fixed and variable components of remuneration packages offered to members of the Company's governing bodies, including any additional benefits, as well as the basic assumptions underpinning the Company's incentive schemes. The current version of the policy, along with the content of the aforementioned clarifying resolution of the Supervisory Board, can be found on the [Company website](#). The same section of the website also contains Supervisory Board reports on the remuneration of members of the Company's governing bodies in past years.

## Gross remuneration of members of the Management Board of CD PROJEKT S.A.

**Table 12** Gross remuneration of members of the Management Board of CD PROJEKT S.A. during their tenure

	Michał Nowakowski Joint CEO		Adam Badowski Joint CEO		Adam Kiciński CSO		Piotr Nielubowicz CFO		Piotr Karwowski Joint COO		Paweł Zawodny Joint COO		Jeremiah Cohn CMO	
	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023
Fixed remuneration (base remuneration for duties performed, along with any additional contracts concluded with the Company)	720	600	378	600	720	600	720	600	660	540	720	600	478	502
Fixed remuneration (additional benefits)	13	9	9	12	8	9	9	9	8	5	13	16	0	0
Variable remuneration (Short-term incentive scheme)*	6 719	6 976	6 719	6 976	6 719	6 976	6 719	6 976	6 719	6 976	6 719	3 488	6 719	3 488

\* Variable portion of remuneration assigned to members of the Management Board under the Company's short-term incentive scheme, settled in annual cycles, depending on the consolidated net profit of the Group. Variable remuneration assigned for 2023 was paid out in 2024, while variable remuneration assigned for 2024 was not paid out as of the balance sheet date.

**Table 13** Value of remuneration obtained by members of the Management Board of CD PROJEKT S.A. during their tenure and paid out by the Company's subsidiaries

	Piotr Karwowski	Jeremiah Cohn	Adam Badowski
01.01.2024-31.12.2024	60 thousand PLN	497 thousand USD	133 thousand USD
01.01.2023-31.12.2023	60 thousand PLN	480 thousand USD	n/a

## COMPENSATION PAID OUT IN THE FRAMEWORK OF LONG-TERM SHARE-BASED INCENTIVE SCHEMES

[ESRS 2 GOV-3]

### Incentive Program B for 2023–2027

On 18 April 2023 the General Meeting adopted resolutions introducing Incentive Program B for the years 2023-2027, which (along with the accompanying Incentive Program A) superseded the above-mentioned Incentive Program for 2020-2025. Entitlements corresponding to the first stage of Incentive Program B were assigned to members of the Company's Management Board on 26 May 2023, while entitlements corresponding to the second stage of the program were assigned on 8 March 2024.

**Table 14** Number of entitlements and value of potential benefits (in PLN thousands) assigned to members of the Management Board at the first stage of Incentive Program B (tranche for the years 2023-2026)

	Michał Nowakowski Joint CEO		Adam Badowski Joint CEO		Adam Kiciński CSO until 31.12.2024; currently Co-Chair of the Supervisory Board		Piotr Nielubowicz CFO		Piotr Karwowski Joint COO		Paweł Zawodny Joint COO		Jeremiah Cohn CMO	
Entitlements assigned	50 thousand		50 thousand		50 thousand		50 thousand		50 thousand		50 thousand		50 thousand	
	01.01.2024- 31.12.2024	26.05.2023- 31.12.2023	01.01.2024- 31.12.2024	26.05.2023- 31.12.2023	01.01.2024- 31.12.2024	26.05.2023- 31.12.2023	01.01.2024- 31.12.2024	26.05.2023- 31.12.2023	01.01.2024- 31.12.2024	26.05.2023- 31.12.2023	01.01.2024- 31.12.2024	26.05.2023- 31.12.2023	01.01.2024- 31.12.2024	26.05.2023- 31.12.2023
Value of potential benefits (PLN thousands)	416	934	416	934	416	934	416	934	416	934	416	934	416	934

**Table 15** Number of entitlements and value of potential benefits (in PLN thousands) assigned to members of the Management Board at the second stage of Incentive Program B (tranche for the years 2024-2027)

	Michał Nowakowski Joint CEO		Adam Badowski Joint CEO		Adam Kiciński CSO until 31.12.2024; currently Co-Chair of the Supervisory Board		Piotr Nielubowicz CFO		Piotr Karwowski Joint COO		Paweł Zawodny Joint COO		Jeremiah Cohn CMO	
Entitlements assigned	50 thousand		50 thousand		50 thousand		50 thousand		50 thousand		50 thousand		50 thousand.	
	08.03.2024- 31.12.2024		08.03.2024- 31.12.2024		08.03.2024- 31.12.2024		08.03.2024- 31.12.2024		08.03.2024- 31.12.2024		08.03.2024- 31.12.2024		08.03.2024- 31.12.2024	
Value of potential benefits (PLN thousands)	397		397		397		397		397		397		397	



The potential benefits listed in the above table for entitlements assigned at the first and second stage of the share-based Incentive Program B to members of the Management Board reflect the fair value of the corresponding entitlements, based on an actuarial assessment valid on the date of assignment. Information concerning assumptions made by the actuary in preparing the assessment of entitlements can be found in the Consolidated Financial Statement of the CD PROJEKT Group for 2024. The listed value corresponds to costs recognized in 2023 and 2024 in association with estimation of entitlements assigned under Incentive Program B and does not include costs associated with estimation of expired entitlements assigned under the preceding program.

The difference between the market price of CD PROJEKT shares on any given date and the corresponding take-up or purchase price for shares acquired in the framework of Incentive Program B may differ significantly from the assessment provided by the actuary on the date of assignment of entitlements and recognized in the Group's statement of costs. Moreover, future benefits which may potentially be obtained by participants of the program depend on fulfilling a range of goals and conditions applicable to the program, and also on the future price of shares at the moment such shares are taken up or purchased by the entitled parties. With regard to entitlements assigned at the first and second stage of Incentive Program B, the base purchase or take-up price of shares acquired by entitled parties (given fulfillment of the program goals and criteria) is 118.05 PLN and 107.75 PLN respectively.

Remuneration paid out to members of the Management Board during the financial year was not directly tied to achievement of sustainability goals.

## Gross remuneration of Supervisory Board members

[ESRS 2 GOV-3]

**Table 16** Gross remuneration (including for participation in the Audit Committee and inclusive of additional benefits) paid out to members of the Supervisory Board of CD PROJEKT S.A.

	<b>Marcin Iwiński</b> Chair of the Supervisory Board (until 31.12.2024; currently Co-Chair of the Supervisory Board)	<b>Katarzyna Szwarz</b> Deputy Chair of the Supervisory Board (until 31.12.2024)	<b>Maciej Nielubowicz</b> Secretary of the Supervisory Board; Member of the Audit Committee (until 31.12.2024)	<b>Michał Bień</b> Supervisory Board Member; Chair of the Audit Committee (until 31.12.2024)	<b>Jan Łukasz Wejchert</b> Supervisory Board Member; Audit Committee Member (until 31.12.2024)
01.01.2024-31.12.2024	481 thousand PLN	180 thousand PLN	120 thousand PLN	120 thousand PLN	120 thousand PLN
01.01.2023-31.12.2023	480 thousand PLN	180 thousand PLN	120 thousand PLN	120 thousand PLN	120 thousand PLN

During the financial year members of the Supervisory Board did not hold any executive positions at Group member companies.

Persons who held membership of the Supervisory Board in 2024 did not participate in Incentive Programs A and B for 2023-2027.

Remuneration paid out to members of the Supervisory Board in 2024 was not directly tied to achievement of sustainability goals.

## Disclosure of retirement benefits and similar compensation payable to former members of the Issuer's executive, supervisory or administrative bodies, and of any liabilities associated with such benefits, specifying the aggregate amounts for each category of recipients

As of 31 December 2024, the Company had no such liabilities.

## Agreements between the Issuer and members of its managing bodies concerning compensation in the event of their resignation or dismissal, including dismissal or recall as a result of a merger

As of 31 December 2024, there were no provisions in force regulating compensation in the event of resignation or dismissal of members of the Company's Management Board, including when their dismissal or recall is due to a merger involving the Company.

## Transactions between the Issuer and members of its managing and supervisory bodies not otherwise reported

In 2024 there were no significant transactions with members of the managing and supervisory bodies of CD PROJEKT S.A. not disclosed elsewhere in this report.

The following transactions are not regarded as significant: medical coverage fees, incidental purchases by members of the Management Board or Supervisory Board on the same terms as those offered to the rest of the workforce.

## Changes in basic management practices at the Company and its Group

No significant changes in basic management policies affecting the Company and its Group occurred in 2024.

## Disclosure of significant legal proceedings

The following legal proceedings took place during the reporting period (the presented status is valid for the preparation date of this report):

## CRIMINAL PROCEEDINGS IN WHICH CD PROJEKT S.A. IS RECOGNIZED AS THE VICTIM

### Case against natural persons (including former members of the Management Board of Optimus S.A.)

In case no. XVIII K 126/09, following indictment filed by the District Attorney in the District Court for the City of Warsaw, on 27 October 2016 the District Court convicted Mr. Michał L., Mr. Piotr L. and Mr. Michał D. of violating sections 296 §1, 296 §3 and others of the Penal Code. The Company acted as an auxiliary prosecutor in the court of first instance and will retain this status until the trial has concluded. Having found the defendants guilty, the Court awarded the Company 210 thousand PLN in damages under Art. 46 of the Penal Code. According to the operative part of the judgement, total losses sustained by the Company as a result of the defendants' actions were estimated at not less than 16 million PLN (this figure follows from standard regulations applicable to criminal trials). The Company subsequently filed an appeal against the judgment, contesting, among others, the amount of damages awarded to the Company. An appeal against the full judgement was also filed by the defendants' attorneys. On 26 October 2017 the Appellate Court vacated the judgment of the court of first instance and remanded the case to be retried in full. The District Court for the City of Warsaw subsequently filed the case under no. XVIII K 316/17. The parent company continues to act in the capacity of an auxiliary prosecutor.

## LITIGATION INVOLVING THE COMPANY'S SUBSIDIARIES

### Class action complaint against GOG concerning compliance with technological solutions applied by GOG with the US Video Privacy Protection Act

On 6 September 2024 the Management Board of the Company was notified of the filing of a civil class action complaint against the Company in the US District Court for the Eastern District of New York. The complaint was filed on behalf of one named user and potential other users of the GOG.COM digital video game distribution platform which is operated by GOG sp. z o.o. – a subsidiary of the Company – and concerns potential violation by GOG sp. z o.o. of the US Video Privacy Protection Act (VPPA) by applying Facebook tracking scripts on the GOG.COM website for remarketing purposes – allegedly, without proper consent on the part of the user. The plaintiff petitioned the court to determine whether the use of certain technological solutions by GOG.COM is consistent with VPPA, and to award damages to the plaintiff in case it finds the Company to be in violation of the law. The complaint was effectively served on 10 September 2024.

On 5 December 2024 the Company was notified of the filing of an amended class action complaint. The amendment names a different respondent – instead of the Company, as originally indicated, the complaint is now directed against GOG sp. z o.o. All claims against the Company were voluntarily dismissed without prejudice and, consequently, the Company is no longer a party to these proceedings. The case is currently at the motion to dismiss stage (in the course of pretrial proceedings). The number of potential class members, and, consequently, the value of potential claims, is not currently known. GOG sp. z o.o. undertakes actions aimed at protecting its legitimate interests. In Current Report no. 30/2024 which addresses this matter, the Management Board of the Company announced that, following analysis carried out in collaboration with a law firm, the materiality of the case does not currently merit further status updates in the form of current reports.

### Case brought by GOG sp. z o.o. before the District Administrative Court in Kraków

On 19 August 2022 the Head of the Małopolska Customs and Tax Office in Kraków issued a decision with regard to corporate tax liabilities incurred by GOG sp. z o.o., a subsidiary of the Company, in 2016. The Management Board of GOG sp. z o.o. discharged the liability arising under the aforementioned decision, which, as of the payment date, amounted to 2 638 thousand PLN. Nevertheless, given its disagreement with the assessment presented by the tax authority, it appealed the decision on 5 September 2022.

On 22 May 2023 the Head of the Małopolska Customs and Tax Office in Kraków, who also performs the function of the appeal body in this case, issued a decision upholding the contested decision. This decision was delivered to GOG sp. z o.o. on 5 June 2023. On 4 July 2023, given its continuing disagreement with the

position expressed by the tax authority, the Management Board of GOG sp z o.o. filed a complaint against the aforementioned decision in the District Administrative Court in Kraków. A trial was held before the District Administrative Court in Kraków on 3 October 2023, as a result of which the Court issued an injunction repealing the decisions of the Head of the Małopolska Customs and Tax Office in Kraków of 19 August 2022 and 22 May 2023. As of the publication date of this report this injunction is regarded as final and the case is again at the evidence taking stage.

On 29 May 2024 the Head of the Małopolska Customs and Tax Office in Kraków issued a new decision concerning the value of corporate income tax liabilities for 2016. The declared liability was lowered by 116 226 thousand PLN compared to the decision issued on 19 August 2022. On 26 June 2024 the Management Board of GOG sp. z o.o., given its continuing disagreement with the tax authorities' decision, filed an appeal with the Director of the Tax Administration Chamber in Kraków. As of the preparation date of this report the Director of the Tax Administration Chamber in Kraków has not addressed GOG sp. z o.o.'s complaint, and the appeal remains pending.

On 25 June 2024, in light of the injunction issued by the District Administrative Court in Kraków, GOG sp. z o.o. received a tax reimbursement from the First Mazovian Tax Office in Warsaw in the amount of 2 578 500 PLN.

On 25 February 2025 the Director of the Tax Administration Chamber in Kraków, acting as the appellate body in the presented case, issued a decision which upholds the previously issued contested decision. The aforementioned decision was delivered to GOG sp. z o.o. on 11 March 2025. On 13 March 2025 the management board of GOG sp z o.o. discharged the liabilities arising under the aforementioned decision, which stood at 2 466 927 PLN as of the date of remittance, inclusive of interest. In parallel, however, given its continuing dissent with regard to the assessment presented by the tax authority, the management board of GOG sp. z o.o. intends to appeal the decision in the District Administrative Court in Kraków.





06

**SUSTAINABILITY STATEMENT**



## Sustainability statement

### GENERAL DISCLOSURES

[ESRS 2]

#### General basis for preparation of sustainability statements

[ESRS 2 BP-1]

This sustainability statement of the CD PROJEKT Group for 2024 ("the Statement") covers information and consolidated data applicable to the CD PROJEKT Group and its parent entity, i.e. CD PROJEKT S.A. for the period between 1 January and 31 December 2024. The scope of consolidation in this statement is equivalent to the scope of consolidation in the CD PROJEKT Group financial statement unless indicated otherwise in the framework of specific disclosures.

Information and data presented in the Statement as describing the "CD PROJEKT Group" relate to the following entities: CD PROJEKT S.A., GOG Sp. z o.o. and CD PROJEKT RED Inc. The Statement covers the CD PROJEKT Group value chain to the extent of its designation of materiality as determined by the Company in the double materiality assessment performed in 2023.

Publication of the Statement follows the requirements of the Accounting Act of 6 December 2024<sup>11</sup> with regard to the scope of sustainability disclosures, and complies with the EU corporate sustainability reporting directive<sup>12</sup> (CSRD Directive).

None of the subsidiaries subject to consolidation are exempt from:

- separate or consolidated sustainability reporting as specified in Art. 19a section 9 or Art. 29a section 8 of Directive 2013/34/EU,
- disclosure obligations related to anticipated events or matters which are the subject of ongoing negotiations as specified in Art 19a section 3 of the foregoing.

Moreover, none of the subsidiaries subject to consolidation are covered by Art. 29a section 3 of Directive 2013/34/EU.

#### Disclosures in relation to specific circumstances

[ESRS 2 BP-2]

This Statement marks the first time the presented data are gathered and described in accordance with ESRS<sup>13</sup>. Consequently, most indicators, whether numerical or descriptive, are not compared with 2021-2023 figures, which were presented according to GRI guidelines. No rectifications of figures for past reporting periods have been applied in this Statement.

<sup>11</sup> Act of 6 December 2024 amending the Accounting Act, the Act on Licensed Auditors, Audit Firms and Public Supervision, and certain other acts.

<sup>12</sup> Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting.

<sup>13</sup> ESRS (European Sustainability Reporting Standards) – European standards introduced by delegated regulation 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards.

For the purposes of analyses of climate risks and opportunities, as well as scenario analyses carried out in 2022 and subsequently updated in 2023-2024, the following time horizons were applied – consistently with the horizons adopted in the Paris Agreement:<sup>14</sup>

- short-term – by 2025,
- medium-term – between 2026 and 2030,
- long-term – between 2031 and 2050.

This Statement contains disclosures corresponding to standards E1, S1, S4 and G1, whose scope coincides with the Company's influence as defined in the double materiality survey. Given the lack of a suitable standard describing social involvement, the Statement also provides a custom indicator in this scope.

Estimated figures have been applied in the calculation of Scope 3 greenhouse gas emissions. The base estimation methodology is described in the *Climate change* section.

This Statement takes advantage of interim regulations in forgoing ESRS disclosure requirements E1-E9 - Anticipated financial effects from material physical and transformational risks and potential climate-related opportunities.

### Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

[ESRS 2 GOV-2]

Members of the Management Board discuss matters related to sustainability at meetings with representatives of departments charged with managing these matters. In 2024 such meetings concerned various aspects of the Company's activities, including among others the outcomes of workforce engagement surveys, employment, establishment of business relations, new technologies (including AI) and IT security.

In 2023 the Management Board of CD PROJEKT established the ESG Management Group, comprising high-level managerial staff, and tasked it with overseeing the Company's impact in its members' respective areas of responsibility – including identifying and managing risks related to important aspects of sustainability.

Since 2022 an ESG Team has operated as part of the Investor Relations Department. Its manager holds regular meetings with the CFO, who is also the Board Member responsible for overseeing sustainability reporting, to report, among others, on the progress towards sustainability goals and actions undertaken by the Company to ensure alignment between the CD PROJEKT Group's disclosures and the applicable regulations.

To further expand their knowledge, members of the ESG Team participate in external training courses and topical conferences, and – where required – seek external support in implementing specific projects. ESG Team members regularly notify members of the Company's administrative, governing and supervisory bodies of, among others, legislative changes as well as best practices related to ESG oversight and sustainability reporting.

<sup>14</sup> Accords formulated at the 21st United Nations Climate Change Conference in 2015. Pursuant thereto, by the end of 2020 the EU presented a long-term emissions reduction strategy together with updated climate plans (contributed by individual nations). In it, the EU committed to reducing its emissions by 55% by 2030 compared to 1990 levels. EU member states furthermore agreed that the EU would undertake action to ensure that, by 2050, it would become the first climate-neutral economy and society in the world.

## Statement on due diligence

[ESRS 2 GOV-4]

At the CD PROJEKT Group the due diligence principle is construed as an ongoing process which aims to identify undesirable circumstances related to sustainability and take action to prevent the occurrence of such circumstances or mitigate their effects.

Aspects of the due diligence process are described in the following sections of this Statement:

**Table 17** Elements of the due diligence process described in each section of the Statement

Core elements of due diligence	Disclosures in the sustainability statement
Embedding due diligence in governance, strategy and business model	S1-1 S4-1
Engaging with affected stakeholders in all key steps of the due diligence	S1-2 S4-2
Identifying and assessing adverse impacts	IRO-1 SBM-3
Taking actions to address those adverse impacts	S1-3 S4-3
Tracking the effectiveness of these efforts and communicating	S1-5

## Interests and views of stakeholders

[ESRS 2 SBM-2]

Dialogue is important to us. We want to be transparent with stakeholders in current matters related to the Group's business, and also receive feedback on our products and other business activities. Stakeholder opinions are taken into account in the CD PROJEKT Group's sustainability management process. At periodic meetings with representatives of departments whose responsibilities include matters related to sustainability, Management Board members receive information of issues regarded as important by the Company's stakeholders – which includes employees, gamers, business partners, investors and analysts. Examples of such feedback include conclusions from Culture Amp surveys.

The list of key stakeholder groups with which we most frequently interact – updated during our 2023 double materiality assessment – is presented below.

**Table 18** Key stakeholders of the CD PROJEKT Group

Key stakeholders	Type of engagement
Internal stakeholders	
<b>Team members</b>	We maintain ongoing dialogue with our team members – among others via meetings, e-mail, surveys, opinion polls, periodic reviews and feedback collection. We have also established a whistleblowing mechanism called Speak Up through which reports of irregularities can be submitted.
External stakeholders	
<b>Gamers and other customers</b>	Proactive and reactive communication with gamers is maintained – both via direct communication during trade fairs and live meetings with the community hosted by the Group, and via indirect interactions through social media and portals.
<b>Capital market:</b> <ul style="list-style-type: none"> <li>• institutional and retail investors</li> <li>• rating agency analysts, including ESG rating agencies</li> <li>• sell-side analysts</li> <li>• buy-side analysts</li> <li>• representatives of capital market institutions and organizations</li> </ul>	<p>We emphasize transparency – we provide detailed and transparent information in the form of press releases, current reports and periodic reports regarding financial performance indicators and key operating and corporate events. We also engage in direct dialogue during meetings, conferences and conference calls, and also by responding to inquiries on an ongoing basis.</p> <p>We care about providing transparent information on our investor relations website. We organize and broadcast General Meetings of Shareholders at which we facilitate real-time remote voting. Each year we participate in over a dozen international conferences and roadshows dedicated to institutional investors, and in selected events targeting individual investors. We run a dedicated investor relations profile on X: @CDPROJEKTRED_IR.</p> <p>Information regarding CD PROJEKT and its current activities is provided in two language versions – in Polish and in English.</p>
<b>Business partners (suppliers and clients)</b>	We maintain business relations through individual meetings, phone calls and e-mail conversations.
<b>Media:</b> <ul style="list-style-type: none"> <li>• trade journalists</li> <li>• finance and economic journalists</li> <li>• content creators</li> <li>• opinion leaders</li> </ul>	Our PR, marketing and investor relations departments remain in constant contact with representatives of the media, content creators and opinion leaders. Communication entails, among others: publishing current and periodic reports, distributing press releases, holding press conferences, actively communicating in social media and delegating Company representatives to take part in trade events, interviews and expert panels.

## Material impacts, risks and opportunities and their interaction with strategy and business model

### Description of the processes to identify and assess material impacts, risks and opportunities

[ESRS 2 SBM-3], [ESRS 2 IRO-1]

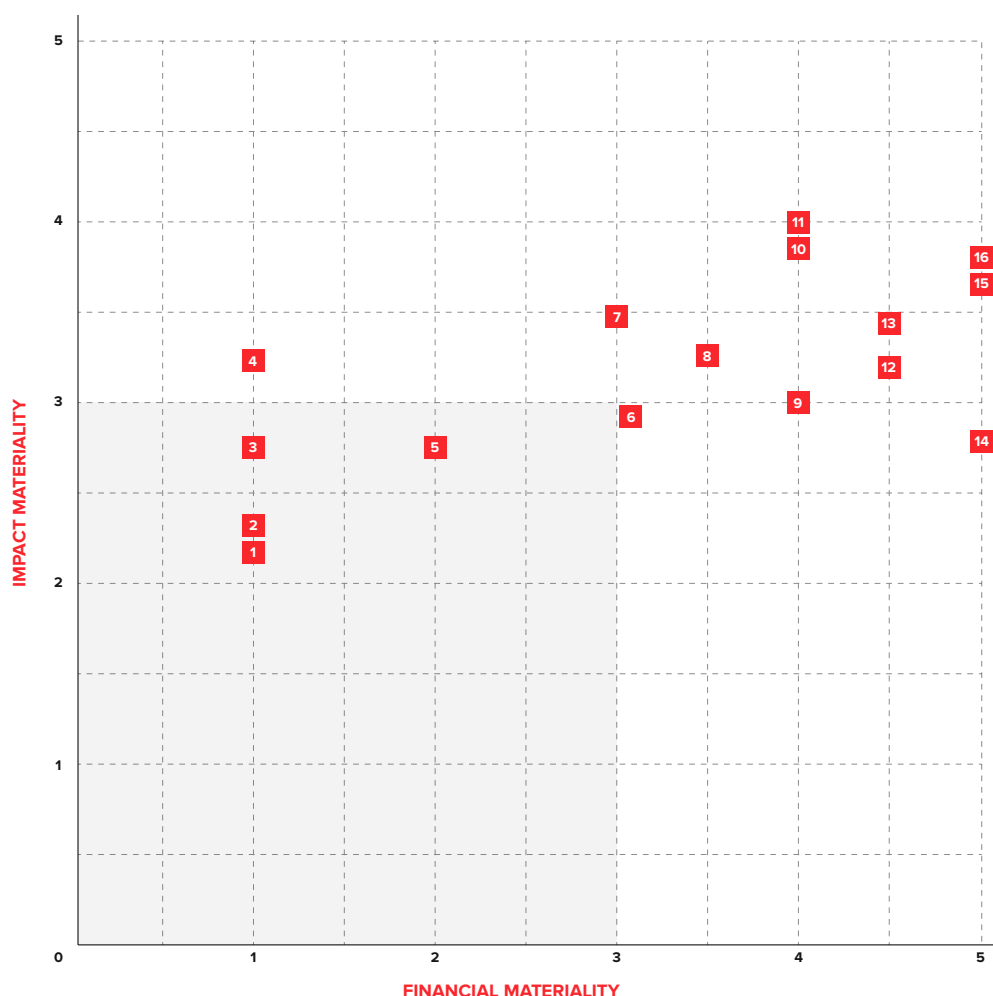
In 2023 we carried out a survey of material aspects of sustainability, in line with the double materiality principle described in ESRS standards. A wide community of stakeholders, both external and internal, was invited to participate in the survey, which lasted between July and November 2023 and comprised the following stages:


**Table 19** Stages of the double materiality assessment

Stage	Methodology	Results
Evaluation of the CD PROJEKT Group value chain	<ul style="list-style-type: none"> <li>Internal evaluation workshops</li> <li>Analysis of available documentation</li> </ul>	Schematic description of the CD PROJEKT Group value chain
Evaluation of the CD PROJEKT Group's environment	<ul style="list-style-type: none"> <li>Market benchmark</li> <li>Workshop with external experts</li> </ul>	Broad list of sustainability aspects regarded as potentially material for the CD PROJEKT Group
Categorization and analysis of the CD PROJEKT Group's impact on its social and environmental surroundings, and the impact thereof on the Company	<ul style="list-style-type: none"> <li>Analysis of gathered materials</li> <li>In-depth internal workshop</li> </ul>	<p>Registry of sustainability aspects related to the ESRS AR 16 disclosure obligation, together with a preliminary selection of impacts and assignment of aspects to specific ESRS standards</p> <p>Narrowed-down list of 16 ESG aspects regarded as potentially material for the CD PROJEKT Group</p>
Impact materiality survey with focus on severity and irreversibility of consequences	<ul style="list-style-type: none"> <li>Quantitative analysis – surveys targeting team members and gamers</li> </ul>	Itemized assessment of the impact (severity and irreversibility of consequences) of ESG aspects regarded as potentially material for the CD PROJEKT Group
Assessment of financial and impact scope materiality	<ul style="list-style-type: none"> <li>In-depth interview with CFO, Board Member and VP of Finance</li> </ul>	Itemized assessment of the financial and impact scope materiality of ESG aspects regarded as potentially material for the CD PROJEKT Group
Analysis of results	<ul style="list-style-type: none"> <li>Plotting potentially material aspects on two axes (impact materiality and financial materiality)</li> </ul>	<p>Matrix of ESG aspects regarded as potentially material for the CD PROJEKT Group</p> <p>Summary of material aspects, risks and opportunities</p>
Approval of the list by a Board Member	<ul style="list-style-type: none"> <li>Determining a cutoff point and approving the list of sustainability aspects regarded as material for the CD PROJEKT Group – by the CFO</li> </ul>	List of 12 sustainability aspects regarded as material for the CD PROJEKT Group

The survey produced a matrix of ESG aspects regarded as potentially material for the CD PROJEKT Group. Each of these was assessed by applying the five-point Likert scale, and subsequently plotted on the matrix, based on aggregate score.



**Chart 6** Matrix of material ESG topics for CD PROJEKT Group

- |   |   |
|---|---|
| 1. Player protection  | 10. Creating a comfortable working environment and taking care of work-life balance   |
| 2. Reducing greenhouse gas emissions in the value chain and implementing energy-efficient solutions | 11. Business ethics   |
| 3. Transparency of remuneration and diversity on the Management Board                               | 12. Building engaged communities around our products  |
| 4. Involvement in community initiatives and cooperation with NGOs                                   | 13. Responsible communication and marketing of our products   |
| 5. Sustainable production of packaging and game accessories   | 14. Implementing accessibility features in our games  |
| 6. Reinforcing the DEI culture at CD PROJEKT  | 15. Offering competitive compensation package and equal career opportunities  |
| 7. Transparency in relations with business partners   | 16. Management and protection of intellectual property  |
| 8. Strengthening inclusive leadership and team members' engagement                                  |  Material topics proposed not to be included in the final list due to failure to achieve a score equal to or higher than three points in at least one dimension. |
| 9. Cybersecurity and privacy protection of customer data  |   |

We decided to treat as material any aspect which received a score of at least 3 on any of the impact and financial materiality scales. In addition, we also decided – despite the non-attainment of the required score threshold – to elevate the materiality of the aspect titled “Reducing greenhouse gas emissions in the value chain and implementing energy-efficient solutions” due to the fact that, much like any business activity, we do have impact on our environment, including the natural environment and the climate. Furthermore, we decided to merge two aspects – “Strengthening the diversity culture at CD PROJEKT” and “Fostering inclusive leadership and engagement of team members” into a single aspect. We regard inclusive leadership as an indispensable component of our diversity and inclusion culture, and the level of engagement will be subject to monitoring as one of the KPIs in this scope.

The double materiality survey revealed 12 material aspects which, in turn, determine the scope of disclosures provided in this Statement.

**Table 20** Materiality assessment – impact of the CD PROJEKT Group

ESRS disclosure	Aspects identified as material in the materiality survey	Description of impact	Where the impact arises	Temporal outlook for the impact
Climate change	Reducing greenhouse gas emissions in the value chain and implementing energy-efficient solutions	In the framework of its operating activities (Scope 1 and 2) the CD PROJEKT Group affects the climate primarily through emissions of greenhouse gases related to use of electrical energy at its offices. A significant portion of the Group's emissions arises in the value chain (Scope 3) and is connected with distribution and use of our products.	<ul style="list-style-type: none"> <li>• Upstream</li> <li>• Own operations</li> <li>• Downstream</li> </ul>	Long-term
Own workforce	<div>Offering a competitive salary package and equal opportunities for advancement</div> <div>Ensuring comfort at work and taking care of work-life balance</div> <div>Strengthening the diversity culture at CD PROJEKT by, among others, fostering inclusive leadership</div>	At the end of 2024 the CD PROJEKT Group member companies employed a total of 1 045 persons. Our impact arises mainly from ensuring adequate employment conditions, including attractive salary packages and additional benefits, caring for the well-being of our employees by fostering an inclusive culture, providing a comfortable work environment and offering opportunities for career and personal development in the framework of our development paths. Our approach in this regard is regulated, among others, by Rules of the Game. Business and Ethics Standards at the CD PROJEKT Group.	<ul style="list-style-type: none"> <li>• Own operations</li> </ul>	Short- and medium-term
Consumers and end-users	<div>Building engaged communities around our products</div> <div>Implementing accessibility features in our games</div> <div>Responsible communication and marketing of products</div>	<p>In the case of the CD PROJEKT Group, consumers and end users are primarily gamers. We believe we have an impact on them by creating games with complex storylines, engendering emotions and provoking reflection.</p> <p>In our games we aim to portray vibrant characters representing various mental constructs and social groups. We also apply due diligence in our communication and managing impact on consumers, providing adequate support and caring for the quality of our products.</p>	<ul style="list-style-type: none"> <li>• Own operations</li> <li>• Downstream</li> </ul>	Short- and medium-term

ESRS disclosure	Aspects identified as material in the materiality survey	Description of impact	Where the impact arises	Temporal outlook for the impact
None – entity specific disclosure	Involvement in community initiatives and cooperation with NGOs	Sharing knowledge, competences and resources represents an expression of our professed values. In this scope, our impact is embodied, among others, by the Girls in the Game! mentoring program, which has been going on for 3 years, along with providing space on our campus for NGOs on advantageous terms, enabling two higher education institutions to carry out activities on our campus, maintaining cooperation with students, as well as providing team members with opportunities to engage in charitable initiatives.	• Own operations	Short- and medium-term
Business conduct	Management and protection of intellectual property	We manage our impact in this scope by ensuring compliance with regulations – i.e. through organizing internal training sessions, applying adequate procedures and making use of suitable tools.	• Upstream • Own operations • Downstream	Short- and medium-term
	Business ethics			
	Cybersecurity and data protection			
	Transparency in relations with business partners			

### Identification and assessment of negative impact

In carrying out its business activities, the CD PROJEKT Group may potentially produce material negative impact in specific areas thereof. The relevant areas have been identified by the Group and assigned to risks which the Company manages in accordance with its current *Risk Management Policy*. These are as follows:

- risk related to environmental and climate protection,
- risk related to recruitment, retention of employees, and team building,
- risk of failure to meet expectations resulting from promotional campaigns,
- risk associated with intellectual property rights,
- risk of regulatory noncompliance,
- risk related to unavailability of IT infrastructure and services, including cybersecurity risk,
- risk related to collaboration with key suppliers.

## Environmental information

### CLIMATE CHANGE

[ESRS E1]

#### Integration of sustainability-related performance in incentive schemes

[ESRS 2 GOV-3]

In 2024 the variable remuneration paid out to members of Company bodies under the *CD PROJEKT S.A. Remuneration Policy* was not directly tied to achievement of sustainability goals, including the GHG emissions reduction goal.

#### Transition plan for climate change mitigation

[ESRS E1-1]

In 2024 we developed the *CD PROJEKT Group Decarbonization Plan*<sup>15</sup> for the purposes of mitigating climate change (“the Plan”). Preparation of the Plan was the responsibility of the Decarbonization Task Force which comprises the CFO, representatives of the Operations Branch and the ESG Team which is part of the Investor Relations Department. The Decarbonization Plan was approved by resolution No. 6/2025 of the Management Board of CD PROJEKT S.A. concerning the adoption of the CD PROJEKT Group Decarbonization Plan for mitigating climate change by the year 2030.

The main stages of developing the Decarbonization Plan, including determination of reduction goals for the CD PROJEKT Group are as follows:

1. Analysis of energy usage at the CD PROJEKT Group.
2. Calculating and analysis of the Group's Scope 1 and 2 carbon footprint in accordance with GHG Protocol standards (since 2021), and also of its Scope 3 carbon footprint (since 2022).
3. Analysis of the calculation of the Group's Scope 1 and 2 carbon footprint from the point of view of SBTi requirements, in collaboration with an external advisor.
4. Developing a forecast for the Group's Scope 1 and 2 emissions by 2030, based on the BAU (business-as-usual) scenario while acknowledging internal business development plans (among others, changes in employment, expansion of the Warsaw campus, growth of CD PROJEKT RED Inc. and IT equipment upgrades)
5. Identifying decarbonization levers and estimating their reduction potential, in collaboration with an external advisor.
6. Setting Scope 1 and 2 reduction goal for 2030, in line with the Paris Agreement and SBTi guidelines (limiting global warming to 1.5°C).
7. Analyzing potential modernization initiatives at CD PROJEKT's Warsaw campus from the point of view of increasing energy efficiency of buildings and structures, and reduction in GHG<sup>16</sup> emissions.
8. Developing a Decarbonization Plan for 2030 to enable us to meet our Scope 1 and 2 reduction goals.

The structure of Scope 1 and 2 GHG emissions guides our reduction activities – both those already underway and those which are being planned. Given our plans to further expand our Warsaw campus, we expect an increase in our demand for energy, which will also result in increased Scope 2 emissions. The Group's main decarbonization lever is electrical energy (with an estimated contribution of 95%), which is why work to reduce emissions associated with purchases of such energy, increase the share of electrical energy from renewable sources in our total energy consumption, improve the energy efficiency of buildings which are our property, and further expand the solar panels at our Warsaw campus. Another notable contribution to the Group's Scope 2 carbon footprint relates to use of thermal energy. Given our limited ability to alter the means by which our buildings are heated (i.e. the municipal heating grid) as well as lack of influence upon emissions produced by the supplier of thermal energy, our reduction goals will be pursued, among others, by modernizing our existing infrastructure, reducing reliance on heating and deploying modern

<sup>15</sup> According to ESRS requirements, the decarbonization plan is the so-called transition plan, developed for the purposes of mitigating climate change. In its scope, the entity declares its objectives, activities and resources allocated towards implementation of the adopted GHG emissions reduction goals throughout its value chain.

<sup>16</sup> Greenhouse gases

technologies for intelligent management of heat consumption at our new office building. The estimated contribution of this decarbonization lever is 5%.

The Decarbonization Plan is an embodiment of our ESG ambition which is part of the CD PROJEKT business strategy – “to continue the green transformation on our campus and beyond”. Financial resources required to perform the actions listed in the Decarbonization Plan are allocated in annual financial planning cycles. The Plan does not cover reductions in Scope 3 emissions. A suitable plan for this purpose will be developed in parallel with setting the Group’s future reduction goal for this scope.

We do not identify any locked-in emissions of greenhouse gasses which may jeopardize meeting the reduction goal, or which may cause transformational risks for CD PROJEKT Group’s activities.

Disclosures related to alignment with the Taxonomy are presented on pages 150-160 of this Report. In 2024 we did not set any goals concerning better alignment of CD PROJEKT Group’s activities with the criteria specified in Commission Delegated Regulation (EU) 2021/2139.

Neither the CD PROJEKT Group nor CD PROJEKT S.A. are excluded from EU reference indicators aligned with the Paris Agreement.

### Description of the processes to identify and assess material climate-related impacts, risks and opportunities

[ESRS 2 IRO-1]

At the CD PROJEKT Group our impact on climate change emerges through emissions of greenhouse gases, over 99% of which come from our value chain. Management of climate-related impacts and emissions indicators is presented in sections E1-4 and E1-6, as appropriate.

In order to identify the means by which the CD PROJEKT Group might be affected by climate change, in 2022 we carried out a scenario analysis process, taking into account CD PROJEKT Group’s activities in Poland<sup>17</sup>. In the future we intend to expand this analysis to cover the entire value chain.

Climate-related risks and opportunities are assessed in the context of two climate change scenarios:

1. RCP 2.6<sup>18</sup> – increase in average temperatures by 1.5°C compared to the preindustrial period – in line with the aspirational goal of the Paris Agreement: greater likelihood and scope of transformational risks:
  - attainment of UE emissions reduction goals for 2030 and 2050,
  - Poland implements actions intended to achieve climate neutrality by 2050,
  - significant increase in emissions-related costs,
  - significant increase in energy costs,
  - significant increase in ecological awareness among consumers, greater demand for low-emissions products,
  - new capabilities and faster-than-ever increase in the efficiency of renewable energy sources.
2. RCP 8.5 – maintaining the existing pace of increase in greenhouse gas emissions (“business as usual”); increase in global average temperatures by 4.5°C compared to the preindustrial period, resulting in irreversible destabilization of the Earth’s climate; lower likelihood and scope of transformational risks:
  - non-attainment of UE emissions reduction goals for 2030 and 2050,
  - Poland fails to meet the climate neutrality goal and significantly diverges therefrom,
  - moderate increase in emissions-related costs,

<sup>17</sup> CD PROJEKT RED Inc. is currently evaluating possible locations for its offices. Following selection of the final location, it will be included in the climate risk analysis process.

<sup>18</sup> In our analysis we relied on RCP (representative concentration pathways) approved by the International Panel for Climate Change (IPCC), which cover a range of potential future anthropogenic climate change factors. Each scenario differs with respect to its socioeconomic assumptions, degree of mitigation, climate change and reductions in atmospheric pollution levels.



- gradual and moderate increase in energy costs,
- moderate increase in ecological awareness among consumers, greater demand for low-emissions products,
- no new significant capabilities and lower-than-expected increase in the efficiency of renewable energy sources.

Climate-related risks and opportunities have been assessed in three separate timeframes:

- short-term perspective – by 2025,
- medium-term perspective – 2026-2030 (based on interim EU climate goals – reduction in emissions by 55% by 2030),
- long-term perspective – 2031-2050 (based on long-term climate goals – achieving climate neutrality by 2050).

Our analysis covered 29 physical threats (16 chronic; 13 acute) and 4 transformational threat categories: regulatory, market, technological and reputational. The following summary presents threats which may affect the CD PROJEKT Group irrespective of the likelihood of materialization.

**Table 21** Summary of the threats related to climate change

			Likelihood of occurrence by 2025	2026 – 2030		2031 – 2050	
				RCP 2.6	RCP 8.5	RCP 2.6	RCP 8.5
Physical	Acute	Floods	low	=	=	=	↑
		Power outages caused by extreme weather events	high	=	=	=	↑
		Heat waves	high	=	=	=	↑
Transformational	Market	Energy price increases	moderate	↑	=	↑	↑
		Need to raise product prices due to energy price increases	low	=	=	=	=
	Regulatory	Increased financial burden related to introduction of EU climate regulations	low	↑	=	↑	=
		Increased disclosure requirements related to climate issues	moderate	↑	=	↑	=
		Penalties related to noncompliance with stricter environmental regulations	low	=	=	=	=
	Technological	Increased expenditures related to the need to upgrade equipment to meet elevated energy efficiency standards	low	↑	=	↑	=
		Reduced interest in energy-intensive games on the part of gamers	low	=	=	↑	=
		Increased costs related to changes affecting logistics and transport	low	↑	=	↑	=
		Loss of key technology partners due to non-fulfillment of their environmental and climate protection standards	low	↑	=	=	=
	Reputational	Loss of customers and investor interest due to unambitious approach to climate protection issues	low	↑	=	↑	=
		The Group's pro-environment activities being branded as greenwashing	low	↑	=	=	=

= the likelihood of occurrence does not change from the level specified in the 'likelihood of occurrence by 2025' column

↑ the likelihood of occurrence increases from the level specified in the "likelihood of occurrence by 2025" column

According to IPCC<sup>19</sup> findings regarding the consequences of climate change, the differences in temperature growth expected to occur by 2035 in both scenarios are negligible. Consequently, the likelihood of materialization of physical threats in this period remains similar, and is slightly greater in scenario RCP 8.5 when considering the 2050 perspective. These conclusions have been confirmed in the case of Poland using the World Bank modeling tool<sup>20</sup> based on IPCC scenarios.

When analyzing the potential consequences of materialization of physical threats related to climate change, it is important to consider the geographical location of CD PROJEKT's Warsaw campus, which is situated in the Praga Północ district. The campus hosts our offices and our main server room, and may be susceptible to chronic and acute threats resulting from global increases in temperature. According to the provisions of the local climate change adaptation plan<sup>21</sup>, Praga Północ is characterized by an elevated risk of flooding. We have analyzed the threat of river flooding based on flood threat maps available on Hydroportal<sup>22</sup>. Taking into account the flood scenarios listed therein, along with the technical characteristics of our buildings (entrance elevation), we regard this as a low-probability event. On the other hand, the threat of flash flooding is seen as more likely, and we have worked out suitable adaptation plans. It should also be noted that the CD PROJEKT campus is situated in the Warsaw urban heat island (UHI) zone, which results in an increasing frequency of heat waves. Prolonged heat waves or other severe weather phenomena may cause power outages, and we regard the likelihood of materialization of this threat as "high".

Below we present adaptation plans – both those already in place as well as those which are under preparation – corresponding to the key threats listed above.

**Table 22** Summary of adaptation activities

Threat	Our response geared towards maintaining continuity of operations
Flash floods	<ul style="list-style-type: none"> <li>• using cloud services and collocating our own servers at other geographical locations,</li> <li>• tried-and-tested remote work model enabling employees to fulfill their duties without being physically present at the office,</li> <li>• a rainwater collection tank with a capacity of 72 m<sup>3</sup> located in the parking lot structure (another tank, with a capacity of 160 m<sup>3</sup> is being deployed as part of the new office building currently under construction).</li> </ul>
Heat waves	<ul style="list-style-type: none"> <li>• access to air conditioning at every workstation (in the design of our new office building we used an adjusted average summer temperature forecast of +32°C compared to the norm, which is +30°C – due to rapidly progressing climate change; operation of the air conditioning system will be monitored by BMS<sup>23</sup>),</li> <li>• window blinds providing a physical barrier for sunlight (in the new office building recessed balconies will be used to reduce insolation and heating of indoor spaces); the window blinds will be automatically controlled by BMS to mitigate excessive heating in summertime,</li> <li>• tried-and-tested remote work model enabling employees to fulfill their duties without being physically present at the office.</li> </ul>
Power outages	<ul style="list-style-type: none"> <li>• own power generator supplying power to the server room in case of prolonged outages; ability to connect additional external generators in emergencies,</li> <li>• tried-and-tested remote work model enabling employees to fulfill their duties without being physically present at the office (in this case, employees will be able to remotely connect to a server which is powered by the auxiliary power generator).</li> </ul>

<sup>19</sup> [IPCC Report](#)

<sup>20</sup> [Climate Change Knowledge Portal](#)

<sup>21</sup> [The climate change adaptation strategy for the city of Warsaw by 2030 with the prospects until 2050](#)

<sup>22</sup> [Hydroportal](#)

<sup>23</sup> [Building Management System](#)

The scenario analysis also enabled us to determine the likelihood of materialization of transformational threats. Threats belonging to this category have a higher likelihood of materialization in the RCP 2.6 scenario due to the need to take immediate action to maintain compliance with the Paris Agreement. The average likelihood of materialization of threats in this scenario is defined as “low/moderate”. The most likely threats include increases in energy costs as well as – in the longer perspective – costs related to the need to carry out energy transformation throughout Poland. This countrywide transformation would entail progressive retirement of coal-fired power plants which may result in power outages – a manifestation of physical as well as transformational threats. In the RCP 8.5 scenario transformational threats are less likely to materialize, with their corresponding likelihood of materialization defined as “low”.

Our response to the identified transformational threats has been to develop a *Decarbonization Plan for the CD PROJEKT Group*, which we intend to follow in order to meet our 2030 emissions reduction goal – along with monitoring of the energy market, tracking legislative changes, organizing training and educational campaigns for our team, obtaining external advice and performing audits.

Given the adaptational measures, both those already undertaken and those being planned, we regard the effects of materialization of physical and transformational threats as having no impact on our operational activities and implementation of our business strategy (i.e. the potential financial consequences are estimated as being below the materiality threshold). Resources required to implement adaptational measures are accounted for in our annual financial plans, while implementation progress is described in our taxonomy disclosures.

We have identified the following climate-related opportunities for the CD PROJEKT Group:

- increased use of cloud solutions securing our data in case of materialization of physical threats affecting our server room,
- potential cost reductions owing to improved energy efficiency of buildings and devices operated at the CD PROJEKT campus in Warsaw,
- transformation of our campus with environmentally friendly solutions in mind – in 2023 we began construction of a new office building which we intend to occupy in 2025,
- becoming a leader in the context of applying environmentally friendly approaches in the digital entertainment industry.

The above opportunities carry the highest likelihood of materialization in the short and medium term in the RCP 2.6 scenario.

### Managing climate risk

Our adopted methodology of assessing climate risk is based on a longer outlook than in the case of other risk categories. Climate-related risk is included in the catalogue of strategic risks under the “Risk related to environmental and climate protection” tag and is subject to monitoring in accordance with the internal *Risk Management Procedure* described in the section titled “Risk management at the Group”. The Risk Owner for this risk is the VP of Operations, while the person responsible for managing the risk on a daily basis is the Environmental and Climate Expert (Risk Custodian). In 2024 we determined a set of Key Risk Indicators (KRIs) for significant threats related to the environment and the climate – i.e. indicators which provide advance warning of the potential for materialization of this risk.

Climate threats and opportunities were first analyzed in 2022. Since then, they are subject to ongoing monitoring and annual reviews supervised by the CFO – Board Member responsible for CD PROJEKT’s environmental and climate policy. The outcomes of these reviews drive suitable actions which involve members of the ESG Management Group, depending on their specific competences.

## Policies related to climate change mitigation and adaptation

[ESRS E1-2]

Our approach to climate change is explained in the CD PROJEKT S.A. Environmental Policy, adopted by the Management Board in 2022. The Policy lists the following pledges:

1. We will roll out and subsequently improve an Eco-Management System consistent with the ISO 14001 standard and the EMAS regulation<sup>24</sup>,
2. We will mitigate the impact of our activities on the environment and the climate,
3. We will take environmental issues into account when making business decisions.

In 2023 we became the first gaming company in the world to obtain an EMAS certificate<sup>25</sup>, which we regard as objective proof of our compliance with strict environmental requirements, as well as of the effectiveness of our actions aimed at managing our environmental impact. Each year we submit to an external audit carried out by a licensed environmental auditor to confirm that we continue to meet all requirements listed in the EMAS regulation and validate the CD PROJEKT S.A. Environmental Statement. The document provides a comprehensive overview of our impact on the environment and the climate, ensuring transparency of our actions and equal access to information for all stakeholders.

The CD PROJEKT S.A. Environmental Policy and Environmental Statement also contain a range of detailed commitments related to climate change mitigation and adaptation, as well as to increasing the energy efficiency of our buildings and use of renewable energy sources.

## Actions and resources in relation to climate change policies

[ESRS E1-3]

In 2024 our climate-related responsibilities were fulfilled, among others, by the following:

- developing a Decarbonization Plan for the CD PROJEKT Group,
- maintaining our existing EMAS eco-management system through which we perform ongoing identification and assessment of aspects of our activities, products and services which have, or may have, an impact on the environment,
- changing the supplier of electrical power at the Warsaw campus – since 2025 our electrical energy will be produced solely from renewable sources,
- deployment of solar panels on the rooftop of the office building under construction, as well as preparing a plan for similar deployment of solar panels in the parking structure,
- optimizing use of electrical energy by deploying a BMS system in the parking structure,
- continuing our investment in construction of a new office building pursuant to the technical criteria of the “Adaptation to climate change” objective listed in the “Construction of new buildings” activity section in Commission Delegated Regulation (EU) 2021/2139<sup>26</sup>,
- organizing the third edition of our Less Emissions campaign, encouraging employees to use zero-emissions means of commuting to their offices.

The above activities are carried out mainly by the Operations and ESG teams. The reduction effect of most of the above actions will materialize in 2025. We estimate it at approximately 2040 tCO<sub>2</sub>e/year. Their costs are accounted for in annual financial planning cycles for the corresponding teams. The investment expenses incurred in the construction of our new office building will be disclosed as part of our taxonomy disclosures once the building is occupied.

<sup>24</sup> EcoManagement and Audit Scheme is an EU environmental certification system introduced on the basis of Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organizations in a community eco-management and audit scheme (EMAS).

<sup>25</sup> A confirmation of CD PROJEKT S.A.’s entry in the EMAS register with ID PL 2.14-009-98 is available on the websites maintained by the General Directorate for Environmental Protection and the European Commission.

<sup>26</sup> Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

## Targets related to climate change mitigation and adaptation

[ESRS E1-4]

In 2023 the CD PROJEKT Group declared the following reduction goal for Scope 1 and 2 greenhouse gas emissions:

Reduce absolute GHG emissions at the CD PROJEKT Group in Scopes 1 and 2 by 42%<sup>27</sup> by 2030 (compared to 2023 baseline)

The reduction goal for Scope 1 and 2 GHG emissions is absolute and covers the entirety of CD PROJEKT Group operations<sup>28</sup>. It is being followed upon in accordance with the *CD PROJEKT Environmental Policy* and the Group's *Decarbonization Plan* which specifies decarbonization levers and activities aiming to ensure the anticipated reduction in emissions. As of the preparation date of this statement the 2050 emissions reduction goal for the entire value chain has not been set. In 2025 we began preparations for setting a long-term goal in this scope.

Our goal by 2026 regarding the scope 3 carbon footprint:

Prepare assumptions for a long-term reduction target for the value chain by 2050.

The Group's Scope 1 and 2 carbon footprint and reduction goal cover the following greenhouse gases: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>), converted into CO<sub>2</sub> equivalents in accordance with the Greenhouse Gas Protocol (GHG) (depending on the nature of emissions produced at the CD PROJEKT Group in 2021-2024).

Organizational boundaries for the reported Scope 1 and 2 GHG emissions are determined by operational control and cover 100% of emissions produced at CD PROJEKT S.A. as the parent entity of the CD PROJEKT Group, 100% of emissions produced at GOG sp. z o.o. and 100% of emissions produced at CD PROJEKT RED Inc. When setting the Group's reduction goal for 2030 we took into account development plans of the Group, including those of its foreign subsidiaries, and estimated their respective potential emissions by 2030.

We settled on 2023 as the baseline year because emissions produced during this period more accurately reflect our standard work cycle compared to emissions produced in 2021-2022 (due, among others, to the COVID pandemic) and also partly cover the expansion of our Warsaw campus. In 2023 (i.e. the baseline year) our Scope 1 emissions accounted for 0.01% of the CD PROJEKT Group's total carbon footprint, while Scope 2 emissions amounted to 0.57% of this footprint – calculated both using the market-based (MB) and location-based (LB) approach. Implementation of the Group's reduction goal in Scope 2 will be compared to market-based (MB) estimation of emissions.

<sup>27</sup> The goal is rooted in decisive scientific evidence and is set in accordance with the SBTi methodology. It has not been subjected to SBTi validation.

<sup>28</sup> It applies to the activities of the CD PROJEKT Group in Poland as well as to CD PROJEKT RED Inc. incorporated in the USA.



## Energy consumption and mix

[ESRS E1-5]

**Table 23** Energy consumption in the CD PROJEKT Group and CD PROJEKT S.A.

Energy consumption and mix	CD PROJEKT Group			CD PROJEKT S.A.		
	01.01.2023- -31.12.2023	01.01.2024- -31.12.2024	2024/2023 change [%]	01.01.2023- -31.12.2023	01.01.2024- -31.12.2024	2024/2023 change [%]
<b>1.</b> Fuel consumption from coal and coal products [MWh]	0	0	-	0	0	-
<b>2.</b> Fuel consumption from crude oil and petroleum products [MWh]	14	1	-93	14	1	-93
<b>3.</b> Fuel consumption from natural gas [MWh]	0	0	-	0	0	-
<b>4.</b> Fuel consumption from other fossil sources [MWh]	107	115	7	107	115	7
<b>5.</b> Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources [MWh]	3 541	3 670	4	3 312	3 342	1
<b>6. Total fossil energy consumption [MWh] (calculated as the sum of lines 1 to 5)</b>	3 662	3 786	3	3 433	3 458	1
<i>Share of fossil sources in total energy consumption (%)</i>	97	97	0	97	97	0
<b>7. Consumption from nuclear sources [MWh]</b>	0	0	-	0	0	-
<i>Share of consumption from nuclear sources in total energy consumption (%)</i>	0	0	-	0	0	-
<b>8.</b> Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) [MWh]	0	0	-	0	0	-
<b>9.</b> Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources [MWh]	0	0	-	0	0	-
<b>10.</b> The consumption of self-generated non-fuel renewable energy [MWh]	109	124	14	109	124	14
<b>11. Total renewable energy consumption [MWh] (calculated as the sum of lines 8 to 10)</b>	109	124	14	109	124	14
<i>Share of renewable sources in total energy consumption (%)</i>	3	3	0	3	3	0
<b>Total energy consumption [MWh] (calculated as the sum of lines 6, and 11)</b>	3 771	3 910	4	3 542	3 582	1

The disclosure covers all types of energy carriers used at the CD PROJEKT Group, including at CD PROJEKT S.A. The total energy consumption of the CD PROJEKT Group in 2024 was 3 910 MWh, including 97% from fossil fuels and 3% from renewable sources. The amount of energy from renewable sources consumed in 2024 is equivalent to the amount of electrical energy generated by our own solar panels deployed at the CD PROJEKT S.A. campus in Warsaw. This energy is fully consumed by CD PROJEKT S.A. In 2024, following upgrades, the solar panels generated 14% more energy than the year before. Compared to 2023 total energy consumption at the Group increased by 4% due to inclusion in our reporting of electrical energy consumed by CD PROJEKT RED Inc. Regarding CD PROJEKT S.A., total energy consumption increased by 1% compared to 2023 figures.

In 2024 our consumption of petroleum fuels and petroleum products decreased by 93%. This is due to the fact that no additional fuel was purchased for our emergency generators (deployed in Warsaw and Wrocław) which provide backup power to CD PROJEKT S.A. server rooms.

Since we do not carry out business activities in sectors with significant impact on the climate, we do not publish our energy intensity indicators.

### Gross Scopes 1, 2, 3 and total GHG emissions

[ESRS E1-6]

Greenhouse gas emissions are computed in accordance with the GHG Protocol<sup>29</sup>. Our assessment covers greenhouse gases which have been emitted: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O. Estimations of Scope 1 and 2 emissions have been consolidated according to the operational control criterion on the level of the CD PROJEKT Group, accounting for 100% of emissions listed in the GHG Protocol and generated at the analyzed companies. In the case of Scope 3 emissions, the published results cover the Polish subsidiaries of the CD PROJEKT Group. As for CD PROJEKT RED Inc., due to the limited scale of its activities, it has not reached the materiality threshold<sup>30</sup> and is therefore not included in estimations of Scope 3 emissions for the period.

Greenhouse gas emissions at the CD PROJEKT Group comprise the following:

- **Scope 1** – direct GHG emissions at locations which are either owned or supervised by the Group. At the CD PROJEKT Group this category covers emissions from combustion of fuels in mobile and static sources, and releases of coolant agents.
- **Scope 2** – indirect GHG emissions related to generation of electrical and thermal energy consumed by the Group. Our Scope 2 emissions have been calculated using the market-based approach (based on emissions indicators published by energy suppliers) and the location-based approach (assuming emissions indicators which depend on geographical location – e.g. that of Poland).
- **Scope 3** – other indirect GHG emissions not covered in Scopes 1 and 2, occurring anywhere in the value chain.

### Methodology of calculation and base assumptions

Our fuel-related and refrigerant-related emissions are calculated on the basis of coefficients listed in the DEFRA<sup>31</sup> database, which is based on IPCC's Sixth Assessment Report on Global Warming Potentials (AR6).

With regard to thermal energy, we relied on intensity coefficients reported for Poland by the Energy Regulatory Office. Regarding electrical energy, we used coefficients provided by suppliers (market-based approach) along with the average emissions coefficient for electrical energy in Poland, calculated on the basis of statistics published by KOBIZE<sup>32</sup> (location-based approach). DEFRA and Climatiq coefficients were applied to certain classes of raw materials and services.

<sup>29</sup> The Greenhouse Gas Protocol: a Corporate Accounting and Reporting Standard Revised Edition, GHG Protocol Scope 2 Guidance and Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

<sup>30</sup> The materiality threshold is consistent with the methodology proposed by SBTi (SBTi Corporate near-term criteria Version 5.2 March 2024).

<sup>31</sup> UK Department for Environment, Food and Rural Affairs.

<sup>32</sup> National Center for Emissions Management.

For liquid fuels (gasoline and diesel) which contain biocomponents we calculated OOS (outside of scopes) emissions by applying the appropriate coefficients from the DEFRA database. The resulting OOS emissions were respectively: 1.37 tCO<sub>2</sub>e in 2021, 0.98 tCO<sub>2</sub>e in 2022, 1.45 tCO<sub>2</sub>e in 2023 r. and 1.62 tCO<sub>2</sub>e in 2024. OOS emissions are published independently of scopes, in accordance with the GHG Protocol.

In 2022-2023 we calculated our emissions in all Scope 3 categories which concern the CD PROJEKT Group. Based on this calculation, we regard the following categories as material:

- cat. 1 Purchased Goods and Services (approx. 62% of Scope 3 emissions), and
- cat. 11 Use of Sold Products (approx. 36% of Scope 3 emissions).

The remaining 10 Scope 3 categories (cats 2-9 and 12-13) are regarded as immaterial, since their aggregate share in the Group's total carbon footprint was 1.52% in 2022 and 1.73% in 2023 respectively. Moreover, categories 10, 14 and 15 are not applicable to the CD PROJEKT Group.

Based on our analysis of the above mentioned calculations for 2022-2023 for all categories, as well as the methodology proposed by SBTi<sup>33</sup>, we set the materiality threshold for Scope 3 emissions at a 5% share of the given category in the CD PROJEKT Group's total carbon footprint. This threshold is applied in our emissions reporting since 2024.

In 2024 there were no significant changes in the activities or value chain of the CD PROJEKT Group which might have potential impact on the structure of the Group's emissions in each scope and in each category of Scope 3. We intend to repeat our assessment of immaterial Scope 3 categories when our business undergoes a large expansion or when major organizational changes occur at the Group.

<sup>33</sup> [SBTi Corporate near-term criteria, Version 5.2 March 2024](#)

**Table 24** Scope 1, 2 and 3 greenhouse gas emissions at the CD PROJEKT Group

	Retrospective			Reduction goals	
	01.01.2023- 31.12.2023 (baseline year) <sup>34</sup>	01.01.2024- 31.12.2024	2024/2023 change [%]	01.01.2030- 31.12.2030 [tCO <sub>2</sub> e]	% of fulfillment compared to baseline year
Scope 1 GHG emissions				827	0
Gross Scope 1 GHG emissions [tCO <sub>2</sub> e]	28	29	4		
Share of Scope 1 GHG emissions from regulated emissions trading scheme [%]	-	-	-		
Scope 2 GHG emissions					
Gross Scope 2 GHG emissions (market-based method) [tCO <sub>2</sub> e]	1 941	1 994	3	-	-
Gross Scope 2 GHG emissions (location-based method) [tCO <sub>2</sub> e]	1 911	1 811	-5		
Scope 3 GHG emissions categories regarded as material					
Total indirect GHG emissions (Scope 3) [tCO <sub>2</sub> e]	330 168	398 123	21	-	-
Cat. 1. Purchased goods and services [tCO <sub>2</sub> e]	208 368	260 165	25		
Cat. 11. Use of sold products [tCO <sub>2</sub> e]	121 800	137 958	13		
Total GHG emissions					
Total GHG emissions (location-based method) [tCO <sub>2</sub> e]	332 107	399 963	20	-	-
Total GHG emissions (market-based method) [tCO <sub>2</sub> e]	332 137	400 146	20	-	-

\* Scopes 1 and 2

<sup>34</sup> 2023 is the baseline year for Scope 1 and 2 emissions

**Table 25** Scope 1, 2 and 3 greenhouse gas emissions at CD PROJEKT S.A.

	01.01.2023-31.12.2023 (baseline year) <sup>35</sup>	01.01.2024-31.12.2024	2024/2023 change [%]
<b>Scope 1 GHG emissions</b>			
Gross Scope 1 GHG emissions [tCO <sub>2</sub> e]	28	29	4
Share of Scope 1 GHG emissions from regulated emissions trading scheme [%]	-	-	-
<b>Scope 2 GHG emissions</b>			
Gross Scope 2 GHG emissions (location-based method) [tCO <sub>2</sub> e]	1 787	1 623	-9
Gross Scope 2 GHG emissions (market-based method) [tCO <sub>2</sub> e]	1 811	1 785	-1
<b>Scope 3 GHG emissions categories regarded as material</b>			
Total indirect GHG emissions (Scope 3) [tCO <sub>2</sub> e]	126 046	141 516	12
Cat. 1. Purchased goods and services [tCO <sub>2</sub> e]	4 246	3 558	-16
Cat. 11. Use of sold products [tCO <sub>2</sub> e]	121 800	137 958	13
<b>Total GHG emissions</b>			
Total GHG emissions (location-based method) [tCO <sub>2</sub> e]	127 861	143 168	12
Total GHG emissions (market-based method) [tCO <sub>2</sub> e]	127 885	143 330	12

\* Scopes 1 and 2

The total carbon footprint of the CD PROJEKT Group in 2024 was 399 963 tCO<sub>2</sub>e (location-based method) or 400 146 tCO<sub>2</sub>e (market-based method). CD PROJEKT S.A. accounted for 143 168 tCO<sub>2</sub>e in LB emissions and 143 330 tCO<sub>2</sub>e in MB emissions respectively.

**Scope 1** GHG emissions at the Group in 2024 were equivalent to 29 tCO<sub>2</sub>e, which is 4% more than in 2023. This increase in emissions is due to leakage of refrigerant from an air conditioning installation at the CD PROJEKT S.A. campus. These emissions were generated solely at CD PROJEKT S.A.

**Scope 2** GHG emissions at the Group were calculated using the location-based (LB) and market-based (MB) approach. In 2024 our Scope 2 carbon footprint was 1 811 tCO<sub>2</sub>e (LB) and 1 994 tCO<sub>2</sub>e (MB) for the CD PROJEKT Group, including 1 623 tCO<sub>2</sub>e (LB) and 1 785 tCO<sub>2</sub>e (MB) for CD PROJEKT S.A. respectively. Location-based results are lower than their market-based counterparts which is due to differences in the applied coefficients. In the location-based approach we applied KOBIZE figures, while in the market-based approach we relied on figures published by energy suppliers. In the case of the main supplier of energy to our offices and server room, the value of the corresponding indicator is higher than its KOBIZE counterpart. Scope 2 GHG emissions at the Group increased by 3% in 2024 when calculated according to the market-based approach, which is due to inclusion of emissions at CD PROJEKT RED Inc., whereas in the location-based approach a decrease by 5% was reported, owing to the greater share of renewable sources in the Polish energy mix in 2024, and the corresponding reduction in Poland's emissions coefficients related to production of energy.

<sup>35</sup> 2023 is the baseline year for Scope 1 and 2 emissions



In 2024 Scope 1 and 2 emissions accounted for 1% of the total emissions at the CD PROJEKT Group. The vast majority of Scope 1 and 2 GHG emissions (99%) generated by the Group's operating activities falls within Scope 2, i.e. indirect emissions resulting from generation of electrical and thermal energy purchased by the Group.

The Group's **Scope 3** carbon footprint in 2024 amounted to 398 123 tCO<sub>2</sub>e, including 141 516 tCO<sub>2</sub>e attributable to CD PROJEKT S.A. Category 1 accounts for 65% of the Group's total carbon footprint. The main drivers of emissions in this category include digital distribution of products on the GOG.COM platform. Category 1 emissions related to services and raw materials purchased by the Group in 2024 were reported at 260 165 tCO<sub>2</sub>e, which is 25% more than in 2023. The difference is mainly due to increased emissions from GOG's digital distribution in 2024 compared to 2023 figures. Category 11 covers emissions from use of products sold by CD PROJEKT, i.e. estimated emissions from consumption of electrical energy required to run our games (*Cyberpunk 2077*, *Phantom Liberty* and *The Witcher 3: Wild Hunt*). Emissions in this category were reported at 137 958 tCO<sub>2</sub>e, which is 13% more than in 2023. These emissions account for nearly 35% of the Group's total carbon footprint. Scope 3 covers 99% of the CD PROJEKT Group's total emissions.

**Table 26** Intensity of GHG emissions at the CD PROJEKT Group and CD PROJEKT S.A. (total GHG emissions per net revenue)

	Unit	2023		2024		2024/2023 change[%]	
		CD PROJEKT Group	CD PROJEKT S.A.	CD PROJEKT Group	CD PROJEKT S.A.	CD PROJEKT Group	CD PROJEKT S.A.
Total GHG emissions per net revenue (location-based method)	tCO <sub>2</sub> e/1 million PLN	270	123	406	179	50	45
Total GHG emissions per net revenue (market-based method)	tCO <sub>2</sub> e/1 million PLN	270	123	406	179	50	45

### GHG removals and GHG mitigation projects financed through carbon credits

[ESRS E1-7]

No GHG removals or GHG mitigation projects financed through carbon credits were carried out at the CD PROJEKT Group in 2024.

### Internal carbon pricing

[ESRS E1-8]

The CD PROJEKT Group does not apply internal pricing systems for carbon dioxide emissions.

## Social information

### OWN WORKFORCE

[ESRS S1]

The disclosures provided in this section cover all team members. By employees we mean persons who have signed a contract of employment with the Company. Our workforce also includes non-employees - individuals covered by other types of civil law contracts, self-employed service providers and persons whose involvement with the Company is mediated by employment agencies.

#### Interests and views of stakeholders

##### Collective bargaining coverage and social dialogue

[ESRS 2 SBM-2], [ESRS S1-8]

The Group's greatest strength and value are rooted in members of our team. Their talent, commitment and motivation make up the CD PROJEKT Group's human capital. They and their creative ideas drive the success of our company. Aware of their importance, we strive to build a safe work environment, emphasize career development, and instill a sense of agency and responsibility among our team members. The voice of the team is important to us – which is why we undertake numerous initiatives to foster a feedback culture, encouraging team members to ask questions and share their opinions. We also build engagement by carrying out open, transparent and internal communication.

In 2022 we rolled out the Culture Amp tool for measuring team engagement. This helps us keep track of the condition of our organization and implement – in collaboration with internal teams – solutions which address the issues and shortcomings identified by our team members.

In 2021 the Company appointed RED Teams Representatives (RTR). RTR is an advisory body to the CD PROJEKT Management Board, which represents the interests of those employed at CD PROJEKT. RTR are elected from among all team members and constitute a representative body which advises the CD PROJEKT Management Board. The main role of RTR is to identify organizational threats requiring corrective action, propose solutions and implement them in collaboration with the Management Board.

In 2023 a company committee was established at CD PROJEKT in the framework of one of Poland's nationwide trade unions. This committee was later transformed into an inter-company committee. The committee operates independently of RTR. The Company acknowledges both bodies, and the goal of its cooperation with each of them is to ensure a balance between the interests of employees and organizational efficiency, thus promoting equitable and smooth development.

No collective labor agreement is in force with regard to the Group's employees.

In 2023 employees and RTR took part in a double materiality assessment.

##### Material impacts, risks and opportunities and their interaction with strategy and business model

[ESRS 2 SBM-3]

The CD PROJEKT Group has impact on its workforce in various ways, including by upholding appropriate employment standards, including attractive salary packages and additional benefits, enabling well-being of team members – among others by providing a safe and comfortable work environment, and offering career and personal development opportunities in the framework of our available development paths. Specific regulations in this regard are included, among others, in *Rules of the Game. Business and Ethics Standards at the CD PROJEKT Group*.

The following employment-related issues were identified in our double materiality survey:

1. Creating a comfortable working environment and taking care of work-life balance
2. Offering competitive compensation package and equal career opportunities
3. Reinforcing diversity culture at CD PROJEKT, i.a. by fostering inclusive leadership

No risks related to violations of human rights, including child labor, forced labor or human trafficking have been identified at any member company of the CD PROJEKT Group.

With regard to employment, in the framework of our *Risk Management Procedure* we identify risks related to recruitment, retention of employees and team building. A description of these risks is provided in the section titled “Risk management at the Group” elsewhere in this report. We do not expect the implementation of the plan for transitioning to a low-emissions economy to have a major impact on persons employed at the CD PROJEKT Group.

With regard to employment, we identify, among others, the following opportunities:

1. Increased engagement on the part of our workforce may translate into increased quality of our videogames (which may, in turn, improve their commercial potential) and a low level of voluntary churn (which means reduced recruitment and onboarding costs).
2. Offering competitive employment conditions and equal career advancement opportunities, while caring for the work environment and the work-life balance, may bolster CD PROJEKT’s image as an employer of choice for persons considering a career in the gamedev industry.
3. Actions which aim at fostering a work culture rooted in safety and mutual respect enable us to develop immersive games which reflect the diversity of environments and perspectives while addressing important social issues. This, in turn, builds engagement on the part of gamers and entices them to reach for our releases.

In the area of employment we focus on maximizing the positive impact of our organization on our workforce, fully exploiting the identified opportunities, and minimizing the likelihood of materialization of any identified risks. The presented impacts, risks and opportunities apply equally to all team members.

### Policies related to own workforce

[ESRS S1-1]

#### Policies related to employment

Recruitment, employment and remuneration conditions at the CD PROJEKT Group are governed by internal by-laws, including in particular our *Work Rules and Pay Rules*.

The *Work Rules* are a basic reference for rights and responsibilities shared by employees regardless of contract type, position or type of work performed.

The *Pay Rules* specify the remuneration and any additional benefits for which team members are eligible.

#### Occupational health and safety

CD PROJEKT’s impact on the safety of our employees is managed by the Occupational Health and Safety (OHS) Commission. This body provides advice and consultancy for the employer. Its mission includes enforcing OHS rules at the workplace. During periodic meetings, OHS Commission members discuss issues related to workplace safety, formulate tips and recommendations for the employer, and apply for solutions which aim to improve workplace safety and comfort.

#### Our approach to human rights, including counteracting discrimination

A *Diversity Policy* is in place at the CD PROJEKT to counteract all forms of discrimination. Our planned D&I activities are explained in the D&I Strategy. We are also signatories of the Diversity Charter – an international initiative bringing together European employers who take action to promote diversity in the workplace.

Our human rights commitments with regard to employees are enshrined in *Rules of the Game. Business and Ethics Standards at the CD PROJEKT Group*. The documents cover issues such as inclusion, health, personal development, equitable workplace conditions and diversity.

*Rules of the Game* also provide a detailed description of our approach towards counteracting all forms of discrimination. Everyone is accorded the same rights – regardless of gender, disability, race, religion, background, age, worldview, skin color or sexual orientation. Our standards include, among others, the following commitments:

- We do not discriminate in the recruitment process. Competences and skills are all that counts.
- We are guided by objective criteria when making personnel decisions, e.g. concerning raises or promotions.
- We organize webinars and internal training on counteracting discrimination, harassment, mobbing and other forms of undesirable conduct.
- We train team managers in matters related to inclusive leadership.

Our *Rules of the Game* emphasize that we do not condone any form of forced labor. We also oppose all forms of modern slavery, child labor and human trafficking.

Our policies are consistent with international standards, including the UN Universal Declaration of Human Rights and OECD guidelines concerning enterprises and human rights.

### Processes for engaging with own workforce and workers' representatives about impacts

[ESRS S1-2]

With regard to engaging with the workforce, the CD PROJEKT Group ensures participation of RTR (workforce representatives) or trade union representatives in discussions which concern key matters related to employment. Team members can participate in periodic meetings with the Management Board to discuss issues such as the adopted strategy, new initiatives underway at the Company, financial results of the CD PROJEKT Group, progress of development work, business plans and production schedules. In 2024 we organized a survey asking team members about the topics that should be covered at our earnings meetings to address their respective information requirements. In 2024, at Q&A sessions accompanying these meetings, we dealt with matters such as periodic assessments and the environmental impact of our organization.

In 2024 we also revived the concept of informal meetings called “Coffee with the Board” where team members may approach the Board with any pressing concerns. Moreover, during the reporting period we held a series of deep dive meetings, during which Board Members and selected VPs discussed values underpinning our organizational culture. These meetings also involved Q&A sessions. All meetings held at CD PROJEKT enable in-person or remote participation.

Our schedule of periodic meetings also includes events during which newly hired team members can meet with representatives of the Board – in order to get to know each other, shorten the social distance and exchange impressions following the first weeks of employment.

Our standard practice is to gather feedback after each Company event. We also monitor the reception of employee benefits (such as menstrual leave or day camps for employees' children) to better align our benefits package with the needs of our team.

We work to ensure that various groups of our employees are heard, and create favorable conditions for exchange of experiences among members of such groups (e.g. within the RED Parents network).

We also enacted a standard practice whereby we pilot any training course which we expect to include in our career development portfolio. For each such training course we assemble a focus group, consisting of representatives of various departments and organizational tiers, contributing a diverse set of perspectives and experience. We then collect their feedback regarding the subject matter of the course and the way in which training is organized by external experts. This enables us to adapt the training portfolio to the unique needs of our organization. In 2024 we piloted, among others, neurodiversity and psychological safety workshops.

Daily communication with employees, which creates a space for discussions, is furthermore enabled by our internal integrated platform called InsideRED.

## Processes to remediate negative impacts and channels for own workers to raise concerns

[ESRS S1-3]

At CD PROJEKT we want to build a workplace where our declared values are respected on a daily basis, and it is important for us that each employee feels at ease. This is why we developed a new policy, titled *SpeakUp! Policy for preventing irregularities at CD PROJEKT S.A.* This policy provides basic guidelines for reporting irregularities, rights and requirements related to whistleblowing, and responsibilities of all parties involved in this process. The quantity and types of whistleblowing reports provide input for pinpointing areas at risk for irregularities. Each report of improper conduct is thoroughly investigated.

In the framework of the *SpeakUp!* procedure, team members may report irregularities using an internal form, which provides an anonymization option, in person or in writing. In-person notifications may be submitted to Trusted Persons who are elected by Company employees in a general, democratic ballot, and receive the appropriate training. Their main role is to receive notifications of alleged irregularities in employee relations, and to provide counseling and advice in this regard.

Depending on the type of irregularity and the involved parties, notifications may be received by the Chief Compliance Officer, a delegated member of the Management Board, a delegated member of the Supervisory Board, VP of HR or a Trusted Person. In the case of notifications which concern the Chief Compliance Officer, a member of the legal team or a member of the Management Board, we refer to external experts in order to preclude any potential conflicts of interest. Following an investigation, the Management Board (or the Supervisory Board, as appropriate) receives a final report, and the parties concerned are notified of the outcome of the investigation. In its annual report on the performance of the internal control system, risk and compliance management, and internal audit, the Management Board provides the Supervisory Board with information regarding the number of reports received, types of irregularities alleged, and follow-up actions taken.

Every whistleblower is entitled to protection against potential negative consequences of submitting a notification (i.e. reprisals). The same protection is accorded to witnesses and other persons providing assistance in reporting the irregularity. In each case we take action commensurate with the specifics of the given case. Investigations are carried out in accordance with the law, our internal regulations, confidentiality requirements and the need to ensure impartiality.

In 2024 we carried out a planned survey of employees' awareness of whistleblowing policies and tools provided in the framework of the *SpeakUp!* regulations, and of their trust in these policies and tools. All team members may, at any point in time, familiarize themselves with key aspects of the *SpeakUp!* regulations based on information provided in the Company intranet, which is supplemented by an e-learning course rolled out in 2023. Since 2025 an introduction to *SpeakUp!* regulations are also provided as part of our onboarding training courses which all new hires undergo.

## Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches

[ESRS S1-4]

On the operational level, HR matters are the responsibility of the VP of HR, whereas issues related to organizational culture, diversity and internal communication are handled by the Culture, Diversity and Inclusion Director. Both areas are supervised by the Chief People Officer, and – on the level of the Management Board – the Joint COO.



HR-related activities which took part in 2024 include, among others:

4. Rolling out an internal feedback system titled “Performance development”
5. Developing and enacting best practices related to reintegration of team members following a prolonged leave *Back to RED*
6. A series of internal deep dive meetings to discuss CD PROJEKT values
7. Reviving the “Coffee with the Board” internal meeting series
8. Deploying an internal communication platform – InsideRED
9. Enacting *In case of hate - response rules at CD PROJEKT Group*
10. Enabling team members – regardless of location – to obtain life insurance policies for themselves and for their closely related persons

The effectiveness of our activities related to employment is assessed, among others, in the framework of the Culture Amp engagement survey, by monitoring the voluntary churn level and the equal pay. Values of these indicators for the reporting period are presented in the following subsections.

### Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities

[ESRS S1-5]

The following goals had been set for 2024 with regard to employment area:

**Table 27** Summary of target achievement – area related to own workforce

Goal	Status
Increase the engagement score for CD PROJEKT employees to at least 75% (as measured in the Culture Amp survey)	<b>Done.</b> The Culture Amp workforce engagement score for 2024 was 78%.
Adapt career development paths to challenges resulting from our overall business strategy	<b>Done.</b> We adapted the requirements for all roles (managerial and otherwise) to the requirements of the organization and market needs. The managerial competence assessment program was modified to improve its adequacy and its usefulness as a component of the managerial development path.
Develop and enforce best practices related to reintegration of employees following prolonged absence	<b>Done.</b> In 2024 we gathered and published a set of best practices related to reintegration of employees following prolonged absence (titled “Back to RED”).
Institute a long-term top talent development program ensuring continuity at key leadership positions	<b>Not done.</b> We have completed the exploration phase of possible solutions in this area. We have developed an approach that we would like to test in the coming year and then implement within the organization.
Maintain the gender pay gap (based on Compa Ratio figures) at a maximum of 2%	<b>Done.</b> The Compa Ratio value for year end 2024 was 1%.

These goals were proposed by the HR and Organizational Culture, Diversity and Inclusion teams, and subsequently accepted by the Management Board. Neither employees nor their representatives took part in setting our goals or in evaluating the achievement thereof.

The following goals are set for 2025 in the scope of employee relations:

1. Maintain the engagement score for CD PROJEKT employees at a minimum of 75% (as measured in the Culture Amp survey)
2. Maintain the gender pay gap (based on Compa Ratio – CR levels) at a maximum of 2%.
3. Carry out pilot training in the area of diversity and incorporate them in the general development path
4. Develop a strategy to strengthen the well-being of employees

In 2026 we plan to pilot the top talent development program, ensuring continuity in key leadership positions.

### Characteristics of the Undertaking's Employees

[ESRS S1-6]

The CD PROJEKT Group's own workforce comprises persons employed in Poland and in the USA under contracts of employment.

The following figures (number of persons) are valid as of 31 December 2024. This data is consistent with disclosure provided in:

- note 43 "Employment" in the *Consolidated Financial Statement of the CD PROJEKT Group* as concerns the CD PROJEKT Group,
- note 43 "Employment" in the *Separate Financial Statement of CD PROJEKT S.A.* as concerns CD PROJEKT S.A.

**Table 28** Number of employees by gender, country of employment and contract type

	Women		Men	
	CD PROJEKT Group	CD PROJEKT S.A.	CD PROJEKT Group	CD PROJEKT S.A.
Poland	245	214	345	309
USA	8	n/a	35	n/a
Permanent staff (permanent contracts of employment)	244	205	357	286
Probationary staff (trial-period or limited- -period contracts of employment)	9	9	23	23
Employees without fixed time commitments	-	-	-	-

**Table 29** Departures and churn rate during the reporting period

	CD PROJEKT Group	CD PROJEKT S.A.
Total departures	68	48
Voluntary departures	31	22
Churn rate	11.03%	9.41%
Voluntary churn rate	5.03%	4.31%

## Characteristics of non-employees in the undertaking's own workforce

[ESRS S1-7]

**Table 30** Non-employees within own workforce

	CD PROJEKT Group	CD PROJEKT S.A.
Non-employees included in own workforce (number of persons; as of 31 December 2024)	455	402

Non-employees included in our own workforce comprise creators and artists employed under civil law contracts, and self-employed contractors.

## Diversity metrics

[ESRS S1-9]

**Table 31** Gender breakdown of top managerial staff at CD PROJEKT S.A. (as of 31 December 2024)

Management Board and Supervisory Board	Women		Men	
	Persons	%	Persons	%
<30	0	0%	0	0%
30-50	1	8.33%	8	66.67%
>50	0	0%	3	25%

The table lists the number of persons involved. The Supervisory Board consisted of five persons (women: 20%; men: 80%) while the Management Board consisted entirely of men.

**Table 32** Gender breakdown of top managerial staff at CD PROJEKT S.A. (as of the preparation date of this Statement)

Management Board and Supervisory Board	Women		Men	
	Persons	%	Persons	%
<30	0	0%	0	0%
30-50	2	18.18%	7	63.64%
>50	0	0%	2	18.18%

The table lists the number of persons involved. Following changes in the composition of governing bodies which took effect on 1 January 2025, as of the preparation date of this Statement the Supervisory Board consisted of five persons (women: 40%; men: 60%) while the Management Board consisted entirely of men.

**Table 33** Employment by age group

	Women		Men	
	CD PROJEKT Group	CD PROJEKT S.A.	CD PROJEKT Group	CD PROJEKT S.A.
<30	61	52	86	71
30-50	188	159	290	236
>50	4	3	4	2

The table lists the number of persons involved. Data is valid for 31 December 2024.

### Adequate Wages

[ESRS S1-10]

CD PROJEKT Group employees receive remuneration commensurate with their workload. All wages are above the minimum wage. In order to be able to continue offering competitive salary packages, we revise our pay matrix each year, based on market benchmarks and professional job evaluation tools.

### Social protection

[ESRS S1-11]

In line with Polish social security regulations applicable to contracts of employment, as well as internal standards in force at CD PROJEKT RED Inc., all employees of the Group are covered by social security programs (social support, medical coverage) in the event of loss of income as a result of illness, layoffs, workplace accidents (including accidents which result in disability), parental leave or retirement.

### Persons with disabilities

[ESRS S1-12]

**Table 34** Percentage of persons with disabilities

	CD PROJEKT Group	CD PROJEKT S.A.
Percentage of persons with disabilities	1.11%	1.34%

### Training and Skills Development metrics

[ESRS S1-13]

**Table 35** Periodic performance evaluations and career development reviews

Percentage of employees who received feedback in the framework of performance evaluation and career development reviews during the reporting period

	CD PROJEKT Group	CD PROJEKT S.A.
Women	95.80%	95.38%
Men	96.06%	96.85%
% of total workforce	95.95%	96.26%

**Table 36** Average number of training hours per employee

Average number of training hours in the reporting period

	CD PROJEKT Group	CD PROJEKT S.A.
Women	14.5	17.1
Men	12.3	14.5
% of total workforce	13.2	15.6

### Health and safety metrics

[ESRS S1-14]

During the reporting period:

- 100% of Group employees and 0% of other members of its workforce were covered by an OHS system, pursuant to legal regulations;
- no workplace-related fatalities or workplace-related health conditions were reported;
- two workplace accidents were reported at the Group (including one at CD PROJEKT S.A.);
- no cases of occupational diseases were reported;
- no lost days were reported as a result of any of the above.

## Work-life balance metrics

[ESRS S1-15]

Pursuant to labor law, all employees are entitled to parental leave.

**Table 37** Employees who took advantage of parental leave during the reporting period

	CD PROJEKT Group [%]	CD PROJEKT S.A. [%]
Women	8.70%	8.41%
Men	5.53%	6.47%
Total	6.79%	7.27%

## Remuneration metrics (pay gap and total remuneration)

[ESRS S1-16]

**Table 38** Remuneration metrics

	CD PROJEKT Group	CD PROJEKT S.A.
Pay gap <sup>36</sup>	32.46%	27.58%
Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all other employees <sup>37</sup>	37.31	35.74
Compa Ratio	99%	99%

Given the employment structure in the gamedev industry, both in Poland and globally, and the resulting difficulty in accessing reference statistics for all employment tiers, the potential differences between remuneration offered to women and men at CD PROJEKT are analyzed with the use of the Compa Ratio (CR) coefficient. In our opinion, this coefficient accurately reflects the gender-related variability of remuneration packages.

CR is based on midpoint values of pay ranges offered at respective employment tiers. The presented values represent the CR value for women divided by the corresponding CR value for men.

## Incidents, complaints and severe human rights impacts

[ESRS S1-17]

A total of 30 complaints were received in 2024 through our internal whistleblowing channels, including:

1. Niewłaściwe zachowania w relacjach z osobami zatrudnionymi
  - two reports of improper conduct were received in 2024. Following investigations carried out in accordance with our internal procedure, no actual irregularities were declared.
2. Irregularities:
  - 28 reports of potential irregularities were received in 2024:
    - I. 6 reports of alleged irregularities in the recruitment process;
    - II. 1 report of an alleged irregularity in the procurement process;
    - III. 1 report of an alleged irregularity in the process of identifying infringements of CD PROJEKT S.A.'s intellectual property rights;
    - IV. 20 reports which were, on their face, baseless and did not name any alleged irregularity.

<sup>36</sup> Pay gap – difference between the gross hourly remuneration rate for women and man divided by the average gross hourly rate for men; the calculation covers all individuals employed under contracts of employment as of 31 December 2024, with remuneration converted into FTE equivalents and into PLN.

<sup>37</sup> Total employment ratio – covers all individuals employed under contracts of employment between 1 January and 31 December 2024 whose employment spanned the entire reporting period; remuneration has been converted into PLN. The following components of compensation packages were taken into account: base remuneration, overtime pay, duty allowance, lump-sum compensation associated with remote work, and any additional revenue increments.



Following separate investigations covering each case we determined that two minor irregularities did, in fact, occur: one irregularity in the recruitment process and one irregularity in the process of identifying IPR infringements. We furthermore determined that these irregularities had no negative impact on the Company's operations and took action to mitigate them. No instances of discrimination and no human rights-related incidents (including forced labor, human trafficking or child labor) were identified.

No penalties or fines were imposed upon any member company of the CD PROJEKT Group in the context of human rights violations.

## CONSUMERS AND END-USERS

[ESRS S4]

CD PROJEKT markets its games globally with help from digital distribution platforms and distributors of box editions. The end users of our products are mostly gamers from around the world who possess at least one copy of a game developed and published by CD PROJEKT.

In the case of GOG, our consumers are users who download games from the GOG.COM digital distribution platform.

### Interests and views of stakeholders

[ESRS 2 SBM-2]

"Always remember about gamers" is one of our core values which guide us in our daily work as we develop top-quality products, decide on pricing or provide services and customer support. We believe in building strong, long-term relations with the gaming community gathered around our products – whether games or tie-in products based on our proprietary IPs.

At CD PROJEKT we emphasize open, transparent communication. We engage with gamers in eleven languages (English, Polish, Russian, German, French, Spanish, Japanese, Brazilian Portuguese, Korean, simplified Chinese and traditional Chinese). We also have a presence on all top social media platforms such as Facebook, X, Twitch and TikTok, and on their regional counterparts – e.g. Bilibili in China or NaverCafe in Korea. Numerous direct communication channels, coupled with their global reach, enable us to better understand the expectations and opinions voiced by our community.

We pay attention to suggestions and comments received from gamers. Some of them are taken into account when making business decisions, e.g. rolling out further upgrades to existing games or charting future development plans for specific franchises or products. Community representatives have also taken part in a double materiality survey conducted at the CD PROJEKT Group in 2023.

At GOG we communicate with platform users via social media where everyone may react to our posts and provide their own opinions and comments. GOG team members often follow up on these, engaging in discussions in order to better understand user feedback or provide on-the-spot technical support. GOG also communicates with users in a similar manner on discussion forums, on its website and on the Reddit platform.

GOG carries out inclusive, active communication with the gaming community, analyzing feedback and replying to questions and comments. On popular communication fora (which include the GOG forum, dedicated Discord servers, a Twitch channel, Reddit and top social media platforms) team members moderate discussions and provide backstage peeks at the work going on at GOG. Thanks to its Community Wishlist, GOG is able to find out which games are particularly sought after by platform users and take action to provide access to such games. Moreover, in 2024 GOG rolled out a dedicated communication channel on Discord – "GOG Core Community", to which the most faithful GOG users are successively invited. Invitees receive access to exclusive content such as interviews and platform updates and are able to contact our team members directly.

## Material impacts, risks and opportunities and their interaction with strategy and business model

[ESRS 2 SBM-3]

At CD PROJEKT RED we believe we can influence the world at large by developing games which enrich gamers' perceptions. This is why we do not shy away from confronting socially important topics in the stories we tell – although we refrain from moralizing and advancing specific viewpoints.

Our games depict social inequalities, the various paths people take through life, and the problems they face. We want to make sure that the characters populating the worlds we create represent a diverse set of mindsets, social groups, and backgrounds. In *The Witcher 3: Wild Hunt*, we tackle, among others, the issues of domestic violence, strained family relationships, and discrimination. For its part, *Cyberpunk 2077* addresses alienation and dehumanization of society. Our products reach millions of people around the world – so we want to focus on what's important and encourage gamers to reflect upon the choices that surround them.

In the scope of gamer relations, we focus on maximizing the positive impact of CD PROJEKT activities on the communities gathered around our releases, and on exploiting the arising business opportunities. We build strong relations with gamers based on ongoing dialogue and responsible marketing communication. We work to expand our communities by enriching our franchises with entertainment products representing formats other than video games. In parallel, we want to entice more gamers to reach for our releases – by adding, insofar as possible, additional accessibility features to existing games. We also localize our games into foreign languages – *The Witcher 3: Wild Hunt* is now available in 17 language versions, including 9 fully dubbed versions, while *Cyberpunk 2077* has 17 language localizations, including 11 fully dubbed releases.

Given our activity profile, we have not thus far identified any negative impact on the gaming community.

The following aspects of community relations have been identified as significant in our double materiality survey:

1. Building engaged communities around our products
2. Implementing accessibility features to our games
3. Responsible communication and marketing of products

### Risks and opportunities in the scope of community relations

Under the *CD PROJEKT S.A. Risk Management Procedure*, with regard to community relations, we have identified a risk titled “Risk of failure to meet expectations resulting from promotional campaigns” described in the section titled “Risk management at the Group” elsewhere in this report.

The identified opportunities in this area include:

- reinforcing engagement on the part of the gaming community gathered around our releases, and expanding the circle of gamers interested in the Studio's games, which may result in increased revenues – for existing as well as future releases,
- responsible guiding of gamers' expectations with regard to the Company's products, which may result in positive sentiment around future releases, and, as a result, bolster their sales,
- reaching an expanded community of customers with varied accessibility requirements, resulting in increased sales revenues obtained by the Studio.

The impact, risks and opportunities identified in the area of community relations apply equally to all end users of our games.

## Policies related to consumers and end-users

[ESRS S4-1]

### Community relations policies

In our dealings with gamers, we are guided by our internal *Pillars of communication with the community* and our *Social media policy*. The former document lists principles which guide our community relations, while the *Social media policy* specifies rules which need to be followed by CD PROJEKT employees when using social media platforms.

As we work to enable the gaming community to draw inspiration from our products, we have formalized the issue of creating content based on our games. In the *Fan content guidelines* we specify how gamers are able to make use of our releases while respecting all applicable legal regulations and CD PROJEKT's intellectual property rights.

Rules for engaging in discussions in our public online fora are set forth in their respective *Regulations* which transparently specify what kind of messaging and behavior is not allowed. These regulations also spell out penalties which forum participants may expose themselves to if they do not respect the applicable rules.

At GOG there is the *GOG code of conduct*, which applies to all platform users and helps build a safe online space for engaging in polite, lively discussions on topics related to the products and services offered on the platform.

### Human rights policy in relation to gamers

The CD PROJEKT *Human rights policy* pledges to respect human rights with regard to all social groups affected by our activities – including gamers.

Our actions are consistent with international standards, including the UN Universal Declaration of Human Rights and UN Guiding Principles on Business and Human Rights.

## Processes for engaging with consumers and end-users about impacts

[ESRS S4-2]

On the operational level building relations with the gaming community is the responsibility of the VP, PR and Communication, while on the Management Board level by the CMO.

### Direct communication with gamers

At CD PROJEKT we manage social media profiles for our studio as well as our products, enabling any interested party to post opinions and comments. We also take into account feedback provided via e-mail using publicly available mailboxes. We gather opinions by monitoring posts in our product fora, and chats which accompany our live events on streaming platforms. We analyze comments submitted in person during fairs, conferences and other live events which involve our gaming community. We invite community representatives to share their opinions during periodic double materiality surveys organized by CD PROJEKT. In our work on perfecting our games we also make use of feedback received in the framework of technical support or during playtests organized by CD PROJEKT RED under the *RED Playtesting Program*.

In 2021, with the release of Update 2.1 for *Cyberpunk 2077*, which added accessibility options for gamers with special needs, we launched a special *form*, through which gamers may submit ideas and comment on changes.

GOG manages its own set of English social media profiles (on X, Instagram, Facebook, TikTok and YouTube), along with Polish profiles in selected cases (on Facebook). Social media also serve as a platform for engaging in continuous dialogue with users – given that anyone may react to our posts, and provide feedback and comments, often resulting in direct interaction with GOG team members. GOG also communicates – in a similar way – with users who post in its forums, on its website or on the Reddit platform.

### Product support

At CD PROJEKT all reports of technical issues affecting our games are handled on a daily basis by the Player Experience and Safety Team. Suggestions concerning necessary updates are collected, among others, through technical support forms published on our product websites, and subsequently analyzed and submitted to dev teams for possible use in the game development and update process. Our interaction with gamers who report technical issues is guided by our internal *Best practices*.

GOG provides product support for gamers who purchase games on the GOG.COM platform and through the GOG Galaxy application. Under the Voluntary refund policy a product may be returned within 30 days of purchase, even if it has been downloaded and run by the customer. Additionally, the GOG technical support team assists gamers who have experienced technical issues or glitches preventing completion of the game within 30 days of purchase. Technical issue reporting forms are posted on the GOG.COM website.

### Measuring the effectiveness of community relations

Performance indicators applicable to relations with the gaming community include changes in the number of active users in online fora, as well as the level of engagement of social media users in relation to the quantity of content posted. Measuring the effectiveness of our initiatives also involves sentiment surveys and monitoring the ratings of our products posted e.g. on digital distribution platforms.

At CD PROJEKT we monitor the effectiveness of technical support by carrying out ongoing statistical analysis of submitted reports. Following each update, we assess the level of satisfaction with the introduced changes, relying primarily on reactions posted in social media.

GOG monitors the effectiveness of its community relations by monitoring, on an ongoing basis, the coefficient of product returns. In 2024 it stood at low 2.7%, which is comparable to the value achieved in 2023 (2.2%).

### Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

[ESRS S4-3]

No negative impact on gamers has been identified in the framework of CD PROJEKT Group's business activities.

### Whistleblowing channels

According to our *Rules of the Game: Business and Ethics Standards*, each employee may report suspected irregularities under the *SpeakUp! Policy* in force at the Group. A dedicated irregularity reporting form is provided on the CD PROJEKT corporate website, and reports may also be mailed directly to the Company. CD PROJEKT ensures anonymity and confidentiality in regard to all whistleblowing reports.

### Effectiveness of the available whistleblowing channels

The effectiveness of our whistleblowing channels is assessed on the basis of the number of irregularity reports submitted, and their perceived validity. In the annual *CD PROJEKT S.A. Management Board report on the functioning of the internal control system, risk management, compliance and internal audit* the Board notifies the Supervisory Board of the number of submitted reports, types of irregularities reported, and follow-up actions taken.

## Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

[ESRS S4-4]

On the operational level managing relations with the gaming community is the responsibility of the Community Team. For its part, the Player Experience and Safety Team supports the community, among others by providing technical support and collecting feedback related to changes introduced in previously published games.

### Appropriate product labeling

In our care for the safety of gamers we make sure that the Company's products are appropriately labeled, among others by doing the following:

- labeling games with an age-based rating suitable for the given territory (e.g. PEGI, ESRB). Information regarding each game's rating is placed on its physical package, on a dedicated website, on selected marketing materials related to the game, and on its product sheet;
- putting in place photosensitivity warnings.

We also take action to restrict access to certain types of content related to the Studio's games for persons regarded as too young to access such content. This is done by adding age gates to dedicated websites and the studio's product websites on digital distribution platforms.

## Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

[ESRS S4-5]

The following goals had been set for 2024 with regard to interaction with the gaming community:

**Table 39** Summary of target achievement – area related to consumers and end-users

Goal	Status
Developing global rules for communicating with the gaming community	<b>Done.</b> We developed <i>Pillars of communication with the community</i> which specify the procedures and principles which guide us in building relations with the communities gathered around our games.
Developing standards for accessibility features in our future games	<b>Done.</b> We developed internal guidelines regarding accessibility features to be introduced in our flagship releases. These guidelines have been incorporated into the internal planning and development workflows.
Developing an internal accessibility standard in the scope of product communication	<b>Done.</b> We developed an internal accessibility standard related to product communication, where the scope of accessibility features depends on product category.



### Other selected activities carried out in the framework of community relations in 2024:

- In May 2024 we provided gamers with REDkit – a proprietary modding tool for *The Witcher 3: Wild Hunt*, which enables everyone to develop their own adventures set in the world of Geralt of Rivia. REDkit is available free of charge to anyone who has purchased *The Witcher 3* for the PC on GOG.COM, Steam or Epic Games Store.
- In September 2024 we celebrated the 20th anniversary of our community. To mark this milestone we organized, among others, several competitions, and published dedicated video content. We also held a live meeting with the most dedicated members of *The Witcher* community at our Warsaw HQ. Invitees were treated to various attractions including sweepstakes, a studio tour, and live chats with creators of the game and voice actors who lend their voices to our characters.
- In November 2024, in order to mark 1 million copies of *The Witcher 3: Wild Hunt* sold in South Korea we published special video content on our official YouTube channel, familiarizing Korean players with the history of the CD PROJEKT RED studio and providing a behind-the-scenes peek at our work.
- In November 2024 GOG launched the GOG Preservation Program (GPP) whose goal is to carry out active work on preserving the availability and full playability of classic games on modern PCs. In the framework of GPP we are developing internal tools to maintain the compatibility of games with modern operating systems, display resolutions, controllers and features such as cloud saves. In 2024 GOG restored several cult releases which had been unavailable for years – such as Alpha Protocol and Resident Evil.
- In December 2024 we released Update 2.2 for *Cyberpunk 2077*, introducing, among others, various changes to the camera mode, new personalization options for the player character, cars previously unavailable for purchase, and a wide range of gameplay improvements and fixes. The update was published as a “birthday surprise”, with all changes and new features presented during a series of REDstreams. Following this release, we took care to communicate the changes and answer gamers’ questions concerning Update 2.2 in our social media channels.

The following goals have been set for 2025 with regard to community relations:

1. Implement an internal accessibility standard in product communication.
2. Develop a strategic approach to implement specific solutions within the accessibility standard in our future game.

These goals were proposed by the Global Communication and Release Teams and subsequently accepted by the Management Board.

Neither gamers nor their representatives took part in setting our goals for 2025 or in evaluating the achievement of goals set for 2024.

## SOCIAL ENGAGEMENT - ENTITY SPECIFIC DISCLOSURE

### Material impacts, risks and opportunities and their interaction with strategy and business model

[ESRS 2 SBM-3]

The CD PROJEKT Group takes action to positively affect its social environment, instill shared values in our employees, and assist others with our resources and skills. We engage in social projects, national and international charity drives and aid campaigns through knowledge sharing, material donations and financial support. We also carry out projects targeted at the young generation, enabling participants to develop their skills and gain experience in the gaming industry. Our commitments in this regard are enshrined in the business strategy as part of one of our ESG ambitions: “use our resources and competencies to support others”.

We regard social engagement as a way to maximize our positive impact on the social environment, and do not identify any potential negative impact or threats in this scope.

## Social Engagement Policy

In 2024 the Management Board of CD PROJEKT adopted the *Social Engagement Policy*, which explains our approach to effecting positive social change. CD PROJEKT's social engagement priorities include initiatives which benefit the gamedev industry as well as the local community. The documents describe available forms of support, areas in which we wish to become engaged, as well as a catalogue of types of organizations with which we do not intend to cooperate.

## Goals related to social engagement

Na 2024 r. w obszarze zaangażowania społecznego wyznaczyliśmy sobie następujące cele:

**Table 40** The following goals had been set for 2024 with regard to social engagement:

Goal	Status
Piloting an employee volunteerism program	<b>Done.</b> We carried out a survey among our employees to assess interest in volunteerism and prior experience in this scope. We followed up with volunteerism programs in collaboration with the Ronald McDonald Foundation, the A.R.T. Foundation and the "Dom na Jagiellońskiej" foster care facility.
Maintaining implementation of at least three initiatives consistent with our Social Engagement Policy	<b>Done.</b> Our activities in 2024 included, among others, organizing the third edition of our mentoring and internship program titled Girls in the Game!, collecting Christmas gifts for children in foster care, and organizing a charity drive to collect funds for Fundacja Ocalenie and the Pod Psim Aniołem Dog Asylum Foundation.

The following three key activities were carried out in 2024 in the framework of our *Social Engagement Policy*:

1. CD PROJEKT held the third edition of its Girls in the Game! mentoring program. This year's edition involved 21 talented girls from around Poland, and 22 mentors. Each participant received a scholarship with a net worth of 12 000 PLN to finance their education and professional development and took part in two online workshop each month under the tutelage of CD PROJEKT experts. The 2024 edition of the program was organized in collaboration with our technological partners – AMD and Dell.
2. We initiated collaboration with the A.R.T. Foundation, inviting a group of senior citizens to visit our Warsaw offices. Guests had the opportunity to learn about the history of videogames and take part in discussions regarding gaming stereotypes. We also organized joint gameplay sessions. The goal of the program is to stimulate seniors and help build bridges between generations.
3. To celebrate the International Children's Day, CD PROJEKT teams prepared goodie bags for underage residents of the Dom na Jagiellońskiej foster care facility. Children were also invited to visit our Warsaw campus.

In 2024 we also organized the second edition of our Friends and Family Day event, inviting family members and friends of our employees to visit CD PROJEKT offices in Warsaw, Kraków and Wrocław. Guests were able to tour the places where their friends and relatives work and take advantage of numerous attractions – including guided studio tours and presentations for adults, as well as games, recreational activities and DIY workshops for children. In total, nearly 460 guests took part in the 2024 edition of Friends and Family Day.

In addition, the following events were organized in the context of our ESG ambition to "use our resources and competencies to support others":

- **Promised Land Art Festival (PLAF)**

In 2024, in partnership with the Municipality of Łódź and "EC1 Łódź – Miasto Kultury" we organized the sixth edition of the PLAF festival. This annual event brings together hundreds of gaming enthusiasts, comic book aficionados and fans of visual arts, giving them the opportunity to meet with experts from the creative arts industry, and participate in workshops and lectures. PLAF consists of a professional track where industry professionals from around the world (including members of the CD PROJEKT team) share their knowledge and experience, and an open day titled "Art for All", where participants who are contemplating a career in the creative industry can – among others – consult their portfolios with experts or meet with recruiters representing gamedev companies.

- **Sharing knowledge and experience at third-party events**

In 2024 members of the CD PROJEKT team gave talks at numerous events, including the Game Developers Conference in San Francisco, Dev.Play in Bucharest, First Playable in Florence, Unreal Fest in Prague as well as Digital Dragons and WaysConf in Kraków – each time sharing their experience and knowledge with other participants.

Funds donated to charity in 2024:<sup>38</sup> 378 thousand PLN

In 2025 we intend to implement at least three initiatives in the framework of our *Social Engagement Policy*.

## Governance information

### BUSINESS CONDUCT

[ESRS G1]

#### Description of the processes to identify and assess material impacts, risks and opportunities

[ESRS 2 IRO-1]

The following significant aspects related to business conduct were identified in our double materiality survey:

1. Business ethics
2. Transparency in relations with business partners
3. Cybersecurity and privacy protection
4. Management and protection of intellectual property

The following goals had been set for 2024 with regard to the above:

**Table 41** Summary of target achievement - area related to business conduct

Goal	Status
Evaluating employee awareness of whistleblowing regulations and tools, particularly in the context of SpeakUp! Regulations.	<b>Done.</b> We carried out an awareness survey concerning whistleblowing regulations and tools, with particular focus on SpeakUp! Regulations.
Piloting the process of verifying key business partners	<b>Done.</b> We piloted the process of verifying key suppliers with focus on the gamedev process. The process covered legal aspects (including economic sanctions), fiscal issues and matters related to IT security.
Increasing awareness of cybersecurity risks on the part of the team, among others through mandatory training for the entire team	<b>Done.</b> Raising awareness of cybersecurity risks is performed as part of the onboarding process, as well as through in-depth training for employees. In addition, during the reporting period the Cybersecurity team carried out regular internal campaigns to evaluate internal attitudes and awareness with regard to cybersecurity.
Fostering awareness of principles concerning use of resources based on AI solutions by our team members	<b>Done.</b> We updated our internal policy concerning use of tools which incorporate AI solutions. The updated regulations were presented to employees at a town hall meeting and posted on our intranet.

By 2026, in the area of business conduct, we aim to identify social and environmental risks in the value chain.

<sup>38</sup> This figure is consistent with the value of the "Donations and charitable activities" line item in the Other operating costs section of CD PROJEKT Group's consolidated financial statement for 2024.

## Business conduct policies and corporate culture

[ESRS G1-1]

### Rules of the Game. Business and ethics standards at the CD PROJEKT Group

A set of standards titled *Rules of the Game. Business and ethics standards at the CD PROJEKT Group* are in force at the CD PROJEKT Group. They explain which types of conduct are supported, and which ones are not tolerated – among others, in the context of human rights, privacy protection, compliance and whistleblowing. The Standards were formally enacted by the Management Board in 2021.

### Fair Play – Code for Suppliers

At CD PROJEKT we wish to promote responsible business practices, ethical employment conditions and sustainable growth. This is why in 2023 the Management Board enacted a set of regulations titled *Fair Play – Code for Suppliers*. The code lists our commitments along with our expectations regarding our suppliers and their supply chains. It covers the following areas: ethics and compliance, human rights and environmental protection.

### SpeakUp! Policy for preventing irregularities at CD PROJEKT S.A.

In 2023 we rolled out the *SpeakUp! Policy for preventing irregularities at CD PROJEKT S.A.* The Policy spells out, among others, basic rules which govern whistleblowing, rights and duties related to reporting irregularities, and details of persons involved in this process.

In parallel with adopting the Policy we also updated our detailed whistleblowing regulations:

- procedure for reporting improper conduct in employee relations (including mobbing, discrimination and harassment), and
- procedure for reporting violations of, among others, legal regulations, internal by-laws and ethics norms.

Anyone who reports an irregularity is eligible for protection against the negative consequences of whistleblowing (protection against reprisals). Similar protection is also accorded to witnesses and anyone who provides assistance in submitting the report. In each case we take action commensurate with the nature of the reported irregularity. We carry out inquiries in accordance with legal regulations, our internal by-laws, and the need to ensure confidentiality and impartiality.

### Means of reporting irregularities

- For employees:
  - internal online form which can be filled out anonymously,
  - in person,
  - in writing
- For third parties:
  - anonymized form available on the CD PROJEKT website
  - in writing, addressed to the Company, with an annotation stating “Confidential: Compliance” on the envelope

### Anti-corruption policy

In 2022 we formally adopted an *Anti-corruption Policy* for the CD PROJEKT Group, which contains basic guidelines on how to recognize, prevent and mitigate the risk of corruption in our business activities and in our dealings with public bodies. The policy includes a pledge to:

- maintain our accounts in a diligent, accurate, verifiable and timely manner,
- disburse payments in accordance with the law and our internal financial control standards,
- maintain transparency in our recruitment process,
- screen the beneficiaries of our charitable activities.

The *Anti-Corruption Policy* also contains rules related to accepting and giving gifts, resolving conflicts of interest, and engaging in dealings with third parties.

### Information Security Policy

In 2024 we began work on updating the *Information Security Policy at the CD PROJEKT Group* with focus on simplifying its language. The policy specifies ways of securing information which is processed by the Group. Based on its provisions, Group member companies introduce internal procedures to ensure information security.

In order to enforce cybersecurity requirements with regard to suppliers of software, we carry out screening of external partners who require access to our IT infrastructure or production data. This process covers analysis of risks related to collaboration with the given partner, along with an assessment of their respective cybersecurity measures. We do not engage in collaboration with partners who fail to meet our security requirements.

### Personal Data Privacy Policy

Personal data privacy activities at CD PROJEKT are governed by the *CD PROJEKT Group Personal Data Privacy Policy*, which was adopted and implemented in 2018. Activities in this scope are subject to ongoing monitoring by an external Data Protection Officer appointed by the Company.

Personal data protection principles at CD PROJEKT:

- in accordance with existing regulations, we process personal data only in the necessary scope, justified by clearly communicated goals,
- we always notify persons to whom the data pertains of the reasons and legal basis for processing of their data, and of their rights in this regard,
- when selecting subcontractors who may obtain access to personal data, we make sure that they are able to provide an appropriate level of security for the data entrusted to them,
- we monitor, on an ongoing basis, the security of the personal data we process, and we act upon reports concerning possible security violations; when required, we report personal data security violations to the appropriate public bodies and notify persons to whom the data pertains.

### Protection of intellectual property

The intellectual property rights vested in CD PROJEKT are primarily related to *The Witcher* and *Cyberpunk 2077* franchises. For each of them CD PROJEKT has procured the acquisition of intellectual property rights beyond the games field, which in the long run will facilitate the development of our IP also in areas other than video games.

Within the framework of IPR protection:

- we ensure that each element of intellectual property created by CD PROJEKT receives the appropriate legal protection.
- we deal with the sublicensing of the intellectual property rights vested in CD PROJEKT, i.e. to numerous marketing and merchandising partners,
- we do our best to ensure that the content created by CD PROJEKT does not infringe upon third-party rights, among others, by entering into the pertinent agreements, including licensing agreements or investigating the risk of violating trademark rights.
- in cases where the limits of fair use of CD PROJEKT IP are exceeded, or where our IPR is otherwise infringed, we take legal action to protect our intellectual property,
- we analyze and evaluate – in the legal context – emerging technologies and tools which are, or may be, used in our videogame development process, including tools based on generative AI algorithms.

### Business conduct training

Basic principles of business conduct (particularly with regard to protection of inside information, personal data protection and whistleblowing) are trained during the onboarding process for new hires. In addition, we also offer in-person and remote training, as well as e-learning courses, which are available to all team members at a time of their choosing.



In 2024 we organized the following training courses:

- Confidentiality and whistleblowing
  - 97 participants; training provided as part of the onboarding process
- SpeakUp! Policy for preventing irregularities
  - 16 participants; interactive e-learning course
- Counteracting corruption
  - 7 participants; training for selected teams
- Cybersecurity
  - 112 participants; training provided as part of the onboarding process
- Personal data protection
  - 15 participants; training for selected teams
  - 5 participants; interactive e-learning course

### Management of relationships with suppliers

[ESRS G1-2]

At CD PROJEKT establishing and maintaining relations with key business partners is the responsibility of the Business Development department. For its part, the Procurement department assists CD PROJEKT employees in purchasing products and services required in our daily activities.

Our expectations with regard to suppliers are listed in *Fair Play – code for suppliers*. The Code is currently provided to suppliers on an informational basis, and compliance is voluntary.

In the framework of our *Risk Management Procedure*, we identify risk related to cooperation with key suppliers, as described within the section “Risk management at the Group” of this report.

In 2024 we launched an internal database of suppliers, which we divide into key, strategic and operating suppliers. The database lists the screening status for each supplier, along with recommendations concerning collaboration. In the reported period, we did not take into account social and environmental criteria in the suppliers selection process.

### Prevention and detection of corruption and bribery

#### Confirmed incidents of corruption or bribery

[ESRS G1-3], [ESRS G1-4]

No corruption incidents were reported in 2024 and no penalties for breaches of anti-corruption regulations were imposed upon the Company in 2024.

Our approach to preventing corruption is described in the *Anti-corruption Policy in CD PROJEKT Group*. Reviewing and investigating reports of corruption is the responsibility of designated persons at the CD PROJEKT Group whose independence is assured – in particular, of the Chief Compliance Officer along with the Privacy & Compliance Team which assists the CCO in compliance-related matters. The Management Board and the Supervisory Board receive summaries which specify the number and nature of notifications, the related outcomes, and the training carried out in the framework of preparing our annual reports for the Company and the CD PROJEKT Group. Moreover, every year the Management Board presents the Supervisory Board with its report on the functioning of the internal control system, risk management, compliance and internal audit function - which also includes the aforementioned summary.

Our annual anti-corruption training courses focus on raising awareness among employees on the basis of practical examples and storytelling elements. The training covers identifying corruption attempts, counteracting corruption and avoiding conflicts of interest. It is based on a set of case studies, which help explain the correct course of action and dispel common myths related to corruption practices. This training covers all employees involved in procurement, business and administrative processes - among others, members of the Procurement, IT and Security, Business Development and Administration departments.

## Political influence and lobbying activities

[ESRS G1-5]

The CD PROJEKT Group did not engage in any lobbying activities in 2024. Our pledge to maintain political neutrality and refrain from supporting any political party is enshrined in *Rules of the Game. Business and Ethics Standards at the CD PROJEKT Group*. In line with this pledge, in 2024 the Group made no financial or material contributions to any political groups.

The CD PROJEKT Group is not registered in the EU transparency register, nor in any transparency register belonging to a member state.

No member of the Company's governing bodies held any similar public office, including membership of regulatory bodies, in the two years preceding their respective appointments.

## Payment practices

[ESRS G1-6]

In the framework of managing our liabilities at the CD PROJEKT Group we diligently monitor the flow of invoices and take care to discharge our financial liabilities within their respective contractual deadlines. While 30 days is the recommended payment timeframe, the actual deadlines depend on our business needs and are, in each instance, specified in agreements concluded with our contractors.

From among all payments made in 2024, 96% at CD PROJEKT S.A. and 92% at GOG Sp. z o.o. were remitted in a timely manner.

CD PROJEKT Group member companies currently do not face any legal proceedings resulting from payment arrears.

## Disclosure of compliance with EU taxonomy for sustainable activities

### Contextual information

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (hereinafter "EU taxonomy") provides a classification system for reporting what percentage share of the CD PROJEKT Group's activities – based on turnover, capital expenditures (CapEx) and operating expenditures (OpEx) – is environmentally sustainable.

The EU taxonomy transposes the EU environmental and climate-related objectives onto technical criteria which can be applied to determine whether an activity is sustainable with respect to six environmental objectives:

1. climate change mitigation;
2. climate change adaptation;
3. sustainable use and protection of water and marine resources;
4. transition to a circular economy;
5. pollution prevention and control;
6. protection and restoration of biodiversity and ecosystems.

Any activity carried out by the CD PROJEKT Group maybe assigned to one of three categories:

1. taxonomy-eligible activities for which the Technical Screening Criteria and Minimum Safeguards are all deemed to have been satisfied – these are regarded as taxonomy-aligned activities;
2. taxonomy-eligible activities for which at least one of the Technical Screening Criteria has not been satisfied, or for which Minimum Safeguards have not been satisfied – these activities are regarded as taxonomy-eligible but not taxonomy-aligned;
3. non-taxonomy-eligible activities for which no Technical Screening Criteria exist.

**Technical Screening Criteria (TSC)** represent a set of criteria used to unambiguously determine what constitutes substantial contribution to each objective and when a given activity does not cause significant harm. TSC are defined in two separate legal acts:

1. Commission Delegated Regulation (EU) 2021/2139 (the so-called Climate Delegated Act) which lists TSC for substantial contribution to two environmental objectives: climate change mitigation (CCM) and climate change adaptation (CCA) along with criteria for not causing significant harm to other environmental objectives (DNSH), and
2. Commission Delegated Regulation (EU) 2023/2486 (the so-called Environmental Delegated Act) which lists TSC for substantial contribution and not causing significant harm to the remaining four environmental objectives: water and marine resources (WTR), circular economy (CE), pollution prevention and control (PPC) and biodiversity and ecosystems (BIO).

**Minimum Safeguards (MS)** specified in Art. 18 of Regulation 2020/852 are procedures applied to ensure compliance with UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises.

#### Alignment of CD PROJEKT Group activities with the EU Taxonomy

Turnover, capital expenditures (CapEx) and operating expenditures (OpEx) are calculated in accordance with accounting principles listed further below in this section. Following analysis, we have determined that the following percentages of turnover, capital expenditures (CapEx) and operating expenditures (OpEx) are aligned with the Taxonomy:

	Turnover [PLN thousands, %]	CapEx [PLN thousands, %]	OpEx [PLN thousands, %]
For the period 01.01.2024-31.12.2024	985 030	285 997	630 831
Sustainable activities (Taxonomy-aligned)	0.0%	0.0%	0.0%
Non-sustainable activities (Taxonomy-eligible but not aligned)	0.2%	0.1%	0.0%
Neutral activities (Not eligible under the Taxonomy)	99.8%	99.9%	100.0%

#### Evaluating alignment with the EU Taxonomy

The process of evaluating alignment with the Taxonomy was carried out with participation of the Sustainability team, with input from the internal control, reporting, administration and IT departments.

The process involved the following four stages:

##### 1. Identification

Based on activity descriptions listed in annexes to Commission Delegated Regulation (EU) 2021/2139 and Commission Delegated Regulation (EU) 2023/2486 the CD PROJEKT Group carried out a review of its 2024 activities – in the context of turnover and capital expenditures (CapEx) – and identified Taxonomy-eligible areas.

In 2024, based on European Commission Notice C/2023/305 we revised our earlier approach to evaluating eligibility for the climate change adaptation (CCA) objective. According to the published interpretation, CapEx may only be considered eligible for the CCA objective if it is directly tied to implementation of solutions in the area of climate change adaptation – whereas turnover is only eligible if the given activity is listed in Commission Delegated Regulation (EU) 2021/2139 as contributing. Differences between the values of key taxonomy indicators provided for 2024 and our earlier disclosures are a consequence of this interpretation.

##### 2. Allocation

For each activity identified as Taxonomy-eligible, we determine the corresponding revenues and capital expenditures incurred by the Group in 2024. Details of the allocation methods are described in the section titled “Accounting principles” elsewhere in this section.

### 3. Verification

Verification of eligibility is enabled by two types of assessment:

- **Assessment of compliance with TSC**

Compliance with TSC was analyzed for all Taxonomy-eligible activities. This analysis was performed respect to each criterion specifying what constitutes substantial contribution and lack of significant harm, in order to determine whether the given activity is aligned with TSC.

- **Assessment of compliance with MS**

Compliance with Minimum Safeguards was assessed on the basis of recommendations provided in the Final Report on Minimum Safeguards published by Platform on Sustainable Finance.

According to recommendations, noncompliance with Minimum Safeguards occurs when any of the following circumstances arise:

Circumstances	Verification method
1. Inadequate or nonexistent due diligence mechanisms with regard to human rights, anti-corruption measures, counteracting unfair competition or tax strategy.	Verification of due diligence procedures was performed by filling out an extensive form – based on the methodology proposed by Platform for Sustainable Finance (World Benchmark Alliance Core UNGP Indicators). This process revealed that due diligence processes are appropriately followed at the CD PROJEKT Group.
2. The Company is held liable or declared guilty of violating the law due to corruption incidents, unfair competition practices, or illegal practices related to taxation, labor law or human rights.	Verification was based on checking whether a binding conviction had been issued with regard to the Company in matters related to human rights, corruption, unfair competition or illegal fiscal practices. This process revealed that no such convictions had been issued in any of the aforementioned areas.
3. The Company has refused to engage in dialogue with the OECD National Contact Point (NCP).	In 2024 the OECD NCP did not attempt to engage in dialogue with the Group; consequently, there was no room for refusal
4. The Business and Human Rights Resource Centre (BHRRRC) issued allegations regarding the Company, to which the Company did not respond within 3 months.	Querying the Business and Human Rights Resources Centre (BHRRRC) <sup>39</sup> , database revealed that no activity concerning the Company had occurred between 1 January and 31 December 2024.

The aforementioned analysis indicates that **CD PROJEKT Group activities in 2024 were consistent with Minimum Safeguards.**

### 4. Calculation

By applying the information obtained in the three preceding stages, we prepared tables concerning our revenues and capital expenditures, consistent with the Commission Delegated Regulation (EU) 2021/2178.

#### Accounting principles

When calculating the eligible fraction of revenues, capital expenditures (CapEx) and operating expenditures (OpEx) the following criteria were applied:

#### Turnover

Regarding revenues, the basis for calculations were the consolidated revenues of the CD PROJEKT Group for 2024, as disclosed in its Consolidated Financial Statement for 2024, Note 1 and 3.1. The numerator represents revenues from activities regarded as eligible.

<sup>39</sup> [https://www.business-humanrights.org/en/companies/?company\\_name=CD+PROJEKT&sector=&headquarters=&letter=#company\\_index\\_form](https://www.business-humanrights.org/en/companies/?company_name=CD+PROJEKT&sector=&headquarters=&letter=#company_index_form)

### Capital expenditures (CapEx)

Regarding capital expenditures (CapEx), the basis for calculations were capital expenditures incurred in each consolidated member company of the CD PROJEKT Group. Investment expenditures are presented in the Group's Consolidated Financial Statement for 2024, in:

- Note 10. Statement of changes in property, plant and equipment – increase due to purchase;
- Note 11. Statement of changes in intangible assets and expenditure on development projects – increase due to purchase and assets generated internally;
- Note 13. Statement of changes in investment properties – increase due to capitalized expenditures.

The numerator represents investment expenditures related to activities regarded as eligible.

In 2024 we revised our earlier approach for disclosing capital expenditures related to activity 7.1 Construction of new buildings. In earlier reporting periods we assigned to this category expenditures borne during the given year. However, according to EFRAG, we should assign expenditures to category 7.1 only for the year during which the given structure becomes operational. Consequently, our 2024 disclosure table does not include category 7.1 Construction of new buildings – instead, all expenditures associated with the construction process will be disclosed in our 2025 report, once the new office building is occupied.

### Operating expenditures (OpEx)

Regarding operating expenditures (OpEx), it was determined that these do not play a significant role in the Group's business model; consequently, in line with section 11.3.2 of Annex I to Commission Delegated Regulation (EU) 2021/2139, this KPI was excluded from calculations and disclosure. In the 'Key performance indicators related to operating expenditures' table, the value of total operating expenses comes from Note 2. Operating expenditures.

### Supplementary information

Data used in calculations was drawn from the financial and accounting system operated by CD PROJEKT S.A. and from financial and accounting systems operated by other member companies of the Group which are subject to consolidation.

In the process of assigning turnover and investment expenditures to categories, the Group avoided double counting by applying the appropriate consolidation eliminations, in line with the applicable accounting regulations.

The presented analysis did not reveal any types of activity which would contribute to more than one environmental objective. Consequently, there was no need to apply special procedures to avoid double counting.

This report marks the third time the Group has revealed the share of Taxonomy-aligned activities in its overall activity profile, as well as the fourth time it has revealed the share of its corresponding Taxonomy-eligible activities. The disclosure provided in this report covers the previous financial year, i.e. the period between 1 January and 31 December 2024.

Analysis revealed that no detailed disaggregation of KPIs by the Group's operating units is required, pursuant to item 1.2.2.3 of Annex I to Commission Delegated Regulation (EU) 2021/2178.



**Table 42** Nuclear and fossil gas related activities**Nuclear energy related activities**

1. The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2. The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
3. The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

**Fossil gas related activities**

1. The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
2. The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
3. The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Given that the CD PROJEKT Group does not conduct, finance or become exposed to the types of activity listed in the above table, the report does not contain disclosure tables for key indicators corresponding to activities 4.26-4.31, i.e. activities related to production of energy in nuclear processes or production of energy from gaseous fossil fuels – as any such tables would only contain null values.

**Table 43** Key performance indicators related to turnover

Financial year 2024	Year			Substantial contribution criteria						DNSH criteria („do no significant harm“)									
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of taxonomy-aligned activities(A.1) or Taxonomy-eligible activity (A.2) Turnover, year 2023 (18)	Enabling activity (19)	Transition activity (20)
		thousand PLN	%	T; N; N/EL	T; N; N/EL	T; N; N/EL	T; N; N/EL	T; N; N/EL	T; N; N/EL	T/N	T/N	T/N	T/N	T/N	T/N	T/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITY																			
A.1 Types of environmentally sustainable (Taxonomy-aligned) activity																			
N/A	N/A	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	0.0%	-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	0.0%		
Including enabling activity		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	0.0%	E	
Including transition activity		0	0.0%	0.0%						N	N	N	N	N	N	N	0.0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activity (not Taxonomy-aligned activity)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings		CCM 7.7/CCA 7.7	2 285	0.2%	EL	EL	N/EL	N/EL	N/EL								0.7%		
Turnover of Taxonomy-eligible but not environmentally sustainable activity (not Taxonomy-aligned activity) (A.2)		2 285	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%								0.7%		
A. Turnover of Taxonomy-eligible activity (A.1+A.2)		2 285	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%								0.7%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITY																			
Turnover of Taxonomy-non-eligible activity		982 746	99.8%																
TOTAL		985 030	100%																

**Table 44** Key performance indicators related to capital expenditures

Financial year 2024	Rok			Substantial contribution criteria						DNSH criteria („do no significant harm“)								Enabling activity (19)	Transition activity (20)
Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Minimum safeguards (17)	„Share of Taxonomy-aligned activities (A.1) or Taxonomy-eligible activity (A.2) OpEx, year 2023 (18)“		
		thousand PLN	%	T; N; N/EL	T; N; N/EL	T; N; N/EL	T; N; N/EL	T; N; N/EL	T; N; N/EL	T/N	T/N	T/N	T/N	T/N	T/N	T/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITY</b>																			
<b>A.1 Types of environmentally sustainable (Taxonomy-aligned) activity</b>																			
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5 / CCA 7.5	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	0.1%	E	-
<b>CapEx of environmentally sustainable activity (Taxonomy-aligned) (A.1)</b>		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	0.1%		
Including enabling activity		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	0.1%	E	-
Including transition activity		0	0.0%	0.0%						N	N	N	N	N	N	N	0.0%	-	T
<b>A.2. Taxonomy-eligible but not environmentally sustainable activity (not Taxonomy-aligned activity)</b>																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Renovation of existing buildings	CCM 7.2	0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.5%		
Data processing, hosting and related activities	CCM 8.1	356	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								8.8%		
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activity (not Taxonomy-aligned activity) (A.2)</b>		356	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%								9.3%		
A. CapEx of Taxonomy-eligible activity (A.1+A.2)		356	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%								9.4%		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITY</b>																			
<b>CapEx of Taxonomy-non-eligible activity</b>		285 641	99.9%																
<b>TOTAL</b>		285 977	100%																

**Table 45** Key performance indicators related to operating expenses

Financial year 2024	Year			Substantial contribution criteria						DNSH criteria („do no significant harm“)											
Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	„Share of Taxonomy-aligned activities (A.1) or Taxonomy-eligible activity (A.2) OpEx, year 2023 (18)”	Enabling activity (19)	Transition activity (20)		
		thousand PLN	%	T; N; N/EL	T; N; N/EL	T; N; N/EL	T; N; N/EL	T; N; N/EL	T; N; N/EL	T/N	T/N	T/N	T/N	T/N	T/N	T/N	T/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITY																					
A.1 Types of environmentally sustainable (Taxonomy-aligned) activity																					
N/A	N/A	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	N	0.0%	-	-	
OpEx of environmentally sustainable activity (Taxonomy-aligned) (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	N	0.0%			
Including enabling activity		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	N	0.0%	E		
Including transition activity		0	0.0%	0.0%						N	N	N	N	N	N	N	N	0.0%		T	
A.2. Taxonomy-eligible but not environmentally sustainable activity (not Taxonomy-aligned activities)																					
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL												
N/A	N/A	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%				
OpEx of Taxonomy-eligible but not environmentally sustainable activity (not Taxonomy-aligned activity) (A.2)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%				
A. OpEx of Taxonomy-eligible activity (A.1+A.2)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%				
B. TAXONOMY-NON-ELIGIBLE ACTIVITY																					
OpEx of Taxonomy-non-eligible activity		630 831	100%																		
TOTAL		630 831	100%																		

**Table 46** Part of turnover and capital expenditures by objectives<sup>40</sup>**Proportion of turnover / Total turnover**

	<b>Taxonomy-aligned per objective</b>	<b>Taxonomy-eligible per objective</b>
CCM	0.0%	0.2%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

**Proportion of CapEx / Total CapEx**

	<b>Taxonomy- aligned per objective</b>	<b>Taxonomy-eligible per objective</b>
CCM	0.0%	0.1%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

<sup>40</sup> CCM – climate change mitigation, CCA – climate change adaptation, WTR – water and marine resources, CE – circular economy, PPC – pollution prevention and control, BIO – biodiversity and ecosystems





ATTACHMENTS

## Attachment 1. Disclosure requirements in ESRS covered by the undertaking's sustainability statement

[ESRS 2 IRO-2]

**Table 47** Compliance with ESRS standard

Disclosure requirement	Full name of the disclosure requirement	Page
<b>ESRS 2 General disclosures</b>		
BP-1	General basis for preparation of sustainability statements	88
BP-2	Disclosures in relation to specific circumstances	88
GOV-1	The role of the administrative, management and supervisory bodies	67, 69, 73, 115
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	73, 89
GOV-3	Integration of sustainability-related performance in incentive schemes	82, 83
GOV-4	Statement on due diligence	90
GOV-5	Risk management and internal controls over sustainability reporting	60
SBM-1	Strategy, business model and value chain	9, 14, 18
SBM-2	Interests and views of stakeholders	90
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	25, 92
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	92
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	139
<b>ESRS E1 Climate change</b>		
GOV-3	Integration of sustainability-related performance in incentive schemes	96
E1-1	Transition plan for climate change mitigation	96
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	97
E1-2	Policies related to climate change mitigation and adaptation	101
E1-3	Actions and resources in relation to climate change policies	101
E1-4	Targets related to climate change mitigation and adaptation	102
E1-5	Energy consumption and mix	103
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	104
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	108
E1-8	Internal carbon pricing	108



Disclosure requirement	Full name of the disclosure requirement	Page
<b>ESRS S1 Own workforce</b>		
SBM-2	Interests and views of stakeholders	109
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	109
S1-1	Policies related to own workforce	110
S1-2	Processes for engaging with own workers and workers' representatives about impacts	111
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	112
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<b>ESRS S4 Consumers and end-users</b>		
SBM-2	Interests and views of stakeholders	118
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business mode	119
S4-1	Policies related to consumers and end-users	120
S4-2	Processes for engaging with consumers and end-users about impacts	120
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	121
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**Disclosure  
requirement**
**Full name of the disclosure requirement**
**Entity specific disclosure – social engagement**

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	Targets related to the area of social engagement and activities implemented during the reported period	124
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**ESRS G1 Business conduct**

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**Table 48** List of datapoints in cross-cutting and topical standards that derive from other EU legislation

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ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	115
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	72
ESRS 2 GOV-4 Statement on due diligence paragraph 30	90
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	N/A
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	N/A
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	N/A
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	N/A
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	96
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	97
ESRS E1-4 GHG emission reduction targets paragraph 34	102
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	N/A
ESRS E1-5 Energy consumption and mix paragraph 37	103
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	N/A
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	104
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	108
ESRS E1-7 GHG removals and carbon credits paragraph 56	108
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Omitted based on ESRS 1 Appendix C
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)	Omitted based on ESRS 1 Appendix C
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)	Omitted based on ESRS 1 Appendix C
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	Omitted based on ESRS 1 Appendix C
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	N/A
ESRS E3-1 Water and marine resources paragraph 9	N/A
ESRS E3-1 Dedicated policy paragraph 13	N/A

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ESRS E3-1 Sustainable oceans and seas paragraph 14	N/A
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	N/A
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	N/A
ESRS 2- IRO 1 - E4 paragraph 16 (a) listing of activities that negatively affect biodiversity of the relevant areas	N/A
ESRS 2- IRO 1 - E4 paragraph 16 (b) identified significant negative impacts in terms of land degradation, desertification or soil sealing	N/A
ESRS 2- IRO 1 - E4 paragraph 16 (c) impact of operations on endangered species	N/A
ESRS E5-5 Non-recycled waste paragraph 37 (d)	N/A
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	N/A
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	N/A
ESRS E5-5 Non-recycled waste paragraph 37 (d)	N/A
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	N/A
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	110
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	110
ESRS S1-1 Human rights policy commitments paragraph 20	110
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	110
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	110
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	110
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	112
ESRS S1-14 Number of fatalities and number and rate of workrelated accidents paragraph 88 (b) and (c)	116
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	116
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	117
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	117
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Disclosure Requirement and related datapoint	Page
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	117
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	N/A
ESRS S2-1 Human rights policy commitments paragraph 17	N/A
ESRS S2-1 Policies related to value chain workers paragraph 18	N/A
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	N/A
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	N/A
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	N/A
ESRS S3-1 Human rights policy commitments paragraph 16	N/A
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	N/A
ESRS S3-4 Human rights issues and incidents paragraph 36	N/A
ESRS S4-1 Policies related to consumers and end-users paragraph 16	120
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	120
ESRS S4-4 Human rights issues and incidents paragraph 35	122
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	126
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	126
ESRS G1-4 Fines for violation of anticorruption and anti-bribery laws paragraph 24 (a)	128
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	128

## Management Board Statement

Pursuant to the requirements expressed in the Finance Minister's ordinance of 29 March 2018 concerning current and periodic information to be published by issuers of securities, and the conditions for considering as equivalent the information required by the laws of a non-member state, the Management Board of the Company declares that, to the best of its knowledge, this Management Board report on the activities of the CD PROJEKT Group for the period between 1 January and 31 December 2024 provides an unbiased description of the development and accomplishments of the CD PROJEKT Group, including a description of the basic threats and risks encountered thereby.



**Michał Nowakowski**  
Joint Chief Executive Officer,  
Member of the Board



**Adam Badowski**  
Joint Chief Executive Officer,  
Member of the Board



**Piotr Nielubowicz**  
Chief Financial Officer,  
Member of the Board



**Piotr Karwowski**  
Joint Chief Operating Officer,  
Member of the Board



**Paweł Zawodny**  
Joint Chief Operating Officer,  
Member of the Board



**Jeremiah Cohn**  
Chief Marketing Officer,  
Member of the Board



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