

CD PROJEKT CAPITAL GROUP RESULTS IN 2016

ADAM KICIŃSKI
President

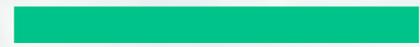
PIOTR NIELUBOWICZ
Vice President, CFO



AGENDA



Long-term sales of The Witcher series



2016 financial results



GOG Galaxy

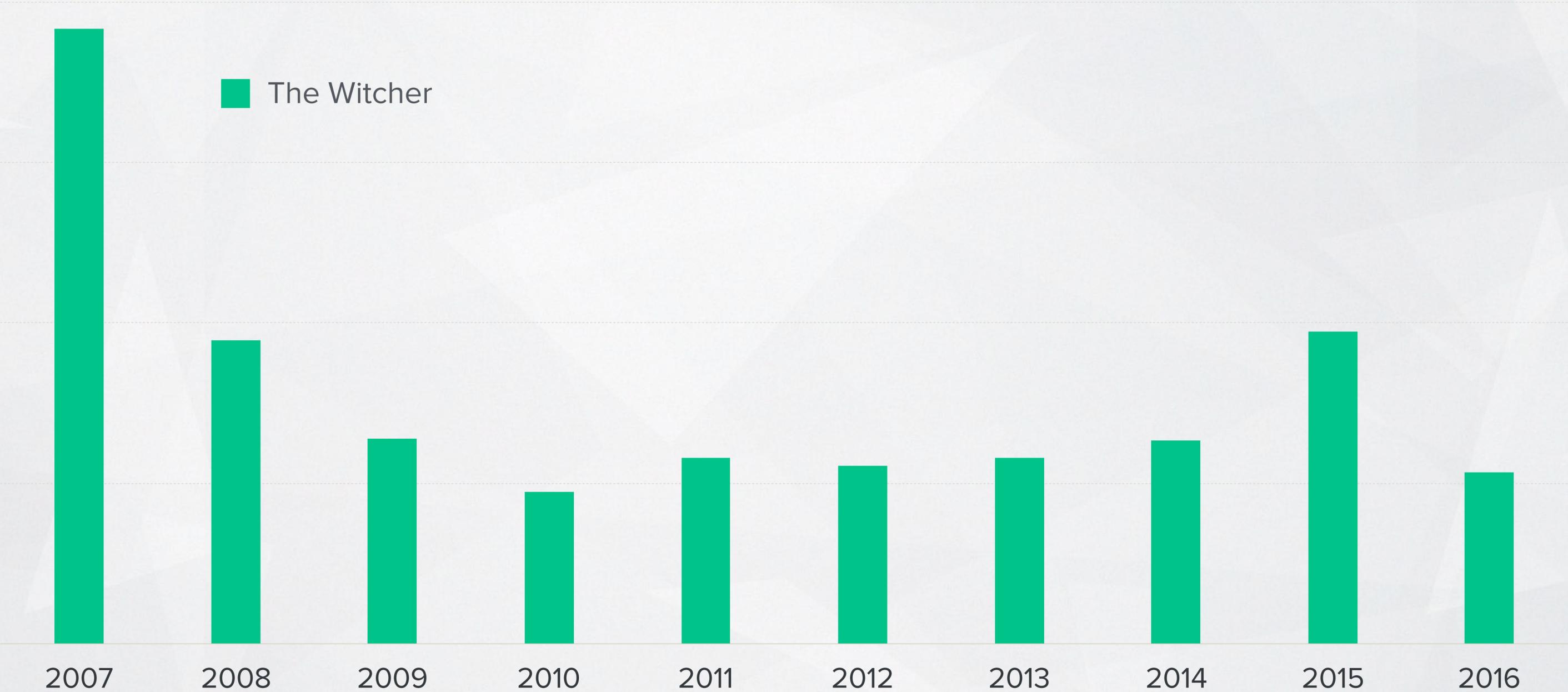


GWENT: The Witcher Card Game



Q&A session

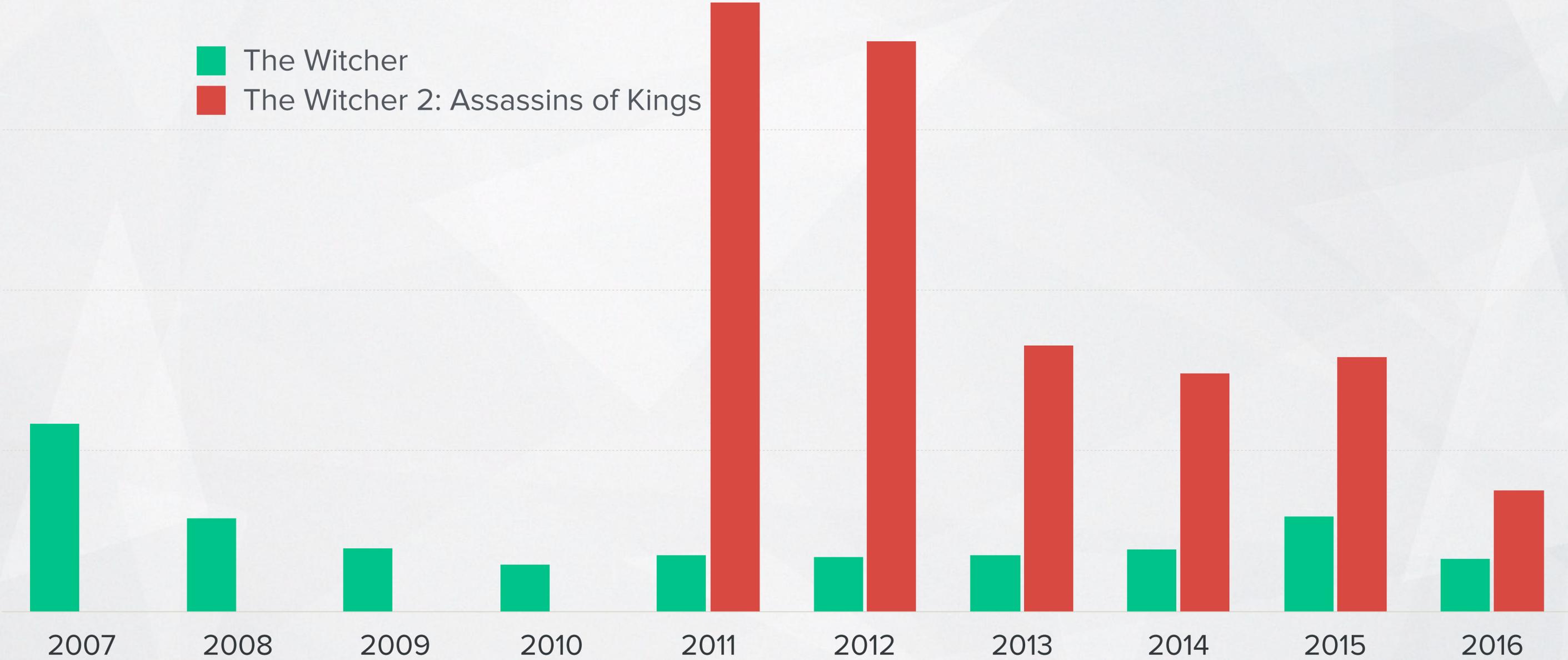
THE WITCHER SERIES – ANNUAL REVENUES



THE WITCHER SERIES – ANNUAL REVENUES



-  The Witcher
-  The Witcher 2: Assassins of Kings



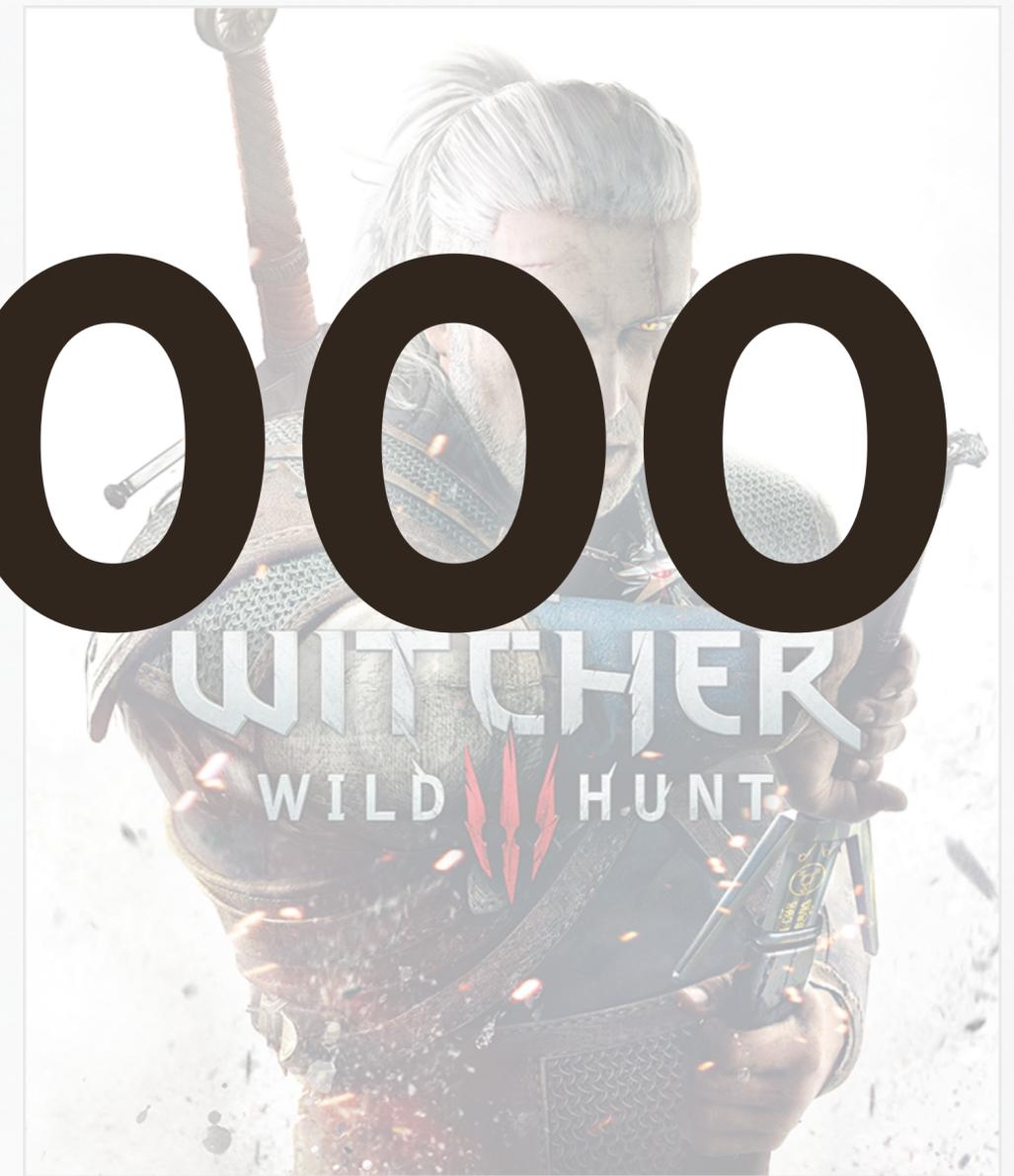
THE WITCHER SERIES – ANNUAL REVENUES



-  The Witcher
-  The Witcher 2: Assassins of Kings
-  The Witcher 3: Wild Hunt + expansion packs



THE WITCHER TRILOGY – COPIES SOLD



25 000 000
copies

FINANCIAL RESULTS



CD PROJEKT GROUP - SUMMARY OF RESULTS

	2015*	2016	2016/2015
Sales revenues	798 014	583 903	73%
<i>CD PROJEKT RED**</i>	681 923	450 260	66%
<i>GOG.com**</i>	115 823	133 510	115%
<i>Others**</i>	268	133	50%
Gross profit from sales	587 393	469 946	80%
Selling costs	146 581	141 784	
General and administrative expenses	14 520	21 344	102%
Other operating expenses less revenues	2 099	3 191	
EBIT	424 193	303 627	72%
Gross profit	421 585	311 938	74%
Net profit	342 430	250 514	73%
Net profitability	42,9%	42,9%	

all figures quoted in PLN thousands

*adjusted data

** except intragroup sales

CD PROJEKT RED - SUMMARY OF RESULTS

	2011 W2 PC	2012 W2 X360	2013 „the year after”	2013 / avg. 2011:2012		2015 W3	2016 „the year after”	2016/2015
Sales revenues	48 655	47 478	23 579	49%		697 033	475 822	68%
Gross profit from sales	34 669	31 958	17 242	52%		548 395	427 230	78%
Operating costs	11 830	7 425	12 806	133%		101 978	102 942	101%
EBIT	22 839	24 533	4 436	19%		446 417	324 288	73%
Gross profit	22 239	24 571	6 068	26%		444 552	331 765	75%
Net profit	19 527	21 729	5 096	25%		360 240	267 175	74%

all figures quoted in PLN thousands

GOG.COM - SUMMARY OF RESULTS

	2014*	2015*	2016	2016/2014
Sales revenues	63 945	115 823	133 518	209%
Gross profit from sales	23 280	39 692	44 580	191%
gross profitability of sales	36%	34%	33%	
operating costs	13 843	26 331	38 181	276%
operating costs / revenues	22%	23%	29%	
EBIT	9 437	13 361	6 399	68%
Gross profit	8 343	12 045	5 875	70%
Net profit	7 105	10 442	4 811	68%

all figures quoted in PLN thousands

* adjusted data; sales between entities comprising the GOG.com segment have been excluded

CD PROJEKT - ASSETS AND LIABILITIES

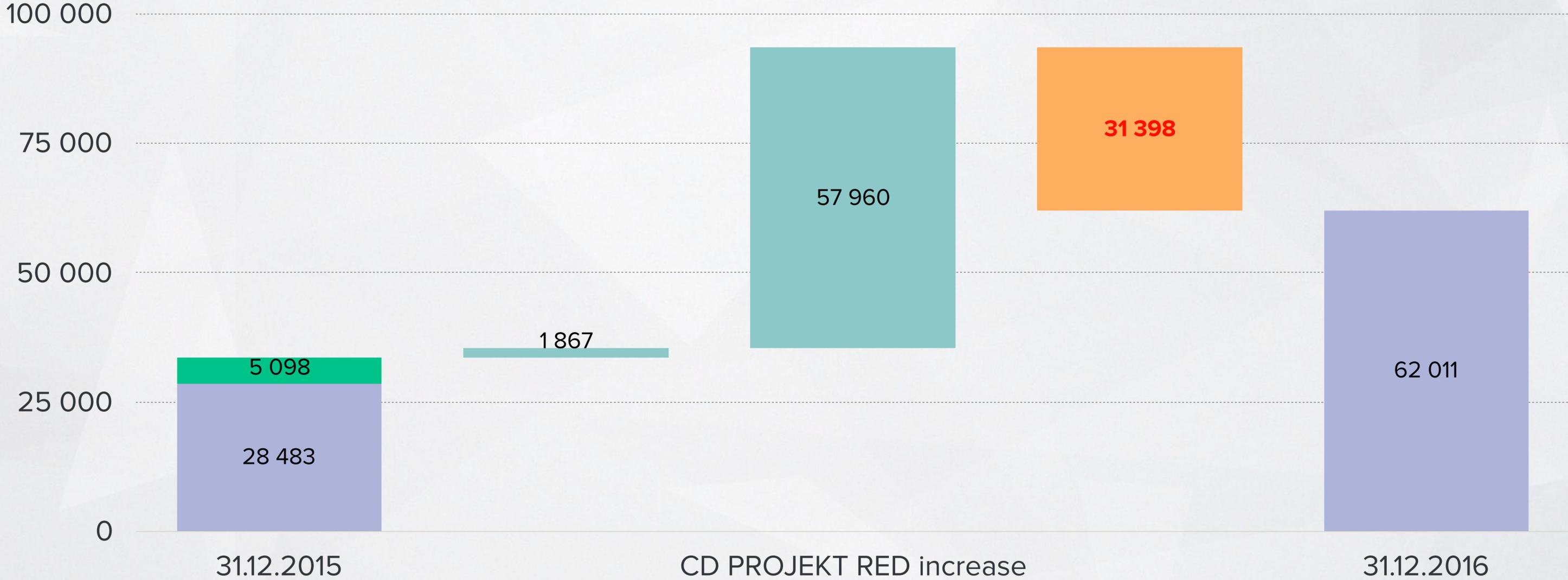
	2015*	2016	change	% change
FIXED ASSETS	137 997	170 644	32 647	24%
Expenditures on development projects	33 581	62 011	28 430	85%
Other fixed assets	104 416	108 633	4 217	4%
WORKING ASSETS	521 178	704 316	183 138	35%
trade receivables	22 603	27 971	5 368	24%
cash, cash equivalents and other monetary assets	393 637	597 204	203 567	52%
other working assets	104 938	79 141	-25 797	-25%
TOTAL ASSETS	659 175	874 960	215 785	33%

	2015*	2016	change	% change
EQUITY	513 675	776 938	263 263	51%
LONG-TERM LIABILITIES	3 643	8 275	4 632	127%
SHORT-TERM LIABILITIES	141 857	89 747	-52 110	-37%
trade liabilities	22 603	27 971	5 368	24%
other liabilities	46 965	9 762	-37 203	-79%
other provisions	56 383	45 031	-11 352	-20%
other short-term liabilities	15 906	6 983	-8 923	-56%
TOTAL LIABILITIES	659 175	874 960	215 785	33%

all figures quoted in PLN thousands *adjusted data

CHANGE IN DEVELOPMENT EXPENDITURES

- development projects in progress
- development projects completed
- reduction
- increase



CD PROJEKT GROUP - ASSETS AND LIABILITIES

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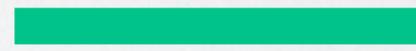
all figures quoted in PLN thousands *adjusted data

CD PROJEKT GROUP - CASH FLOWS

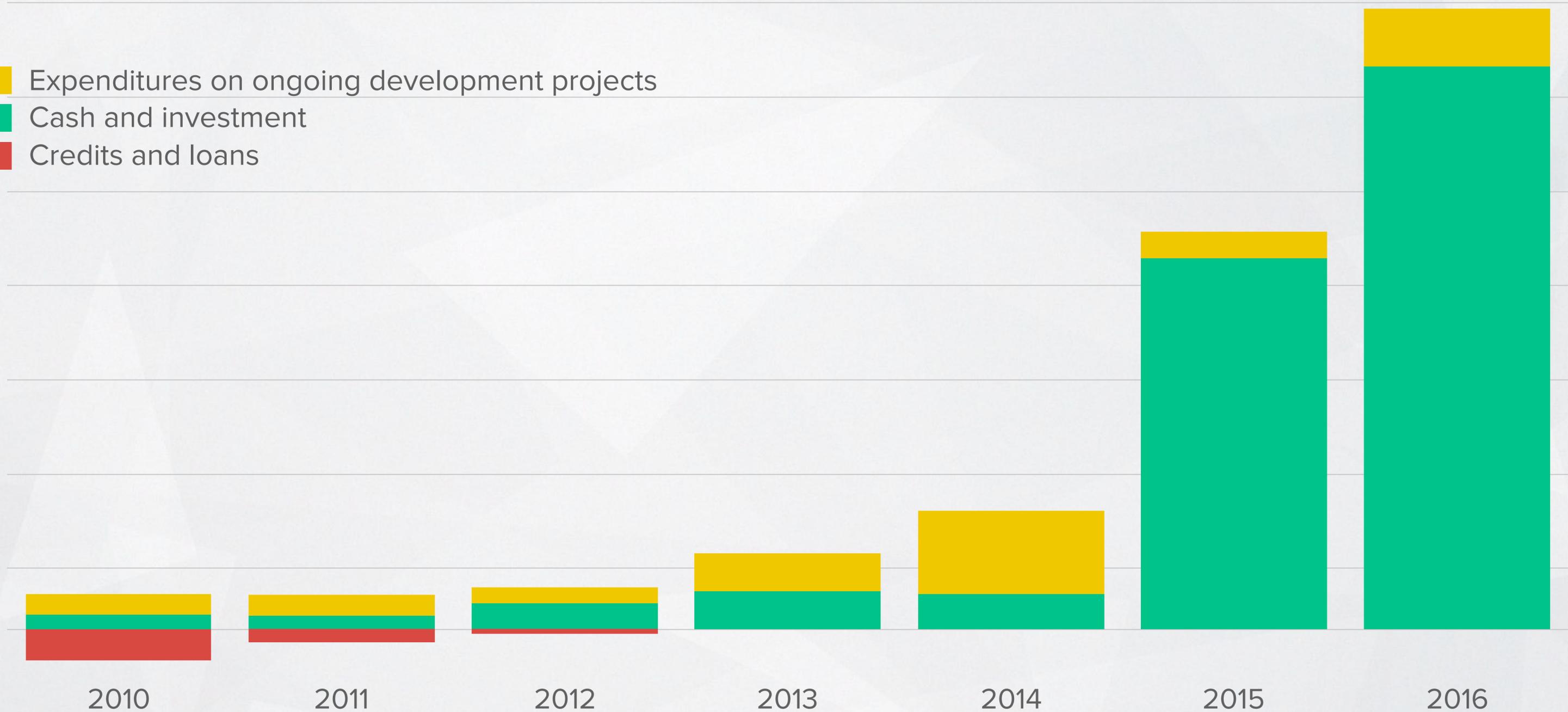
	2015*	2016
Net profit	342 430	250 514
Total adjustments	59 477	8 809
Net cash flows from operating activities	411 985	259 456
Inflows	4 757	47 225
incl. bank deposits with maturity periods beyond 3 months	0	40 000
Outflows	97 123	107 646
incl. development expenses	40 183	55 605
incl. bank deposits with maturity periods beyond 3 months	40 000	40 000
Net cash flows from investment activities	-92 366	-60 421
Net inflows from issue of shares	0	5 031
Outflows due to operating lease agreements, credits and loans	377	499
Net cash flows from financial activities	-377	4 532
Aggregate net cash flows	319 242	203 567
Cash at beginning of period	34 395	353 637
Cash at end of period	353 637	557 204
Bank deposits with maturity periods beyond 3 months at end of period	40 000	40 000
AGGREGATE CASH AND BANK DEPOSITS AT END OF PERIOD	393 637	597 204

all figures quoted in PLN thousands *adjusted data

MONETARY ASSETS – CUMULATIVE VIEW



- Expenditures on ongoing development projects
- Cash and investment
- Credits and loans



gogo
com

- GOG Galaxy is a backend technology enabling fluid cross-platform gameplay
- GOG Galaxy is an integral component of GWENT
- GOG Galaxy is also an access point to the GOG.com store

- GOG Galaxy out of beta in April.
- - Beta phase to culminate in a major feature update, including:
 - cloud savegame support (also for older games)
 - customizable client software
 - hibernation mode reducing CPU and memory footprint.



GWENT[®]

THE WITCHER CARD GAME

 XBOX ONE

PC

 PS4

PUBLIC BETA - SPRING 2017

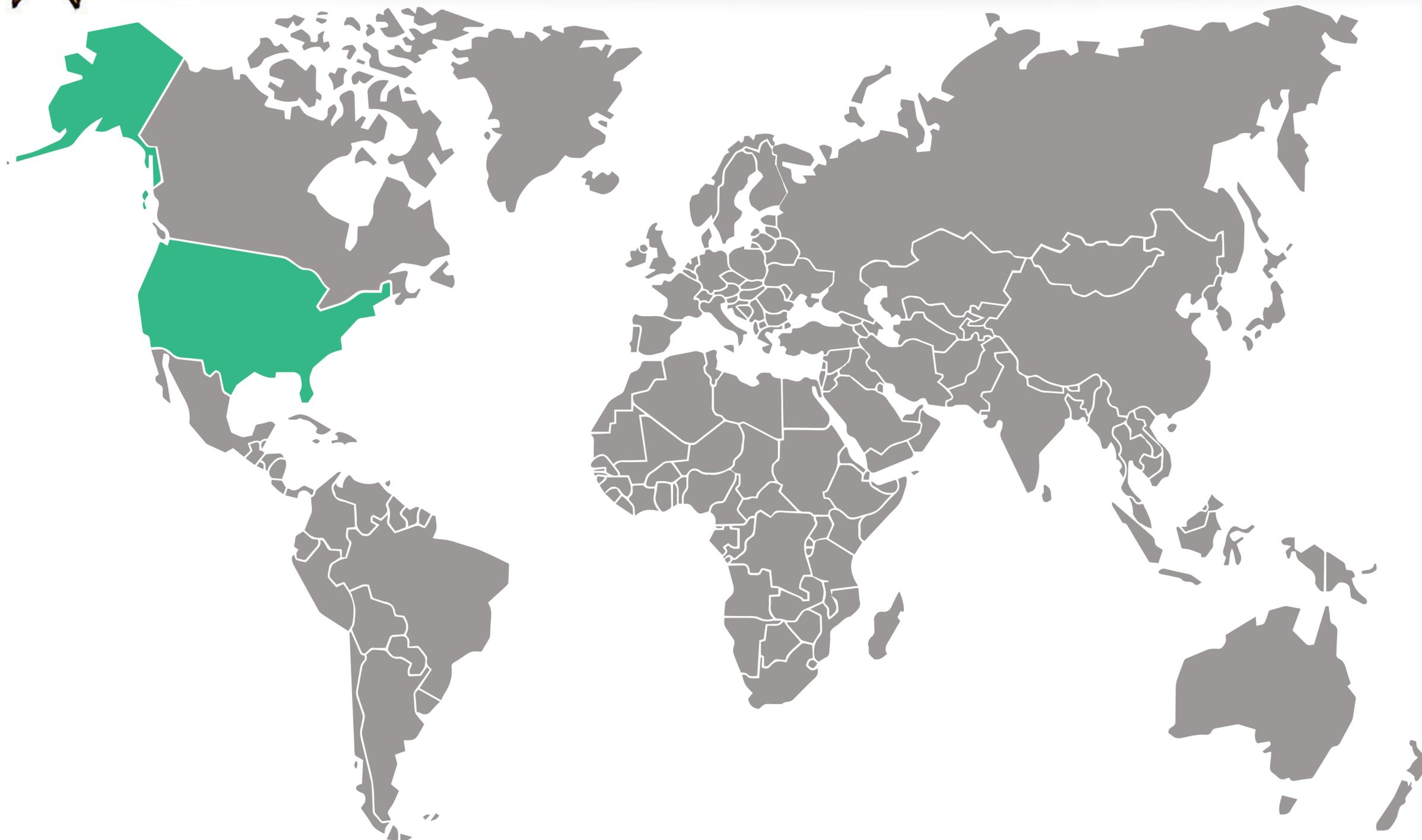
GWENT - GLOBAL REACH



TOP 5 list – revenues*

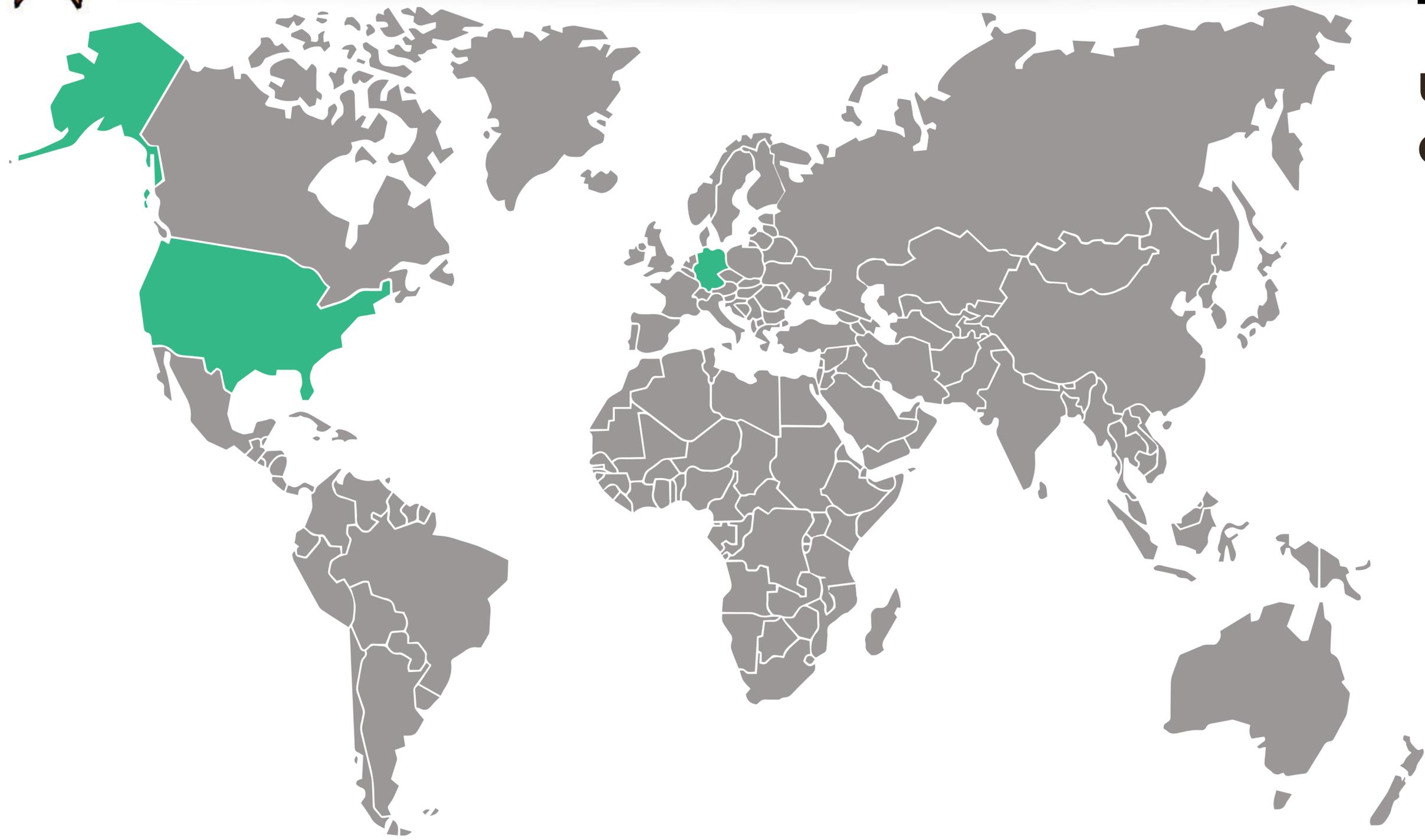


GWENT - GLOBAL REACH



TOP 5 list – revenues*
USA

GWENT - GLOBAL REACH

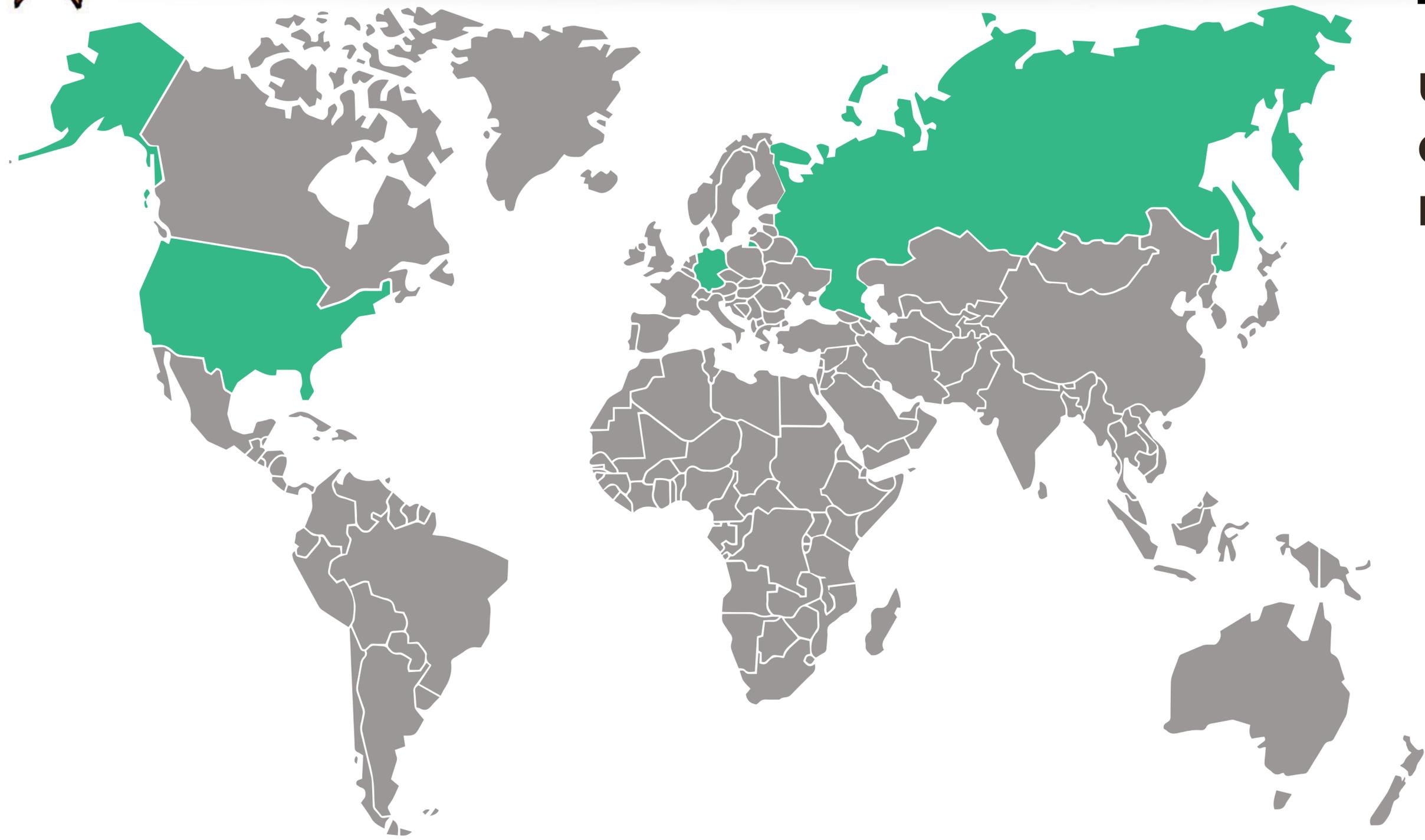


TOP 5 list – revenues*

USA

Germany

GWENT - GLOBAL REACH



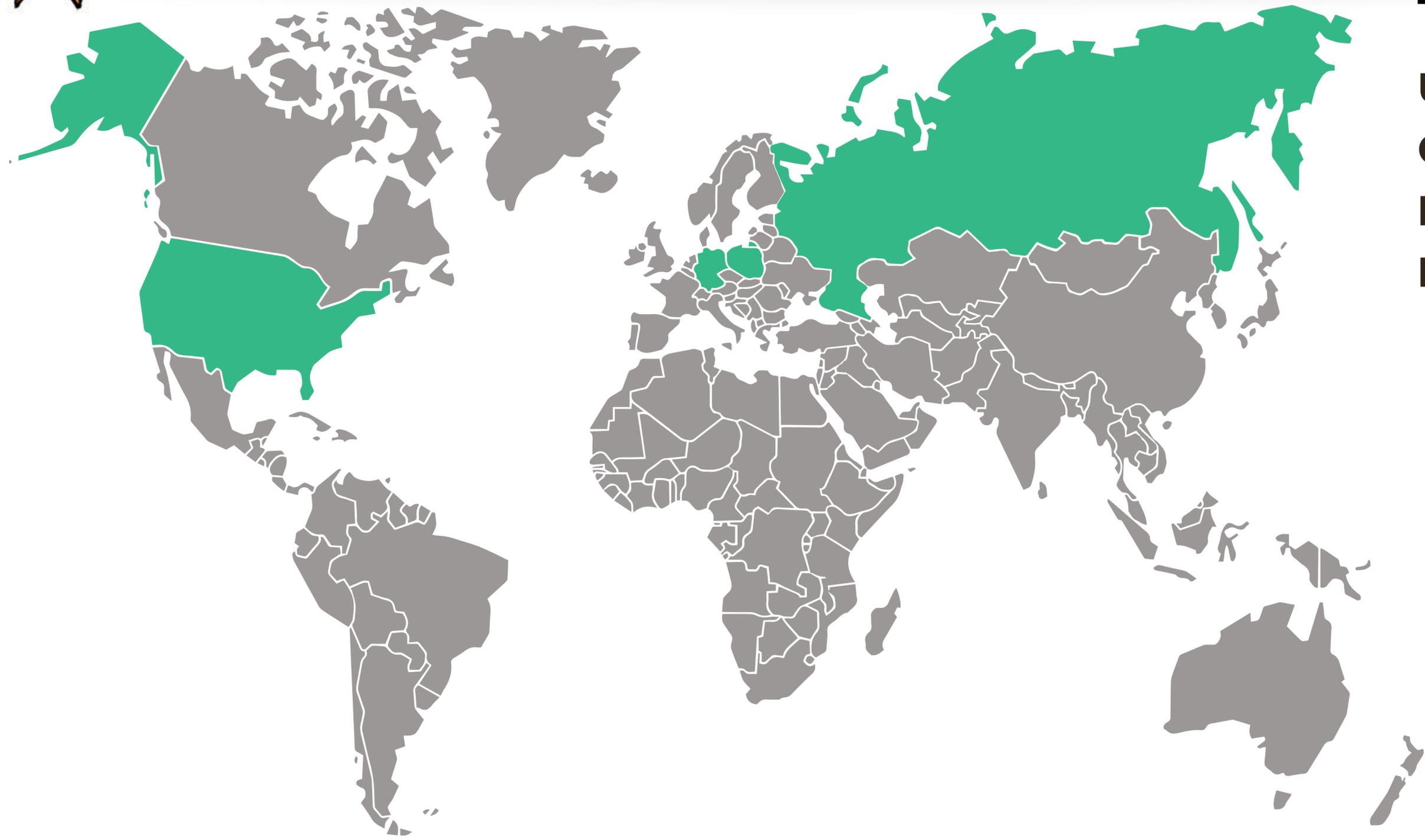
TOP 5 list – revenues*

USA

Germany

Russia

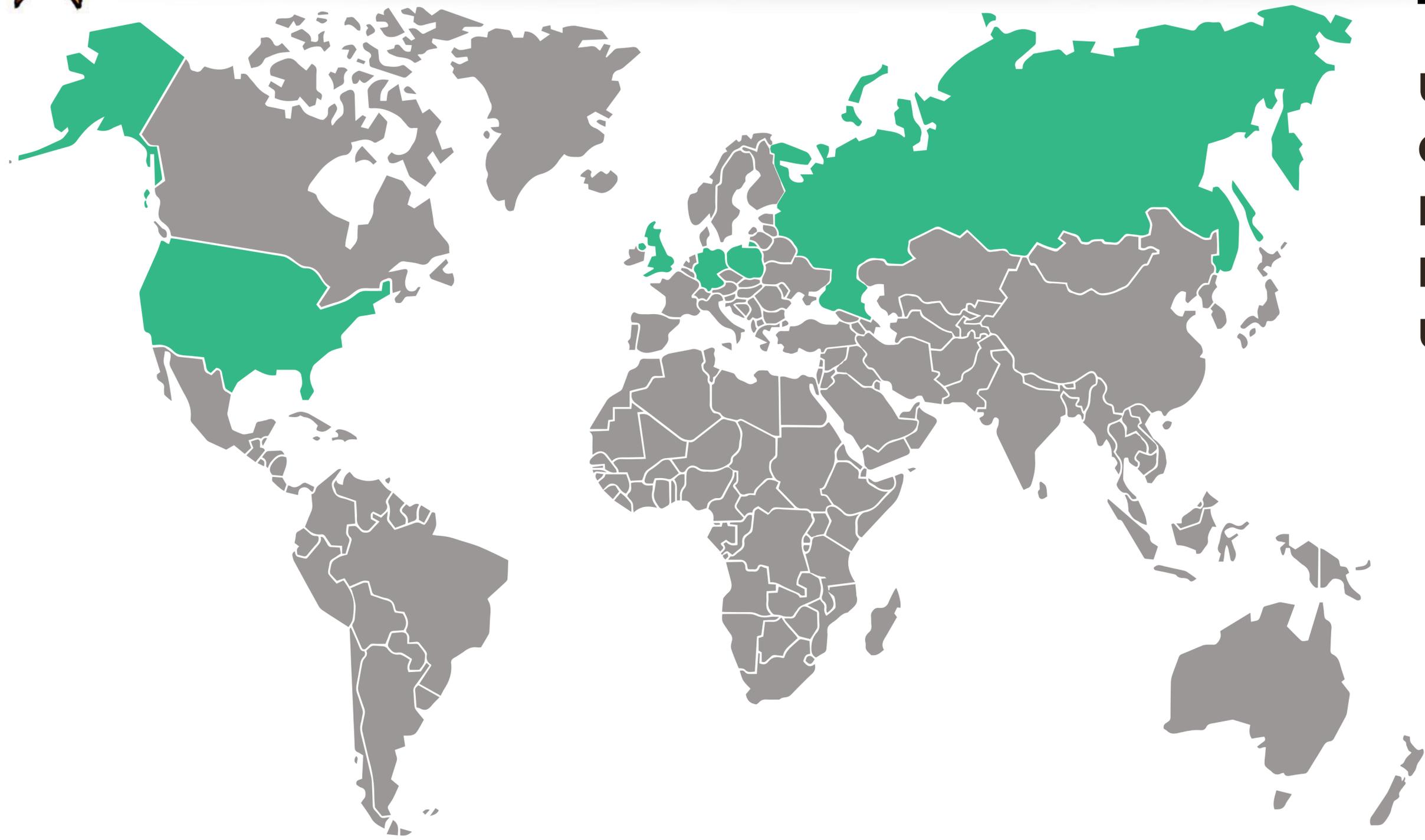
GWENT - GLOBAL REACH



TOP 5 list – revenues*

- USA
- Germany
- Russia
- Poland

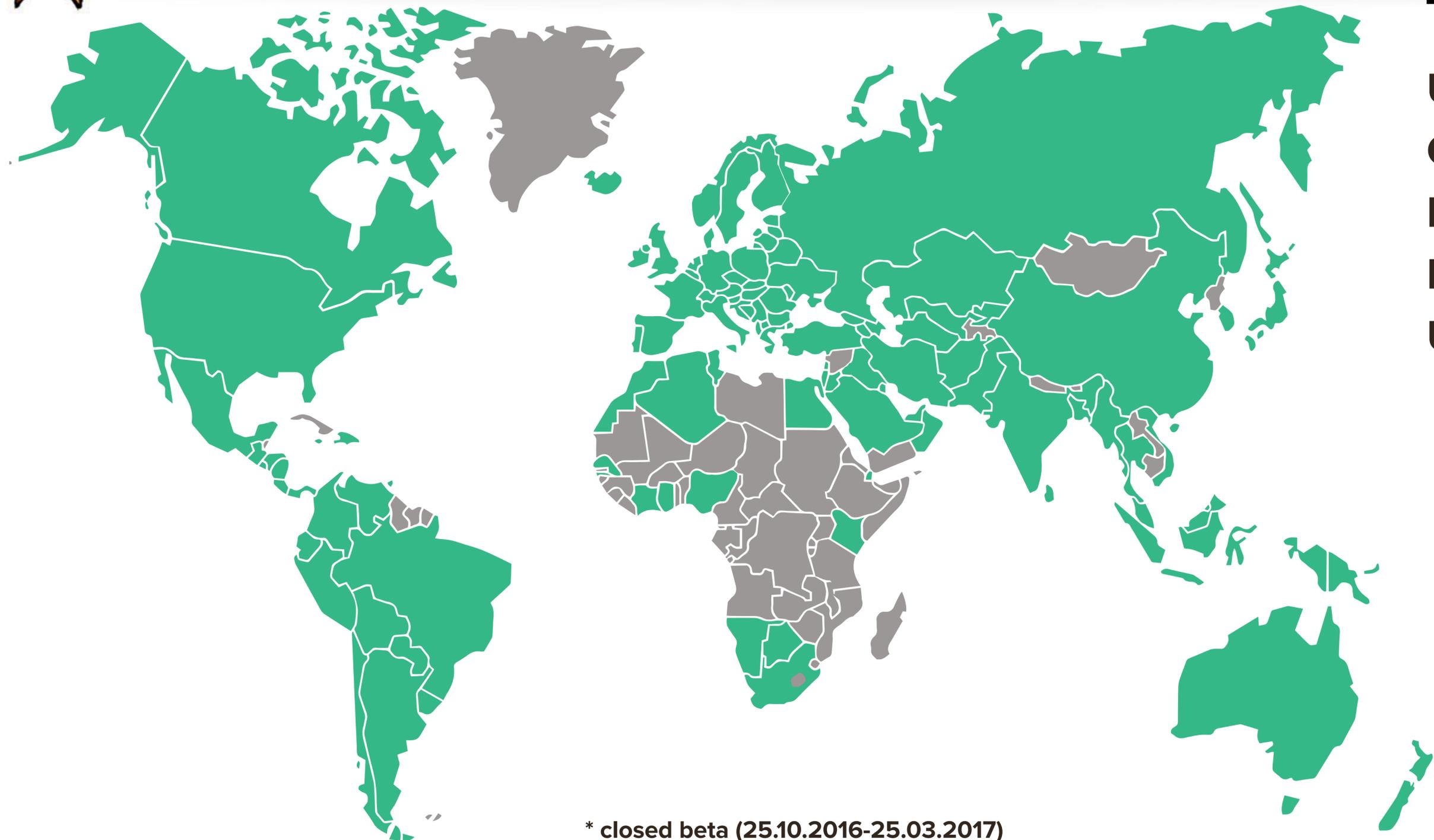
GWENT - GLOBAL REACH



TOP 5 list – revenues*

- USA
- Germany
- Russia
- Poland
- United Kingdom

GWENT - GLOBAL REACH



TOP 5 list – revenues*

- USA
- Germany
- Russia
- Poland
- United Kingdom

* closed beta (25.10.2016-25.03.2017)

GWENT - FIRST TOURNAMENT



- partnership with **ESL**
- prize pool - **100 thousand USD**
- finals - **4 progamers and 4 winners** of the open playoff phase
- live steam on **[twitch.com](https://www.twitch.com)**

Q&A SESSION



THANK YOU

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