



CD PROJEKT GROUP

**LONG-TERM STRATEGIC GROWTH OUTLOOK**

## The CD PROJEKT Group

---

CD PROJEKT was founded in 1994 and conducts business in the field of electronic entertainment, focusing on two key areas:

- developing and publishing videogames and tie-in products based on its proprietary franchises: The Witcher and Cyberpunk 2077 – carried out by the CD PROJEKT RED Studio and satellite studios which belong to the Group;
- digital distribution of videogames – carried out by the GOG.COM platform.

The CD PROJEKT Group has been traded on the Warsaw Stock Exchange since 2010. It is part of the WIG20 index, which aggregates 20 of the largest and most liquid companies on the Warsaw market.

Given its dominant contribution to the Group's revenues and profits, this document focuses primarily on the long-term outlook in the context of developing videogames and tie-in products, and increasing recognition of the Group's brands.



## CD PROJEKT RED Studio

---

Founded in 2002, the CD PROJEKT RED Studio develops and publishes videogames for personal computers and consoles. As of the publication date of this document, games from the Witcher series have sold over 65 million copies and garnered over 1000 awards. The first game representing the Studio's new franchise – Cyberpunk 2077 – has sold over 20 million copies.

CD PROJEKT RED is headquartered in Warsaw and operates branch development studios in Kraków, Wrocław and Vancouver, as well as an office in Los Angeles, tasked with promoting and coordinating sales throughout North America. The Studio's international team consists of over 700 world-class professionals who specialize in programming, animation, design and production. CD PROJEKT RED's production activities are supported by a publishing and marketing department responsible for comprehensive market rollout of the Studio's products, and for community relations. In 2021 the Group was joined by The Molasses Flood development studio, based in Boston.



### CD PROJEKT RED PURPOSE

We create revolutionary role-playing games with memorable stories that inspire gamers.

### OUR CORE VALUES

- Quality is our top priority
- We are gamer-centric
- Our talented and passionate team is our strength
- We stand for tolerance, honesty and openness
- We consider independence as the cornerstone of creative freedom



## WHAT MATTERS TO US IN VIDEOGAMES

We believe that games are an art form. We want to leave a mark on the global gaming community, inspiring gamers while we provide them with excellent, thoughtful entertainment.

We create games which we ourselves would like to play: complex, nonlinear and focused on audiences which appreciate genuine emotions.

We have long ago decided to specialize in the role-playing game (RPG) genre. RPGs are among the most challenging videogame projects from the creative point of view, which reinforces their unique nature. For many years we have been adding to our pool of specialized knowledge and experience. Each new release give us more ideas for future projects.

We believe that dedication, hard work, genuine affection towards the games we produce, and attention to detail can ensure that upon finishing our games gamers will feel they've spent their money well.

We continuously develop proprietary technologies and combine them with state-of-the-art external solutions to create groundbreaking immersive videogame experiences.

## WHY WE REMAIN INDEPENDENT

We believe that creative and financial independence are both crucial for realizing our strategic plans. They enable us to keep growing and develop videogames on our own terms. We emphasize retaining control over creative and publishing processes, as well as over promotional activities and community relations. We are in this business because we love what we do. We believe that – owing to our independence – we can be a force for good in the digital entertainment market.

## 2021 STRATEGY UPDATE

The launch of Cyberpunk 2077 in December 2020 precipitated an in-depth analysis of the Company's internal processes, and triggered fundamental changes. The outcome of this analysis was presented in the Group's 2021 Strategy Update, which emphasized the following main areas of change and growth:

- **RED2.0** – transformation of the studio, which involves, among others, changing our approach to game development, rolling out agile methodologies to enable parallel work on products representing our two main franchises, changing management practices, building a work environment which promotes development of teams and talents, and changing our approach to community relations;
- **Expanding our franchises** – going further beyond RPGs and fully realizing the potential of The Witcher and Cyberpunk through new products, collaborations, media types and formats – all in order to maximize the reach, recognition and strength of our brands;
- **Online development** – enriching games developed in the framework of our IPs with multiplayer elements.

Based on the above assumptions, following the publication of the Group's 2021 Strategy Update we have implemented a wide range of changes and improvements which will support further growth of the CD PROJEKT Group. These include:

- internal organizational transformation which focuses on building strong teams;
- rolling out Agile development practices and optimizing development pipelines;
- initiating long-term strategic collaboration with Epic Games and migrating to Unreal Engine, which will enable the Company to achieve greater efficiency, stability and predictability of its development processes;
- adding two teams of experienced developers: CD PROJEKT RED Vancouver and The Molasses Flood (based in Boston);
- reinforcing the Management Board's competences in the area of technology and marketing – by appointing two new Board Members;
- initiating parallel development of two AAA projects.



## DIRECTIONS OF FURTHER GROWTH

In the coming years we envision the following strategic growth directions for the Group:

- further increase in production capabilities in order to provide more content to gamers with prime focus on quality;
- enhancing our game experiences with multiplayer features;
- further development of our franchises.

We also continue to monitor changes occurring in our environment and we're aware that pursuing these directions requires us to acknowledge the opinions of gamers and our broader community of stakeholders.



## OUR ESG AMBITIONS

Tolerance and respect for everyone around – gamers, team members and business partners, but also for the environment in which we operate – are crucial for us. At CD PROJEKT we regard environmental (E), social (S) and governance (G) issues as an integral part of our activities and our organizational culture.

Our ESG ambitions are as follows:

- Provoke reflection through memorable stories
- Be a company people want to be a part of
- Continue the green transformation on our campus and beyond
- Build relationships based on trust and transparency
- Use our resources and competencies to support others

## OUR APPROACH

### I. Building a Studio people want to be a part of

We want to be perceived as the employer of choice – by creating a place where people can fully realize their potential and with which they can associate their long-term career prospects. We are working on a new, globally competitive compensation system supported by a retention-focused incentive program. We enable our employees to pursue ambitious projects with broad creative freedom. We also provide career development opportunities tailored to individual preferences.

### II. Spinning up the Franchise Flywheel – multi-faceted development of franchises

We aim to create an ecosystem consisting of – among others – games, comics, TV series, movies and animations. Each of these elements has the potential to shape our transmedia narration and increase convergence within our respective brands. This will ultimately lead to broader recognition, larger community of consumers, better product synergies and increased revenues.



### III. Collaboration with external partners

We want to create new ways of experiencing our franchises by expanding our product portfolio and reaching new audiences. This is why we are opening up to external collaboration in the context of new products. Our goal is to carefully and selectively approach project opportunities, retain the highest possible quality and ensure that we meet gamers' expectations.

### IV. Focus on core activity – telling immersive stories

Opening up to external collaboration will make it easier for our internal development team to focus on CD PROJEKT's core activity – developing revolutionary role-playing games with emphasis on highest quality. Our primary goal still involves telling memorable stories that inspire gamers throughout the world and stay with them for a long time. We want to reinforce this aspect, as we believe it's the main source of our strength.

## Long-term production outlook

---

Given the need to protect our competitive edge, the following section provides only a general outline of our franchise development plans. Descriptions of individual projects have been reduced to a minimum and all projects have been codenamed.

### Project Sirius

Game developed by The Molasses Flood with support from the CD PROJEKT RED team, set in The Witcher universe. Compared to existing CD PROJEKT RED games, this one targets a much broader audience. Sirius will include single-player and multiplayer gameplay.

### Project Polaris

This project launches the new Witcher trilogy, expanding the universe presented in past Witcher games. The saga will consist of three games which we plan to release during a six-year publishing cycle, starting with the release date of Polaris itself.

In technical terms, the second and third part of the saga will be based on the foundation which we put in place for Polaris. By following this approach we intend to improve our game development pipeline without giving up on any of our artistic ambitions, or on our intent to raise the bar ever higher with each successive release.

### Project Canis Majoris

A full-fledged release set in The Witcher universe, to be developed by an external studio under the supervision of experienced developers who have previously worked on Witcher games. In terms of technology – we intend to use Unreal Engine 5 and the toolset created for Polaris.

### Project Orion

A Cyberpunk release which will further develop the potential embodied by this universe. Project Orion will be developed by CD PROJEKT RED North America, which will comprise the newly created Boston hub along with our existing Vancouver team. This studio is separate from The Molasses Flood (which is working on Sirius and is also based in Boston). Establishing a new studio – CD PROJEKT RED North America – will enable us to fully tap into the North American talent pool.

### New IP – Project Hadar

A new original IP. For the first time in its history, CD PROJEKT RED is developing an entirely new universe from scratch. Early conceptual work began in 2021. As of the publication date of this document there is ongoing work on the foundations of this world – laying the setting for a third separate product line in the future.



## What we want to achieve

- Three unique, strong and enduring franchises. At the center of each – an increasing number of games with memorable storylines, enriched with multiplayer experiences.
- Synergy which results from collaboration with external partners. Such collaboration will enable us to broaden our product portfolio, reach new consumers and enhance the experience which comes from interacting with our universes.
- CD PROJEKT as a place with a unique organizational culture, attracting top talent and assisting in further professional development.



### Disclaimer

*This document was prepared by CD PROJEKT S.A. ("CD PROJEKT").*

*Information contained in this document is valid as of the day of its preparation. Consequently, this document will not be changed, updated or modified to account for events which might occur after its publication.*

*The document outlines the activities of CD PROJEKT and the CD PROJEKT Group. It is prepared solely for informative purposes and does not constitute investment advice. Information contained in this document must not be construed as assurances, projections or forecasts regarding future performance or results of CD PROJEKT or of the CD PROJEKT Group.*

*This document was prepared with due diligence but it may contain certain ambiguities. Under no circumstances should this document be construed as a purchase recommendation, an invitation to subscribe to, or recommendation to purchase or subscribe to any securities issued by CD PROJEKT.*

*The recipients of this document bear sole responsibility for their own analyses and assessments of the market conditions as well as the condition and future performance of CD PROJEKT. CD PROJEKT emphasizes that current and periodic reports published by CD PROJEKT in the course of discharging its reporting obligations under Polish law are the sole authoritative source of information concerning the CD PROJEKT's earnings, projections, events and indicators.*

*This document is not to be circulated in territories and states where public circulation and sharing of information contained herein may be subject to legal restrictions. Parties accessing this document are advised to familiarize themselves with any such restrictions beforehand.*

*CD PROJEKT or any of entities in CD PROJEKT Group with regards to any kind of, either sponsored or unsponsored, ADR ("alternative depositary receipts") or any other financial instruments of this kind (jointly "Financial Instruments") do not (i) make any warranties, expressed or implied, as to the accuracy, adequacy or completeness of any of the information connected with the Financial Instruments, (ii) support or encourage the creation of any kind of the Financial Instruments. CD PROJEKT does not represent any depositary institution, bank or anyone in respect to any Financial Instruments.*

*CD PROJEKT shall have no responsibility or liability for the Financial Instruments. In case of any question, the holder of any Financial Instruments shall address the institution issuing such Financial Instruments or any institution supporting such such issuance for any information related to such Financial Instruments.*



CONTACT FOR INVESTORS: [IR@CDPROJEKT.COM](mailto:IR@CDPROJEKT.COM)  
[WWW.CDPROJEKT.COM](http://WWW.CDPROJEKT.COM)