

The CD PROJEKT Capital Group In H1 2018

Adam Kiciński // President, Joint CEO

Piotr Nielubowicz // Member of the Board, CFO



Key events in H1 2018

- - We have entered the **WIG20 index**
- **A new branch has been established** in Wrocław following purchase of the Strange New Things studio
- **Cyberpunk 2077 promotional campaign launched** at the world's most important trade fair – E3 in Los Angeles – with a new trailer of the game





2 million

viewers tuned in to the
Microsoft conference



25 million

views of the trailer across
all distribution channels



1100

guests at closed
presentations



OVER 100

A W A R D S



GAMESCOM 2018
Wasen, was gespielt wird
Games
EXTENDED
+2 DVDs +16 SEITEN EXTRA
+VOLVERSION AUF DVD
AER
MEMORIES OF OLD
CYBERPUNK 2077
Hier kommt das nächste Meisterwerk der Witcher-Macher:
neue Infos zu Gameplay, Story, Technik - großes Interview

WORLD OF WARCRAFT
BATTLE FOR AZEROTH
Alle Infos zum Start des Add-ons: Inseldiscoveries, Kriegsfronten, neue Völker
AUSGABE 312
08/18 | € 6,99
www.pcgames.de

EN ROUTE VERS
DEMAIN
CYBERPUNK 2077 - THE LAST OF US PART II -
GHOST OF TSUSHIMA - SEKIRO - SHADOWS DIE TWICE -
RESIDENT EVIL 2 - DEATH STRANDING - SABLE - KINGDOM
HEARTS III - DEVIL MAY CRY 5 - FALLOUT 76 - DYING LIGHT 2

SUPER SMASH BROS
YOU NAME 'EM, THEY'RE HERE - THE SECRETS
OF NINTENDO'S ULTIMATE ROSTER
GAMES
MASTER
49
INCREDIBLE
GAMES INSIDE!
Valkyria
Chronicles 4
Dark Riders III
The Cycle
And more...

游戏机实用技术
E3 2018
「176页特刊」
现场试玩·展台SHOW
·发布会解析·E3 游记
赛博朋克 2077 & 对马岛之魂 & 战神
制作人专访
苍翼默示录 交叉组队战
说谎公主与盲眼王子
传奇法师

M!
GAMES
42 SEITEN MESSE-HIGHLIGHTS
E3 BOMBAST
NINJAS, ZOMBIES, PUNKS:
DIE 30 BESTEN
SPIELE

REBOOT
BR. 53/54 ČASOPIS ZA GAMING KULTURU
PC | PS4 | PS3 | XBOX | X360 | NS | WiiU | 3DS | PS1 | MAC | LINUX | RFT | VIVE | PSVR

*Gameplay blew
us away*

– Game Informer

*Overwhelming
with all its details*

– GameSpot

*A beautiful
and sprawling RPG*

– IGN

*It looks
incredible*

– VG247



Short demo

Financial results



CD PROJEKT Group – summary of results

GWENT open beta

	2017 Q1	2017 Q2 (H1 - Q1)	2017 Q3 (Q1..3 - H1)	2017 Q4 (FY - Q1..3)	2018 Q1	2018 Q2 (H1 - Q1)
Sales revenues	99 342	155 482	84 747	123 613	75 435	92 999
Cost of sales	14 823	23 263	18 852	25 236	16 133	27 696
Gross sales profit	84 519	132 219	65 895	98 377	59 302	65 303
Operating expenses	30 689	42 802	22 916	43 663	31 403	31 901
Selling costs	22 434	36 036	15 353	36 850	22 775	23 864
General and administrative expenses	8 440	7 889	7 848	8 051	8 804	7 742
Other expenses and revenues	-185	-1 123	-285	-1 238	-176	295
EBIT	53 830	89 417	42 979	54 714	27 899	33 402
Financial revenues less expenses	3 005	19	1 453	1 988	1 258	4 031
Income tax	11 576	16 046	8 701	10 812	6 265	7 895
Net profit	45 259	73 390	35 731	45 890	22 892	29 538
Net profitability	46%	47%	42%	37%	30%	32%

All figures in PLN thousands

Effect of USD/PLN exchange rates upon the Group's semiannual revenues and sales margins



CD PROJEKT Group – summary of results

	GWINT open beta					
	2017 Q1	2017 Q2 (H1 - Q1)	2017 Q3 (Q1..3 - H1)	2017 Q4 (FY - Q1..3)	2018 Q1	2018 Q2 (H1 - Q1)
Sales revenues	99 342	155 482	84 747	123 613	75 435	92 999
Cost of sales	14 823	23 263	18 852	25 236	16 133	27 696
Gross sales profit	84 519	132 219	65 895	98 377	59 302	65 303
Operating expenses	30 689	42 802	22 916	43 663	31 403	31 901
Selling costs	22 434	36 036	15 353	36 850	22 775	23 864
General and administrative expenses	8 440	7 889	7 848	8 051	8 804	7 742
Other expenses and revenues	-185	-1 123	-285	-1 238	-176	295
EBIT	53 830	89 417	42 979	54 714	27 899	33 402
Financial revenues less expenses	3 005	19	1 453	1 988	1 258	4 031
Income tax	11 576	16 046	8 701	10 812	6 265	7 895
Net profit	45 259	73 390	35 731	45 890	22 892	29 538
Net profitability	46%	47%	42%	37%	30%	32%

All figures in PLN thousands

CD PROJEKT RED – summary of results

GWENT open beta

	2017 Q1	2017 Q2 (H1 - Q1)	2017 Q3 (Q1..3 - H1)	2017 Q4 (FY - Q1..3)	2018 Q1	2018 Q2 (H1 - Q1)
Sales revenues	75 521	109 314	58 002	87 467	51 917	56 595
Cost of sales	1 834	1 997	5 864	4 020	1 292	978
Gross sales profit	73 687	107 317	52 138	83 447	50 625	55 617
Operating expenses	21 863	30 094	11 233	30 851	22 211	22 198
Selling costs	14 966	24 738	5 354	24 974	14 928	15 932
General and administrative expenses	7 064	6 462	6 204	6 753	7 482	6 228
Other expenses and revenues	-167	-1 106	-325	-876	-199	38
EBIT	51 824	77 223	40 905	52 596	28 414	33 419
Financial revenues less expenses	2 990	-169	1 262	2 610	1 621	4 104
Income tax	11 114	14 673	8 367	10 815	6 284	7 664
Net profit	43 700	62 381	33 800	44 391	23 751	29 859
Net profitability	58%	57%	58%	51%	46%	53%

All figures in PLN thousands

GOG.COM – summary of results

	GWENT open beta					
	2017 Q1	2017 Q2 (H1 - Q1)	2017 Q3 (Q1..3 - H1)	2017 Q4 (FY - Q1..3)	2018 Q1	2018 Q2 (H1 - Q1)
Revenues from sales of products	1 566	8 153	1 767	1 983	2 045	865
Cost of products sold	158	60	-218	268	0	0
Revenues from sales of goods	31 305	55 140	31 215	38 421	23 735	37 930
Value of goods and materials sold	21 251	37 602	21 854	26 322	16 365	28 337
<i>Share of costs in revenues</i>	<i>68%</i>	<i>68%</i>	<i>70%</i>	<i>69%</i>	<i>69%</i>	<i>75%</i>
Gross profit from sales	11 462	25 631	11 346	13 814	9 415	10 458
Operating expenses	9 456	13 437	9 272	11 696	9 930	10 473
Selling costs	8 126	11 926	7 535	10 723	8 507	8 643
General and administrative expenses	1 348	1 528	1 697	1 335	1 400	1 573
Other expenses and revenues	-18	-17	40	-362	23	257
EBIT	2 006	12 194	2 074	2 118	-515	-15
Financial revenues less expenses	15	188	191	-622	-363	-73
Income tax	462	1 373	334	-3	-19	231
Net income	1 559	11 009	1 931	1 499	-859	-319
Net profitability	5%	17%	6%	4%	-3%	-1%

All figures in PLN thousands

Effect of USD/PLN exchange rates upon GOG.com revenues and cost of goods sold

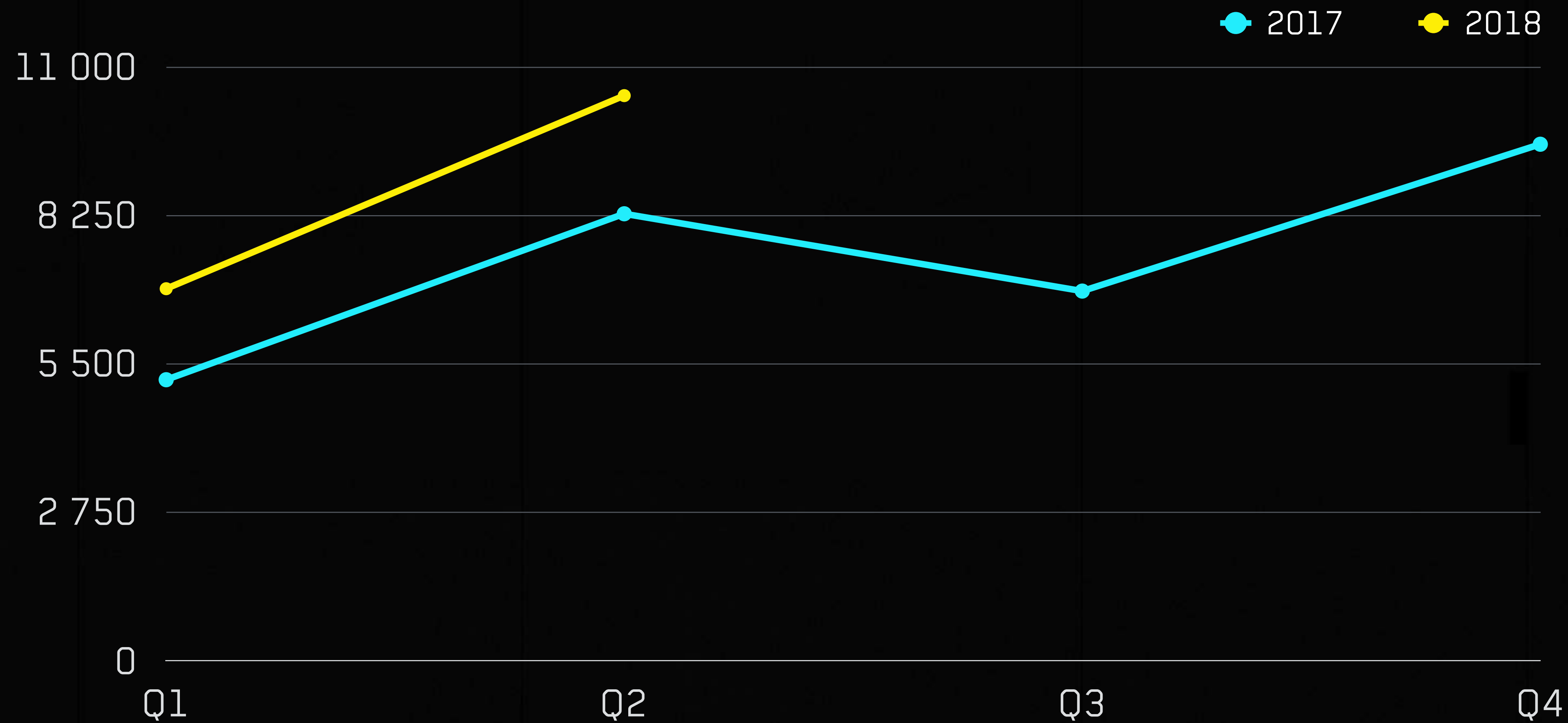


GOG.COM – summary of results

		GWENT open beta					
		2017 Q1	2017 Q2 (H1 - Q1)	2017 Q3 (Q1..3 - H1)	2017 Q4 (FY - Q1..3)	2018 Q1	2018 Q2 (H1 - Q1)
Revenues from sales of products		1 566	8 153	1 767	1 983	2 045	865
Cost of products sold		158	60	-218	268	0	0
Revenues from sales of goods		31 305	55 140	31 215	38 421	23 735	37 930
Value of goods and materials sold		21 251	37 602	21 854	26 322	16 365	28 337
<i>Share of costs in revenues</i>		<i>68%</i>	<i>68%</i>	<i>70%</i>	<i>69%</i>	<i>69%</i>	<i>75%</i>
Gross profit from sales		11 462	25 631	11 346	13 814	9 415	10 458
Operating expenses		9 456	13 437	9 272	11 696	9 930	10 473
Selling costs		8 126	11 926	7 535	10 723	8 507	8 643
General and administrative expenses		1 348	1 528	1 697	1 335	1 400	1 573
Other expenses and revenues		-18	-17	40	-362	23	257
EBIT		2 006	12 194	2 074	2 118	-515	-15
Financial revenues less expenses		15	188	191	-622	-363	-73
Income tax		462	1 373	334	-3	-19	231
Net income		1 559	11 009	1 931	1 499	-859	-319
Net profitability		5%	17%	6%	4%	-3%	-1%

All figures in PLN thousands

GOG.COM platform – revenues from sales of goods from external suppliers [USD thousands]



GOG.COM – summary of results

	GWENT open beta					
	2017 Q1	2017 Q2 (H1 - Q1)	2017 Q3 (Q1..3 - H1)	2017 Q4 (FY - Q1..3)	2018 Q1	2018 Q2 (H1 - Q1)
Revenues from sales of products	1 566	8 153	1 767	1 983	2 045	865
Cost of products sold	158	60	-218	268	0	0
Revenues from sales of goods	31 305	55 140	31 215	38 421	23 735	37 930
Value of goods and materials sold	21 251	37 602	21 854	26 322	16 365	28 337
<i>Share of costs in revenues</i>	<i>68%</i>	<i>68%</i>	<i>70%</i>	<i>69%</i>	<i>69%</i>	<i>75%</i>
Gross profit from sales	11 462	25 631	11 346	13 814	9 415	10 458
Operating expenses	9 456	13 437	9 272	11 696	9 930	10 473
Selling costs	8 126	11 926	7 535	10 723	8 507	8 643
General and administrative expenses	1 348	1 528	1 697	1 335	1 400	1 573
Other expenses and revenues	-18	-17	40	-362	23	257
EBIT	2 006	12 194	2 074	2 118	-515	-15
Financial revenues less expenses	15	188	191	-622	-363	-73
Income tax	462	1 373	334	-3	-19	231
Net income	1 559	11 009	1 931	1 499	-859	-319
Net profitability	5%	17%	6%	4%	-3%	-1%

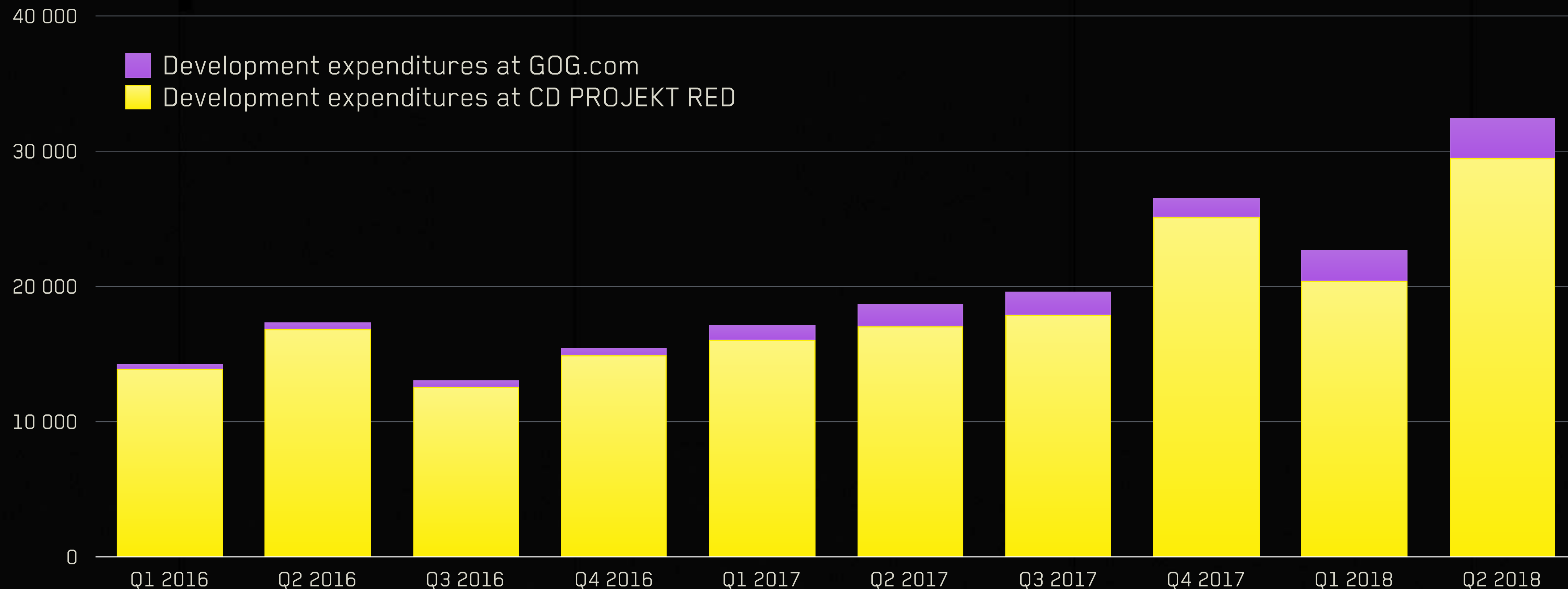
All figures in PLN thousands

CD PROJEKT Group – balance sheets

ASSETS	31.12.17	30.06.18	Change	Change %
Fixed assets	255 535	326 072	70 537	28%
Development expenditures	142 486	196 734	54 248	38%
Other fixed assets	113 049	129 338	16 289	14%
Working assets	725 978	687 315	-38 663	-5%
Trade receivables	46 261	37 552	-8 709	-19%
Other receivables	17 582	17 852	270	2%
Prepaid expenses	14 296	14 398	102	1%
Other working assets	323	9 616	9 293	2877%
Cash on hand and bank deposits	647 516	607 897	-39 619	-6%
TOTAL ASSETS	981 513	1 013 387	31 874	3%
EQUITY AND LIABILITIES	31.12.17	30.06.18	Change	Change %
Equity	882 899	940 280	57 381	6%
Long-term liabilities	4 130	13 208	9 078	220%
Short-term liabilities	94 484	59 899	-34 585	-37%
Trade and others liabilities	44 144	44 684	540	1%
Other provisions	43 640	10 783	-32 857	-75%
Other short-term liabilities	6 700	4 432	-2 268	-34%
TOTAL EQUITY AND LIABILITIES	981 513	1 013 387	31 874	3%

All figures in PLN thousands

CD PROJEKT Group - development expenditures



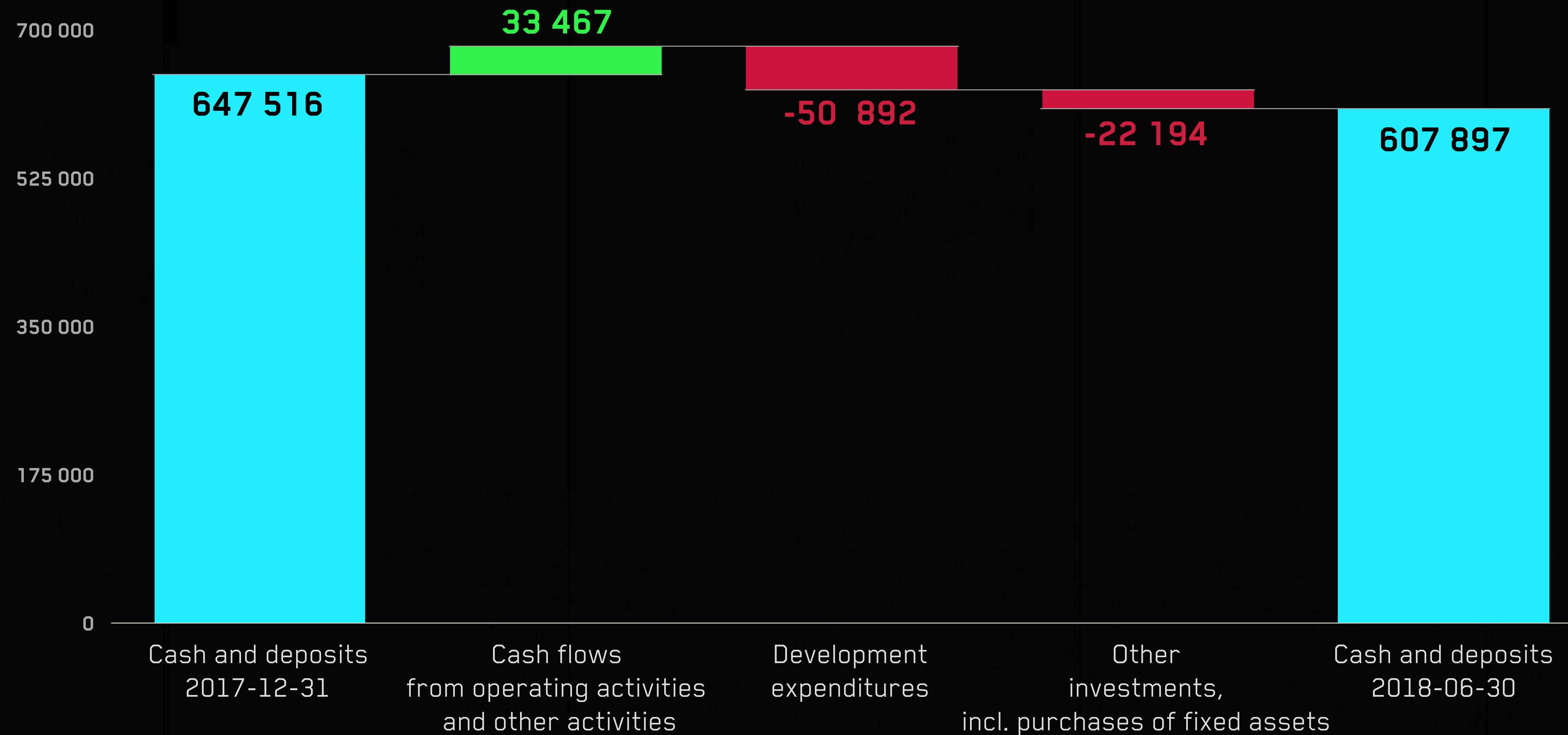
All data in the PLN; increase as per balance sheet

CD PROJEKT Group – balance sheet

ASSETS	31.12.17	30.06.18	Change	Change %
Fixed assets	255 535	326 072	70 537	28%
Development expenditures	142 486	196 734	54 248	38%
Other fixed assets	113 049	129 338	16 289	14%
Working assets	725 978	687 315	-38 663	-5%
Trade receivables	46 261	37 552	-8 709	-19%
Other receivables	17 582	17 852	270	2%
Prepaid expenses	14 296	14 398	102	1%
Other working assets	323	9 616	9 293	2877%
Cash on hand and bank deposits	647 516	607 897	-39 619	-6%
TOTAL ASSETS	981 513	1 013 387	31 874	3%
EQUITY AND LIABILITIES	31.12.17	30.06.18	Change	Change %
Equity	882 899	940 280	57 381	6%
Long-term liabilities	4 130	13 208	9 078	220%
Short-term liabilities	94 484	59 899	-34 585	-37%
Trade and others liabilities	44 144	44 684	540	1%
Other provisions	43 640	10 783	-32 857	-75%
Other short-term liabilities	6 700	4 432	-2 268	-34%
TOTAL EQUITY AND LIABILITIES	981 513	1 013 387	31 874	3%

All figures in PLN thousands

CD PROJEKT Group – cash flow



All figures in PLN thousands

What

comes next

?

spoXko

NEW START-UP AT THE CAPITAL GROUP

GWINT HOMECOMING

LAUNCH OF NEW EDITION
OF GWENT: Q4 2018

- ▶ Revamped visuals
- ▶ UI refinements
- ▶ Dual-row battlefield and changes in gameplay mechanics to strengthen row interactions





THRONEBREAKER

THE WITCHER TALES



Q&A



CD PROJEKT

Thank you

IR contact:

Karolina Gnaś // karolina.gnas@cdprojekt.com



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 2018 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.

