Strategy of the CD PROJEKT Capital Group for the years 2016-2021
CD PROJEKT Group
CD PROJEKT was founded in 1994 and conducts business in the field of electronic entertainment, focusing on two key areas:

- development and distribution of world-class videogames via the CD PROJEKT RED development studio – creators of the globally acclaimed The Witcher videogame series, currently also working on other projects, including the upcoming AAA release: Cyberpunk 2077;
- digital sales of videogames directly to customers from around the world via GOG.com and GOG Galaxy platforms.

Since 2010 the CD PROJEKT Group is listed on the Warsaw Stock Exchange.

CD PROJEKT RED Studio
CD PROJEKT RED is a game development studio founded in 2002. It develops and publishes videogames for personal computers and video game consoles. Altogether, games from The Witcher series – the Studio's flagship franchise – have sold over 20 million copies.

The Studio's newest release – The Witcher 3: Wild Hunt – debuted in 2015 for the PC, PlayStation 4 and Xbox One, and has since received over 800 awards and accolades, including 250 game of the year awards. The game was released simultaneously in 15 language versions, on all key markets, including Europe, the Americas, Asia, Australia and Africa. Along with the globally available digital edition of the game, box editions were made available in 109 countries.

CD PROJEKT RED's flagship games are powered by the Company's proprietary technology -- REDengine. This continually upgraded, best-in-class software solution enables efficient development of complex and quality role-playing games set in vast open world environments.

CD PROJEKT RED is headquartered in Warsaw and operates branches in Kraków and Los Angeles. The Studio's international team comprises over 350 world-class professionals specializing in programming, animation, graphics, design and production. CD PROJEKT RED also operates its own publishing and marketing department charged with global promotion of the Studio's releases.

CD PROJEKT RED mission statement
To create revolutionary RPGs which go straight to the heart of gamers from around the world.

CD PROJEKT RED business objectives
To be counted among the world's top three videogame developers; to ensure a lasting place for our brands in the global popular culture.

GOG.com
GOG.com is an online platform conducting global digital distribution of games.

The GOG.com platform was established in 2008 and currently carries releases from over 350 developers and suppliers, including such household names as Activision, Bethesda, Disney, Electronic Arts, Ubisoft, Square-Enix and Warner Bros.

In 2015, the Company released its proprietary GOG Galaxy technology enabling individual game purchases and management of personal collections, while also providing support for multiplayer gaming and other online services.

GOG.com is an international team consisting of over 100 videogame aficionados. The Company consistently puts the gaming community at the heart of its business and respects gamers’ opinions when expanding its catalogue and platform.

GOG.com mission statement
We combine our passion for videogames and respect for fans to successfully deliver the world’s top videogame releases, supported by online services.

GOG.com business objectives
To create a catalogue of brand-new AAA releases fully supported by GOG Galaxy; to turn GOG Galaxy into a technological foundation upon which gamers can access videogames produced by CD PROJEKT RED and interact with one another.
CD PROJEKT Group philosophy

The way we operate is determined by a unique business philosophy. At its core are values shared by both GOG.com and CD PROJEKT RED, which then naturally gravitate towards two respective fields of business: game development and digital distribution.

What guides our business activities

- The Company is founded upon the principle of fair play. We treat our employees, our gamers, and our business partners fairly in everything we do.
- Our team is our greatest asset. We are always on the lookout for new solutions that can enhance our teamwork.
- We employ people who are passionate about videogames and about delivering top-quality products and services.
- We stand for tolerance. We combat all forms of racism, homophobia and xenophobia, as we believe tolerance is the foundation of creativity and innovation.
- We forge strong, direct contacts with our player base. We believe that only ongoing, open and honest customer relations matter.

How we perceive videogames

- We believe that videogames are a form of art, rather than just an entertainment product. We want to leave a mark on the global gaming community by delivering outstanding, thoughtful digital experiences.
- We create games we would like to play ourselves: complex, nonlinear and focused on audiences appreciating deep storylines and 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 and for many years we have been adding to our pool of knowledge and experience. Each new release gives us more ideas for future projects.
- We believe that hard work, attention to detail, and genuine affection towards the stories we tell resonates in gamers, who, upon finishing our games, feel that they’ve spent their money well.
- We develop proprietary tools that facilitate game development and apply them in our own videogames.
- We adopt a boutique approach and carefully select titles to be added to the GOG.com’s catalogue.

Why we remain independent

- We believe that creative and financial independence is the cornerstone of our commercial success. These qualities enable us to manage our company and develop videogames on our own terms.
- We emphasize retaining control over technological aspects, creative processes, publishing and promotion, as well as community relations.
- We develop our own digital distribution and online gaming platform, creating a full-featured user-friendly ecosystem that will constitute an integral part of our future videogame releases.
- We are in this business because we love what we do. Our independence allows us to take an active part in shaping the digital entertainment market.
How we want to develop our business

- We are convinced that one can remain commercially successful without sacrificing the creative vision to business calculation.

- Quality is the foundation of our long-term strategy and development plans. We do not seek easy profit and are not interested in taking shortcuts. We focus on ambitious plans with the potential to achieve global impact, and we make no compromises in pursuing them.

- We love breaking the mold and proving that we can achieve what many would consider unachievable. We always try to set goals which seem just out of reach.

- In our attempts to achieve breakthroughs and innovation, we are not afraid to enter uncharted territory, undertake risks and make mistakes. Creative curiosity calls for courage if one is to go a step further than the rest of the pack.

- We treasure creative energy and the passions embodied by our team. We believe that a crucial condition of success is the ability to harness these rare resources and put them to good use in implementing our key projects.

- We focus on flagship IPs with a plan to expand them onto multiple fields of entertainment. We work hard on delivering a wide array of tie-in products that complement games. This strategy allows us to utilize our creative workforce to the fullest and delivers additional PR & Marketing beats, which help to attain critical mass in sales and brand awareness. All this serves one purpose: creating content rich universes that bring quality entertainment to gamers worldwide.

- Given that CD PROJEKT RED creates games while GOG.com distributes them and provides support for online gaming features, our activity segments are mutually reinforcing and together underpin the commercial advantage of the CD PROJEKT Capital Group.
Plans
In order to preserve our competitive advantage, this public version of the Group’s plans only lists selected components of our strategic agenda. For the same reasons, the descriptions of certain projects are necessarily terse. Plans have been divided into two periods: the current year (2016) and the following five-year period (2017-2021). Within each period individual items are not arranged in chronological order.

CD PROJEKT RED Studio

2016
- Implementation of new promotional and marketing activities supporting continued sales of The Witcher 3: Wild Hunt.
- A new type of video game format previously unexplored by the Studio.

Later years (2017-2021)
- Release of Cyberpunk 2077.
- Release of another AAA RPG title.
- Expansion of our core franchises with additional media content and product lines.
- Further active marketing and support for our earlier releases.
- Near-twofold expansion of the CD PROJEKT RED team. Creation of four individual teams, two of which will be tasked with development of games representing new segments.
- Establishment of new local branches of CD PROJEKT RED in key territories.

GOG.com

2016
- Release of a AAA game developed by an unaffiliated entity with full support for GOG Galaxy, concurrent with its global release date.
- Expansion of GOG Galaxy with new features and networking technologies required by new CD PROJEKT RED products.
- Support for pricing and payments in additional currencies and new language localizations of the GOG.com platform.
- Ongoing support for the “early access” mechanism introduced in early 2016, important from the point of view of the platform’s ability to expand its catalogue with new games

Later years (2017-2021)
- Additional global releases of major videogames developed by unaffiliated entities with full support for GOG Galaxy.
- Technological support for new CD PROJEKT RED development projects, including customized solutions for multiplayer gaming and other online features.
- Rollout of additional language localizations of the GOG.com platform.
Disclaimer

The information contained in this document reflects current conditions and projections based upon the status quo (March 2016), which is liable to change. All forecasts and statements concerning future events are based upon subjective opinions, evaluations and assumptions, and may therefore prove erroneous or inaccurate. As unforeseen circumstances may arise, the situation cannot be guaranteed to evolve in line with predictions. CD PROJEKT SA, its subsidiaries, its management board and its employees make no claims regarding the accuracy or completeness of any statements expressed in this document.

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