

## **Esteemed Shareholders,**

In our last year's address we wrote that we were on the cusp of the most important event in CD PROJEKT's 20-year history. 2015 was indeed a pivotal year for the CD PROJEKT Capital Group. The effort, talent, energy and dedication of our team resulted in an enormous success in, both in commercial and creative terms.

### **This was the year of The Witcher and of CD PROJEKT**

Our mission is to create revolutionary role-playing games which go straight to the heart of gamers worldwide, providing them with outstanding, thoughtful entertainment. We firmly believe that games are a form of art rather than a product which is mindlessly consumed. We create games with a deep narrative – games which we ourselves would enjoy playing. We are convinced that we can be successful if only our business plans remain subordinate to our creative vision.

This is the philosophy which guided our work on The Witcher series. The Witcher 3: Wild Hunt, which crowns the trilogy, was released on 19 May 2015, simultaneously for three hardware platforms and in 15 language versions. As we write these words the game has received over 800 awards, including 250 Game of the Year awards. The CD PROJEKT RED Studio itself has claimed 30 Developer of the Year trophies. The Witcher 3 was also a massive marketing endeavor which resulted in our game being the most talk-about release of 2015 in online media channels.

Today we proudly announce that by the end of 2015 more than 20 million copies of games from The Witcher series have been sold.

### **Implementation of 2012-2015 strategy and goals**

The release of The Witcher 3 was linked to the debut of our proprietary GOG Galaxy technology stack. All players who purchased box editions of The Witcher 3 for the PC received activation keys for the game's digital edition on GOG.com, with GOG Galaxy responsible for installation of game and delivery of additional content and patches.

In the future we plan to capitalize on the synergies between our two main activity segments. GOG's technological potential and Internet acumen, coupled with CD PROJEKT RED's innovative videogame development skills, will enable us to cement the competitive advantage of the CD PROJEKT Group.

### **Implementation of 2012-2015 strategy and goals**

2015 was also the final year of the incentive program whose details were published in late 2011, along with the Group's strategy.

Throughout the past four years we worked laboriously on strengthening the position of the CD PROJEKT Capital Group, focusing on activities with a global impact.

It has always been our view that the best recipe for commercial success of the CD PROJEKT RED Studio was to develop peerless games on a global scale. We remain uncompromisingly committed to achieving this goal. We have at our disposal a talent pool and a source of creative energy which grow together with our business, but always remain our most precious, most limited resource. In our quest to create outstanding games we must take care to avoid dispersion of effort, and instead focus on a limited number of projects. Our consistent prioritization of quality over quantity has paid off. We initially expected to release two major videogames in the 2012-2014 period. Ultimately, however, we decided that it was necessary to devote additional time to honing The Witcher 3 to a degree unprecedented among existing role-playing games. We can now claim that this approach has been vindicated. Our original plan, published in November 2011, stipulated that 10 million game copies should have been by the end of 2015. In actuality, we managed to double these forecasts. The net financial result of the CD PROJEKT Capital Group for the years 2012-2015 was reported as 390 million PLN, which is 68% more than our initial goal. The Company's share price on the Warsaw Stock Exchange increased by 353% - compared to a paltry 26% increase in the WIG index over the same period.

The success of The Witcher 3 is also shared by our digital distribution platform at GOG.com. Over the last four years GOG charted out new directions by deploying several language localizations of its platform, adding support for local currencies and integrating the service with locally popular payment channels. We have also rolled out the GOG Galaxy technology stack which offers a wide range of end-user functionality and facilitates expansion of GOG's catalogue with games dependent on multiplayer features. Over the past four years GOG revenues increased by 365%.

## Looking ahead

The Witcher 3 set the bar high and provided a reference point for our future growth. We continue to develop and strengthen global brands by exploiting our proprietary technologies and drawing upon our accumulated know-how. Our team of experienced, talented and passionate professionals is fully capable of creating a videogame from scratch – starting with a fresh concept, then proceeding with development and marketing activities, and finalizing the project with global distribution. Thanks to GOG Galaxy, GOG.com is also opening a new chapter in its history.

Today, along with an overview of financial results of the CD PROJEKT Capital Group, we are announcing an updated strategy for the years 2016-2021. We have specific plans along with the knowledge, people and financial resources to see them through. Once again we set lofty goals, both creative and financial.

Our core values – uncompromising dedication to product quality, honest communication, respect for gamers, fair treatment of everyone we work with, independence and tolerance – remain firmly encoded in our DNA and constitute an inseparable part of our business philosophy. They are at the root of our business decisions and form the foundation of our tireless work on delivering value to shareholders.

We thank you for the trust and support which you have extended to us over the years,

Respectfully,



Management Board of CD PROJEKT

Michał Nowakowski

Piotr Nielubowicz

Adam Kiciński

Adam Badowski

Piotr Karwowski

Marcin Iwiński