



CD PROJEKT GROUP RESULTS IN 3Q 2016

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FINANCIAL RESULTS

CD PROJEKT GROUP - FINANCIAL SUMMARY

	2015 Q3*	2016 Q3	change
Sales revenues	113 150	100 903	-11%
Cost of products, goods and materials sold	32 952	18 694	-43%
Gross profit from sales	80 198	82 209	3%
Selling costs	23 741	31 801	34%
General and administrative expenses	4 499	5 635	25%
Other operating expanses less revenues	807	-69	
EBIT	51 151	44 842	-12%
Financial revenues less expenses	1 028	1 073	
Gross profit	52 179	45 915	-12%
Income tax	11 770	9 320	
Net profit	40 409	36 595	-9%

the reduction is mostly from full discounting of W3 and B&W development expenses in earlier periods

the increase is mostly from ongoing promo campaign for GWENT conducted directly by CD PROJEKT

the increase is mostly from expansion of Group activities following the launch of W3

one year down the road the Group continues to post net results comparable to the quarter immediately following the W3 release quarter

*adjusted

all figures are given in PLN thousands

CD PROJEKT RED - FINNANCIAL SUMMARY

	2015 Q3*	2016 Q3
Sales revenues	93 671	80 003
Cost of products, goods and materials sold	20 213	4 684
Gross profit from sales	73 458	75 319
Operating costs	19 892	26 406
EBIT	53 566	48 913
Financial revenues less expenses	847	352
Gross profit	54 413	49 265
Income tax	11 799	10 033
Net profit	42 614	39 232

the reduction is from full discounting of W3 and B&W development expenses in earlier periods

the increase is mostly from ongoing promo campaign for GWENT conducted directly by CD PROJEKT, and from expansion of activities following release of W3

*adjusted

all figures are given in PLN thousands

GOG.COM - FINANCIAL SUMMARY

	2015 Q3*	2016 Q3
Sales revenues	20 959	23 538
Cost of products, goods and materials sold	13 338	16 187
Gross profit from sales	7 621	7 351
Operating costs	5 550	6 960
EBIT	2 071	391
Financial revenues less expenses	-78	-1
Gross profit	1 993	390
Income tax	284	92
Net profit	1 709	298

the reduction in sales profit is due to increased participation of newer releases in the gog.com portfolio

the increase is due to expansion of the segment, with a dedicated GOG.com team formed to assist in development and support of GWENT

*adjusted

all figures are given in PLN thousands

CD PROJEKT GROUP - ASSETS

	2016-06-30	2016-09-30	change in Q3 2016
Fixed assets	140 220	153 381	13 161
Expenditures on development projects	33 503	46 536	13 033
Other fixed assets	106 717	106 845	128
Working assets	620 540	634 523	13 983
Inventories	483	497	14
Receivables	103 049	69 103	-33 946
Prepaid expenses and other financial assets	12 685	12 759	74
Cash and cash equivalents	504 323	552 164	47 841
Total Assets	760 760	787 904	27 144

increased spending due to ongoing development of new games, including Cyberpunk 2077 and GWENT

mostly intangibles (trademarks) and goodwill

reduction in receivables is due to collection of Q2 receivables (B&W release quarter)

mostly distribution rights acquired by GOG.com

CD PROJEKT GROUP - LIABILITIES

	2016-06-30	2016-09-30	change in Q3 2016
Equity	650 846	691 834	40 988
Long-term liabilities	5 175	4 752	-423
Short-term liabilities	104 739	91 318	-13 421
Trade liabilities	28 961	32 293	3 332
Other liabilities	5 383	30 184	24 801
- including advances from foreign clients	22	19 879	19 857
Provisions	66 399	26 360	-40 039
Other short-term liabilities and deferred revenues	3 996	2 481	-1 515
Total Liabilities	760 760	787 904	27 144

the bulk of this figure is due to net profit in the current period and (to a lesser degree) issue of stock following attainment of the incentive program goals for 2012-2015

change is mostly due to advances received in association with GWENT

reduction in provisions is due to partial use of provisions for result-dependent compensation in Q3

CASH FLOWS

	2015 Q3*	2016 Q3
Post-tax profit	40 409	36 595
Changes in receivables	132 841	36 240
Changes in provisions	-28 243	-40 039
Changes in liabilities	28 152	28 113
Income tax adjustments	-37 169	-4 027
Other adjustments	12 570	888
Net cash flows from operating activities	148 560	57 770
Inflows from investment activities	3 359	2 180
Outflows - development expenditures	10 121	12 273
Other - outflows	2 445	2 549
Net cash flows from investment activities	-9 207	-12 642
Net cash flows from financial activities	-79	2 713
TOTAL NET CASH FLOWS	139 274	47 841
Cash at end of period	303 470	552 164
Change in cash balance over the last 4 quarters	258 420	248 694

reduction in Q3 receivables is due to collection of receivables reported in Q2 (B&W release period)

reduction in provisions is due to partial use of provisions for result-dependent compensation

the reported increase in liabilities is mostly due to advances received in association with GWENT

development expenditures associated wth ongoing projects - including Cyberpunk 2077 and GWENT

Q3 inflows are from issue of stock following attainment of the incentive program goals for 2012-2015

over the last four quarters the Group's positive cash flows were comparable to the previous 4 quarters when the release of The Witcher 3 took place

*adjusted

all figures are given in PLN thousands

GWENT[®]

THE WITCHER CARD GAME

 XBOX ONE

PC

 PS4



BETA CONTENT

- › Four factions (Northern Realms, Scoia'tæl, Skellige, Monsters)
- › Casual gameplay (players play against each other; results not posted to ladder)
- › Deck builder toolkit
- › Card creation and destruction facility
- › Basic rewards system
- › Basic special effects system
- › Six language versions: Polish, English, French, German, Russian, Portuguese (Brazilian)





COMING UP

- › PlayStation 4 version
- › Additional faction (Nilfgaard)
- › Big, paid single-player campaign
- › Robust ranking system
- › Chinese edition of GWENT – entering a new, expansive market
- › 12 language versions





Q&A SESSION



THANK YOU

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