

CD PROJEKT CAPITAL GROUP RESULTS – H1 2016

ADAM KICIŃSKI

President / Joint CEO

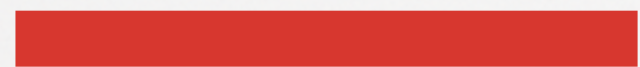
PIOTR NIELUBOWICZ

Member of the Board, CFO



AGENDA

Key events of H1 2016



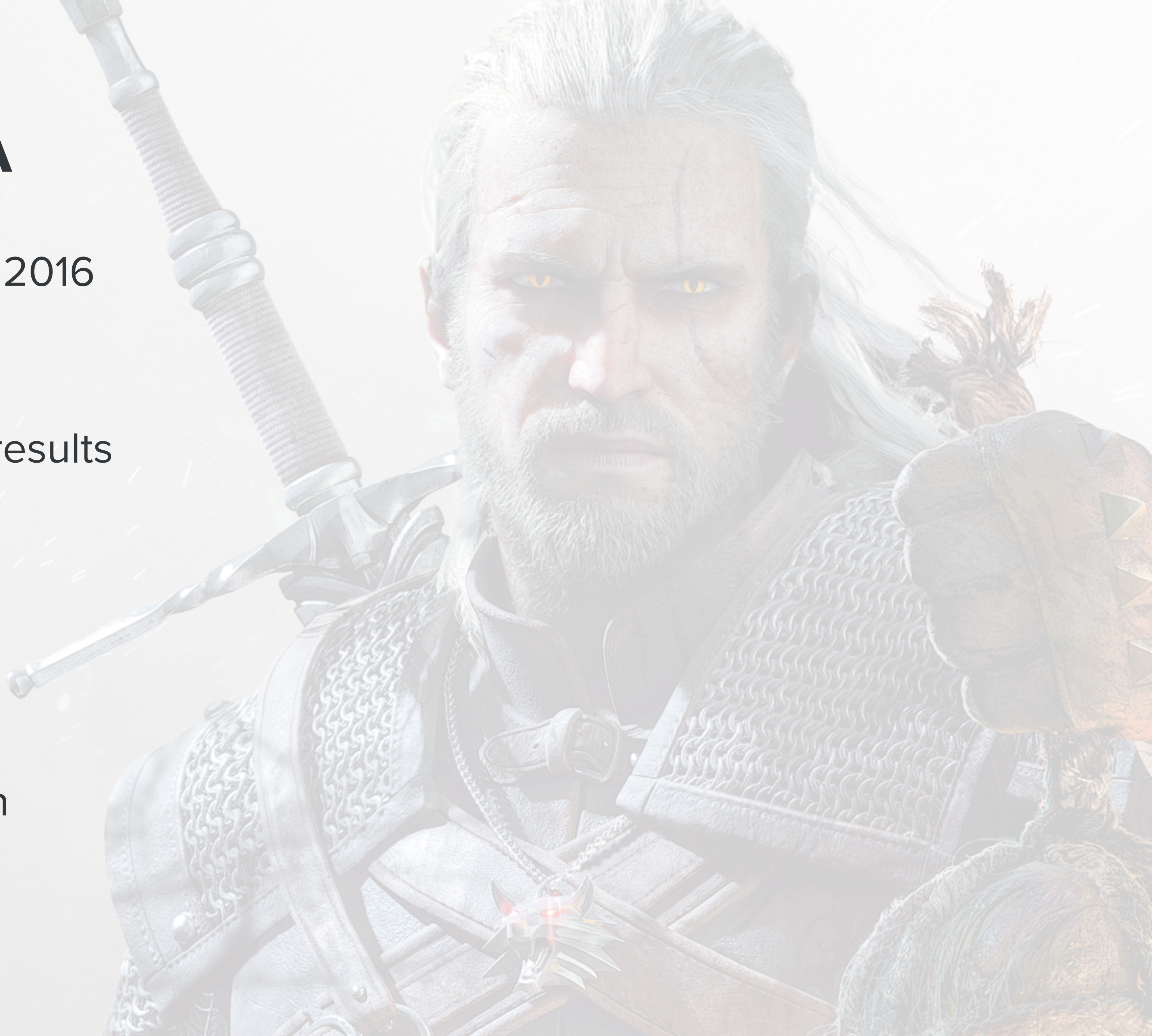
H1 2016 financial results



GWENT



Q&A session



KEY EVENTS OF H1 2016



Second expansion pack released



Sales of expansion packs on GOG
– the **Galaxy effect**



Brand **new game type**
announced at E3

THE WITCHER WILD HUNT

EXPANSION PACK
BLOOD AND WINE

**30+ HOURS
OF NEW ADVENTURES**





FINANCIAL RESULTS

CD PROJEKT GROUP - FINANCIAL HIGHLIGHTS

	H1.2011 W2 PC	H1.2012 W2 X360	H1.2013	H1.2014	H1.2015 W3	H1.2016 B&W + Exp Pass
Sales revenues	80 300	71 442	63 058	74 588	512 697	318 996
<i>CD PROJEKT RED</i>	33 196	23 100	9 982	12 408	448 655	249 670
<i>GOG.com</i>	11 196	15 519	30 768	31 003	63 899	69 259
<i>Other activities</i>	771	685	477	431	143	67
<i>Videogame distribution in Poland</i>	35 137	32 138	21 831	30 746		
Gross profit from sales	41 376	31 806	23 001	24 867	379 940	243 703
Expenses less revenues (operating activities)	17 957	17 944	16 021	19 794	91 393	80 585
Profit from operating activities	23 419	13 862	6 980	5 073	288 547	163 118
Financial revenues less expenses	-416	319	639	1 281	-4 529	4 398
Pre-tax profit	23 003	14 181	7 619	6 354	284 018	167 516
Income tax	2 554	371	-92	1 702	47 766	32 834
Net profit from continuing operations	20 449	13 810	7 711	4 652	236 252	134 682
Net profitability	25%	19%	12%	6%	46%	42%

all figures are given in PLN thousands

CD PROJEKT GROUP - ASSETS

	2015-03-31	2015-06-30	2015-12-31	2016-03-31	2016-06-30
Fixed assets	191 326	153 932	137 997	153 534	140 220
Expenses on development projects:	97 339	48 562	33 581	46 170	33 503
- ongoing projects	97 339	16 698	28 484	42 638	33 503
- finished projects		31 864	5 097	3 532	
Other fixed assets	93 987	105 370	104 416	107 364	106 717
Working assets	71 792	411 679	521 178	530 371	620 540
Inventories	9 219	840	619	2 005	483
Receivables	25 267	235 338	114 234	82 173	103 049
Prepaid expenses and other financial assets	7 823	11 305	12 688	11 316	12 685
Cash and cash equivalents	29 483	164 196	393 637	434 877	504 323
TOTAL ASSETS	263 118	565 611	659 175	683 905	760 760

Two largest development projects currently underway are Cyberpunk 2077 and Gwent

The largest completed projects to-date are The Witcher 3 and Hearts of Stone

Mostly intangibles (brands) and goodwill

Mostly trade receivables

Mostly minimal guarantees acquired by [GOG.com](#)

CD PROJEKT GROUP - LIABILITIES

	2015-03-31	2015-06-30	2015-12-31	2016-03-31	2016-06-30	
Equity	164 521	405 846	513 675	547 119	650 846	
Long-term liabilities	502	185	3 643	553	5 175	Mostly deferred income tax provisions
Short-term liabilities	98 095	159 580	141 857	136 233	104 739	
Trade liabilities	19 282	30 365	22 603	22 364	28 961	
Other liabilities	72 529	20 344	46 965	59 816	5 383	Historically: mostly advance royalties associated with The Witcher 3, Hearts of Stone and Blood and Wine; currently: mostly VAT liabilities
Provisions	250	58 370	56 608	45 055	66 399	Mostly provisions for compensation and bonuses dependent on financial result
Other short-term liabilities and deferred revenues	6 034	50 501	15 681	8 998	3 996	
TOTAL LIABILITIES	263 118	565 611	659 175	683 905	760 760	

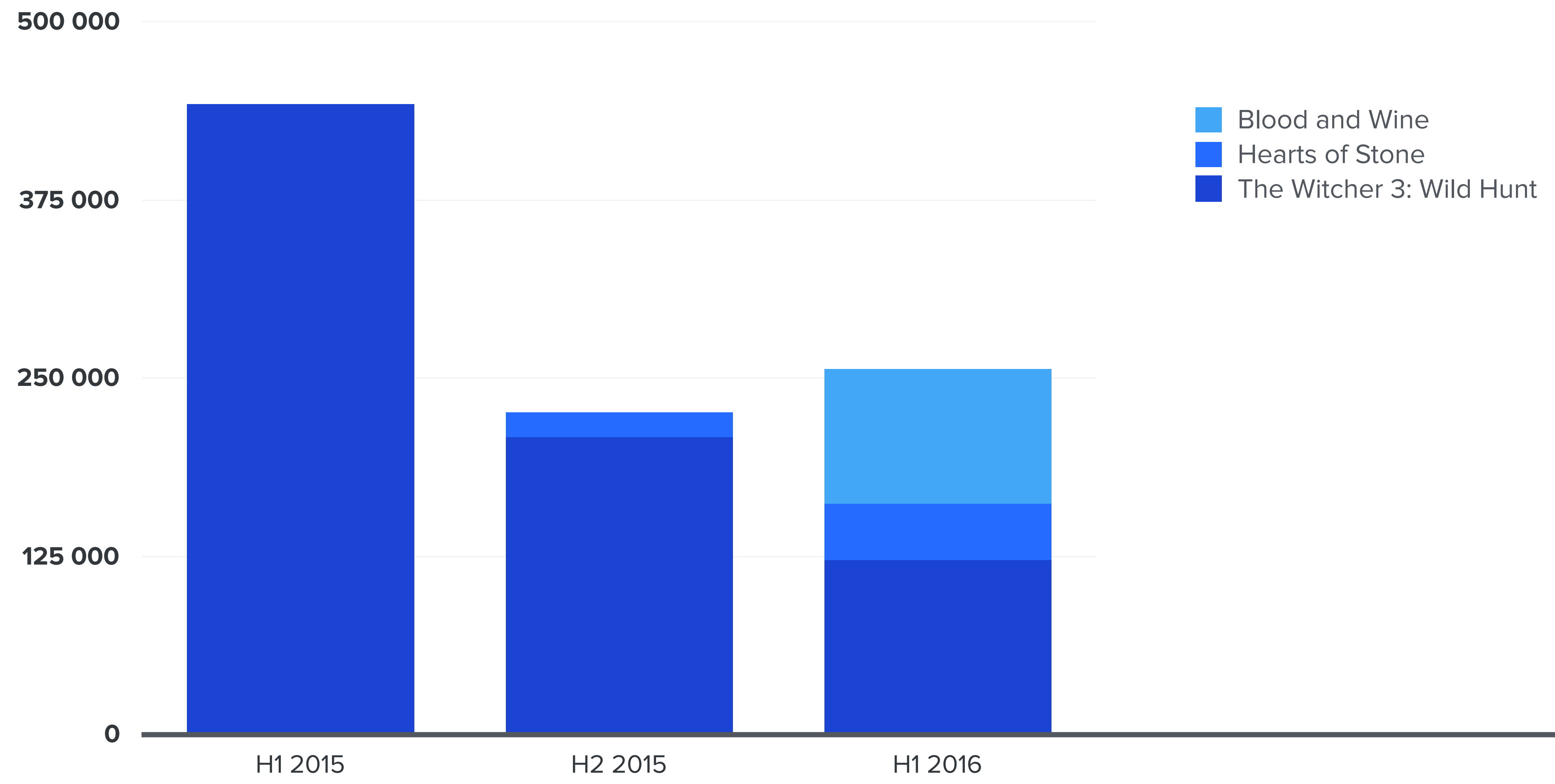
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CASH FLOWS

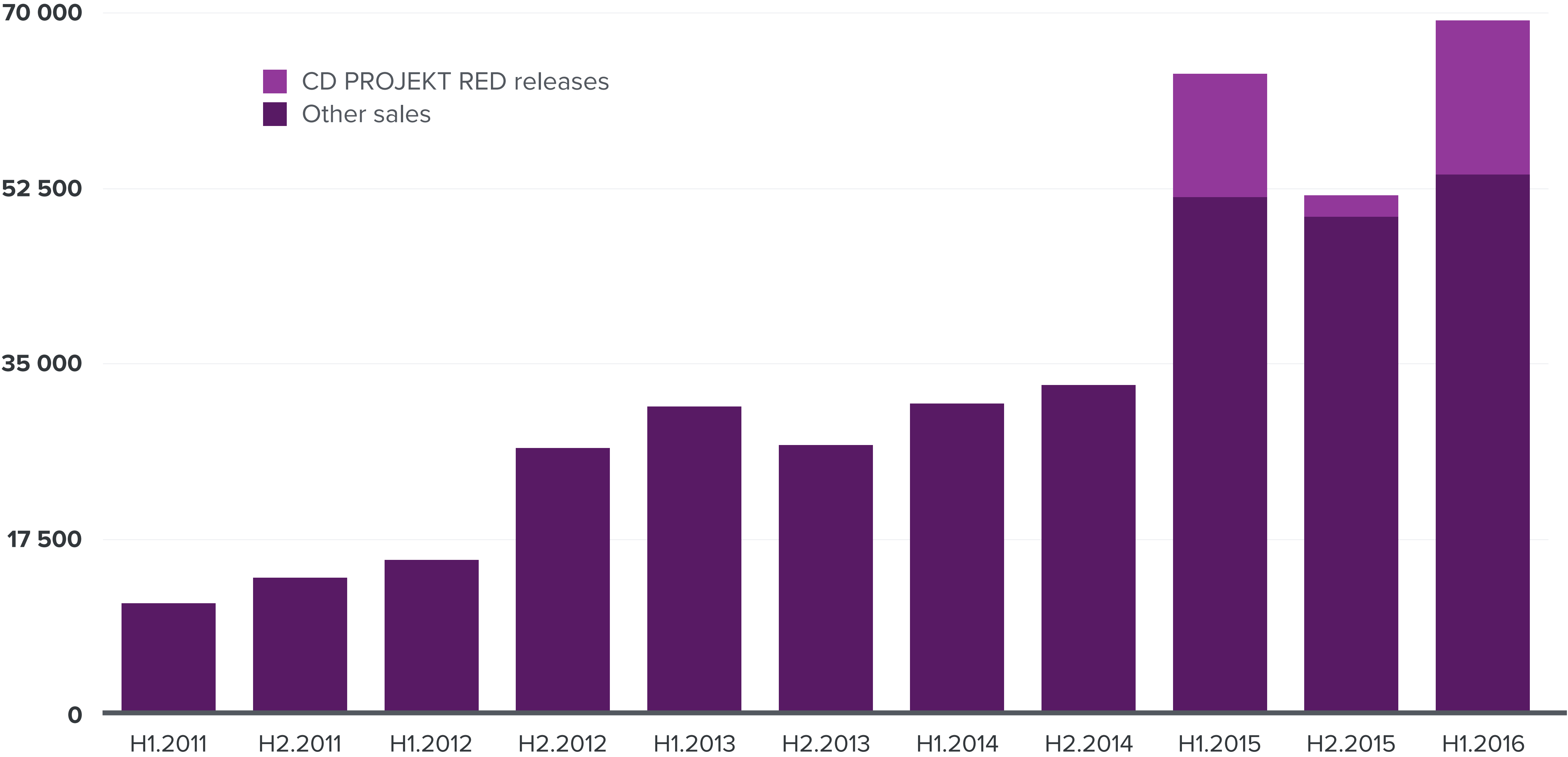
	H1 2015	H1 2016
Net profit	236 252	134 682
Depreciation of fixed assets and intangibles/legal assets	1 354	2 722
Depreciation of development expenses	62 329	31 397
Other adjustments	-144 116	-26 848
Net cash flows from operating activities	155 819	141 953
Inflows from investment activities	151	4 116
Outflows – development expenses	21 511	28 900
Outflows - others	4 514	7 023
Net cash flows from investment activities	-25 874	-31 807
Net cash flows from financial activities	-144	540
TOTAL NET CASH FLOWS	129 801	110 686
Cash on hand at end of period	164 196	504 323

all figures are given in PLN thousands

CD PROJEKT RED – REVENUES FROM W3 AND EXPANSIONS



GOG – HALF-YEARLY SALES REVENUES





GOG.COM

GOG – KEY EVENTS OF H1 2016



PLN



CAD



CHF



NOK



SEK



DKK

Support for additional currencies



GWENT



No Man's Sky
preorder campaign



STRATEGIC SYNERGY BETWEEN SEGMENTS

GWENT is developed by a consortium consisting of CD PROJEKT RED and GOG.com

GOG Galaxy will provide GWENT with:

- Support for cross-platform gaming
- Specialized online services tailored to the needs of the game
- Dedicated multiplayer infrastructure connecting players from all around the world

This collaborative approach enables CD PROJEKT RED to focus on gameplay while GOG.com takes care of online features.



CD PROJEKT RED®

GWENT

THE WITCHER CARD GAME

 XBOX ONE

PC

 PS4

TEEN



ESRB

**Violence
Blood
Language
Crude Humor**



| WHAT IS GWENT

AAA QUALITY

ONLINE MULTIPLAYER

COLLECTIBLE CARD GAME

FOR THE PC AND CONSOLES





MONETIZATION

- › Free to play with optional microtransactions
- › Paid single-player campaigns
- › E-sport ready

CLOSED BETA:

25 OCTOBER 2016





THE WITCHER[®] WILD HUNT

GOTY EDITION

INCLUDES ALL EXTRA CONTENT

EXPANSION PACK
HEARTS OF STONE

EXPANSION PACK
BLOOD AND WINE

16 DLCs



XBOX ONE



PS4

PC DVD-ROM

Q&A SESSION



THANK YOU!

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LEGAL DISCLAIMER



This report includes forward-looking statements. Because such statements deal with future events, they are subject to various risks and uncertainties and actual results for fiscal year 2016 and beyond could differ materially from the CD PROJEKT's current expectations. Forward-looking statements are identified by words such as "anticipates", "projects", "expects", "plans", "intends", "believes", "estimates," "targets," and other similar expressions that indicate trends and future events.

Factors that could cause the CD PROJEKT's results to differ materially from those expressed in forward-looking statements include, without limitation, variation in demand and acceptance of the Company's products and services, the frequency, magnitude and timing of paper and other raw-material-price changes, general business and economic conditions beyond the Company's control, timing of the completion and integration of acquisitions, the consequences of competitive factors in the marketplace including the ability to attract and retain customers, results of continuous improvement and other cost-containment strategies, and the Company's success in attracting and retaining key personnel. The Company undertakes no obligation to revise or update forward-looking statements as a result of new information, since these statements may no longer be accurate or timely.