

# 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  
+ VOLLVERSION AUF DVD  
**AER**  
MEMORIES OF OLD  
Wanderer auf einer Aetherischen  
Erde - die ultimative  
Worty Non-Gameplay- und  
Interview

**CYBERPUNK 2077**  
Hier kommt das nächste Meisterwerk der Witcher-Macher:  
neue Infos zu Gameplay, Story, Technik - großes Interview

**BATTLE FOR AZEROTH**  
WORLD OF WARCRAFT  
Alle Infos zum Start des Add-ons: Inseldispeditionen, Kriegsfronten, neue Völker

USK 16  
AUSGABE 312  
08/18 | € 6,99  
www.pcgames.de

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

**RESIDENT EVIL 2**  
Claire Redfield returns  
for the stunning  
remake  
NEW INFO REVEALED  
BIGGEST RPG EVER!

**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

NOMADE IN 4 TOUS  
18 JEUX MOBILES POUR  
SE CLAQUER LES DOIGTS

ZELDA: HYPERBOLIC SWORD  
LE PRODIGE DE BREATH OF THE WILD  
ETAIT UN COUP D'ÉPÉE FORTUNE  
E3 2018 斗大盤点, 谁才是真正的 MVP?!

**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

73 款  
游戏名  
展大 | 集

2018.08  
2018.08.18-19.08  
1000-2000  
1222

**M! GAMES**  
RESIDENT EVIL 2  
Ein Anker an den Horror-Eldorado  
42 SEITEN MESSE-HIGHLIGHTS

**E3 BOMBAST**  
NINJAS, ZOMBIES, PUNKS:  
DIE 30 BESTEN SPIELE

**THE LAST OF US 2**  
Ein Emotions-Überbrücke  
heute gibt es mit alle Register

**SEKIRO: S  
DIE TWI**  
Ein Emotions-Überbrücke  
heute gibt es mit alle Register

**REBOOT**  
BR. 53/54 ČASOPIS ZA GAMING KULTURU  
PC | PS4 | PS3 | XBOXE | X360 | NS | WII U | 3DS | PSV | MAC | LINUX | RIFT | VIVE | PSVR

*Gameplay blew  
us away*

- Game Informer

*Overwhelming  
with all its details*

- GameSpot

*A beautiful  
and sprawling RPG*

- IGN

*It looks  
incredible*

- VG247

A cinematic scene from the video game Cyberpunk 2077. In the foreground, a female character with dark hair and cybernetic enhancements, including a glowing blue visor-like structure on her forehead and glowing yellow eyes, looks off to the side with a serious expression. She is wearing a dark, tactical jacket with various straps and pouches. In the background, a male character with a shaved head and a small tuft of hair is visible, looking towards the camera. The setting appears to be an industrial or urban environment with vertical wooden or metal panels. The lighting is dramatic, with strong highlights and deep shadows, creating a gritty, futuristic atmosphere.

**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
<b>Gross sales profit</b>	<b>84 519</b>	<b>132 219</b>	<b>65 895</b>	<b>98 377</b>	<b>59 302</b>	<b>65 303</b>
<b>Operating expenses</b>	<b>30 689</b>	<b>42 802</b>	<b>22 916</b>	<b>43 663</b>	<b>31 403</b>	<b>31 901</b>
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
<b>EBIT</b>	<b>53 830</b>	<b>89 417</b>	<b>42 979</b>	<b>54 714</b>	<b>27 899</b>	<b>33 402</b>
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
<b>Net profit</b>	<b>45 259</b>	<b>73 390</b>	<b>35 731</b>	<b>45 890</b>	<b>22 892</b>	<b>29 538</b>
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
<b>Gross sales profit</b>	<b>84 519</b>	<b>132 219</b>	<b>65 895</b>	<b>98 377</b>	<b>59 302</b>	<b>65 303</b>
<b>Operating expenses</b>	<b>30 689</b>	<b>42 802</b>	<b>22 916</b>	<b>43 663</b>	<b>31 403</b>	<b>31 901</b>
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
<b>EBIT</b>	<b>53 830</b>	<b>89 417</b>	<b>42 979</b>	<b>54 714</b>	<b>27 899</b>	<b>33 402</b>
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
<b>Net profit</b>	<b>45 259</b>	<b>73 390</b>	<b>35 731</b>	<b>45 890</b>	<b>22 892</b>	<b>29 538</b>
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
<b>Gross sales profit</b>	<b>73 687</b>	<b>107 317</b>	<b>52 138</b>	<b>83 447</b>	<b>50 625</b>	<b>55 617</b>
<b>Operating expenses</b>	<b>21 863</b>	<b>30 094</b>	<b>11 233</b>	<b>30 851</b>	<b>22 211</b>	<b>22 198</b>
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
<b>EBIT</b>	<b>51 824</b>	<b>77 223</b>	<b>40 905</b>	<b>52 596</b>	<b>28 414</b>	<b>33 419</b>
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
<b>Net profit</b>	<b>43 700</b>	<b>62 381</b>	<b>33 800</b>	<b>44 391</b>	<b>23 751</b>	<b>29 859</b>
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>
<b>Gross profit from sales</b>	<b>11 462</b>	<b>25 631</b>	<b>11 346</b>	<b>13 814</b>	<b>9 415</b>	<b>10 458</b>
<b>Operating expenses</b>	<b>9 456</b>	<b>13 437</b>	<b>9 272</b>	<b>11 696</b>	<b>9 930</b>	<b>10 473</b>
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
<b>EBIT</b>	<b>2 006</b>	<b>12 194</b>	<b>2 074</b>	<b>2 118</b>	<b>-515</b>	<b>-15</b>
Financial revenues less expenses	15	188	191	-622	-363	-73
Income tax	462	1 373	334	-3	-19	231
<b>Net income</b>	<b>1 559</b>	<b>11 009</b>	<b>1 931</b>	<b>1 499</b>	<b>-859</b>	<b>-319</b>
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

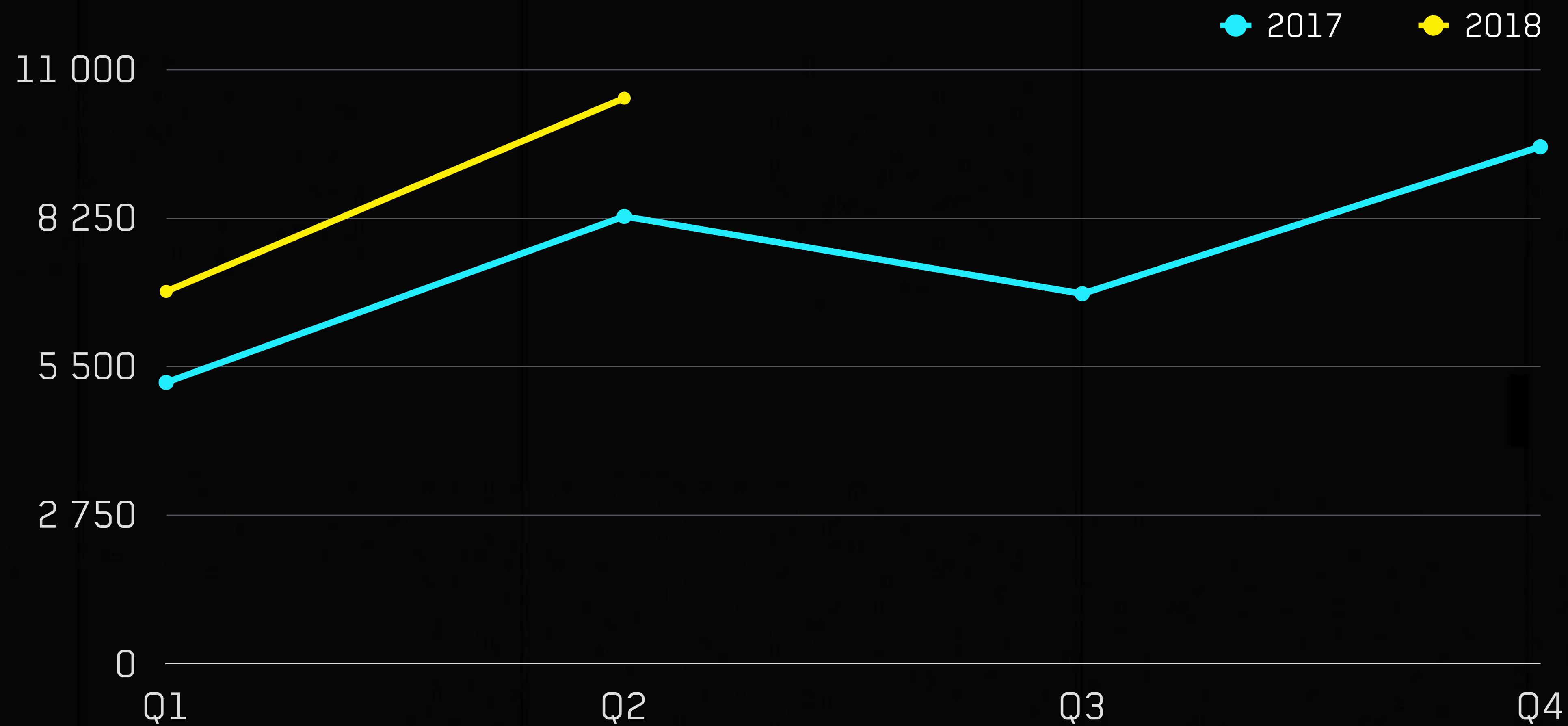


# GOG.COM - summary of results

	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>
<b>Gross profit from sales</b>	<b>11 462</b>	<b>25 631</b>	<b>11 346</b>	<b>13 814</b>	<b>9 415</b>	<b>10 458</b>
<b>Operating expenses</b>	<b>9 456</b>	<b>13 437</b>	<b>9 272</b>	<b>11 696</b>	<b>9 930</b>	<b>10 473</b>
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
<b>EBIT</b>	<b>2 006</b>	<b>12 194</b>	<b>2 074</b>	<b>2 118</b>	<b>-515</b>	<b>-15</b>
Financial revenues less expenses	15	188	191	-622	-363	-73
Income tax	462	1 373	334	-3	-19	231
<b>Net income</b>	<b>1 559</b>	<b>11 009</b>	<b>1 931</b>	<b>1 499</b>	<b>-859</b>	<b>-319</b>
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>
<b>Gross profit from sales</b>	<b>11 462</b>	<b>25 631</b>	<b>11 346</b>	<b>13 814</b>	<b>9 415</b>	<b>10 458</b>
<b>Operating expenses</b>	<b>9 456</b>	<b>13 437</b>	<b>9 272</b>	<b>11 696</b>	<b>9 930</b>	<b>10 473</b>
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
<b>EBIT</b>	<b>2 006</b>	<b>12 194</b>	<b>2 074</b>	<b>2 118</b>	<b>-515</b>	<b>-15</b>
Financial revenues less expenses	15	188	191	-622	-363	-73
Income tax	462	1 373	334	-3	-19	231
<b>Net income</b>	<b>1 559</b>	<b>11 009</b>	<b>1 931</b>	<b>1 499</b>	<b>-859</b>	<b>-319</b>
Net profitability	5%	17%	6%	4%	-3%	-1%

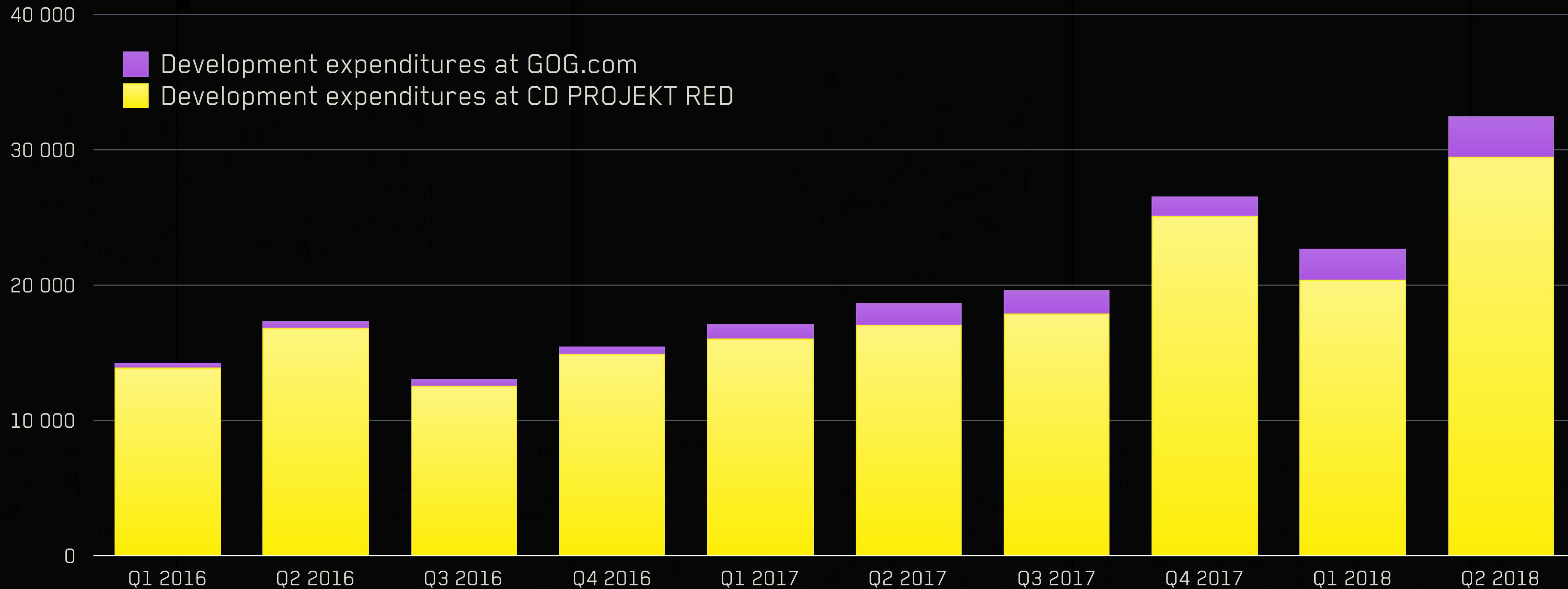
All figures in PLN thousands

# CD PROJEKT Group – balance sheets

<b>ASSETS</b>	<b>31.12.17</b>	<b>30.06.18</b>	<b>Change</b>	<b>Change %</b>
<b>Fixed assets</b>	<b>255 535</b>	<b>326 072</b>	<b>70 537</b>	<b>28%</b>
Development expenditures	142 486	196 734	54 248	38%
Other fixed assets	113 049	129 338	16 289	14%
<b>Working assets</b>	<b>725 978</b>	<b>687 315</b>	<b>-38 663</b>	<b>-5%</b>
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%
<b>TOTAL ASSETS</b>	<b>981 513</b>	<b>1 013 387</b>	<b>31 874</b>	<b>3%</b>
<b>EQUITY AND LIABILITIES</b>	<b>31.12.17</b>	<b>30.06.18</b>	<b>Change</b>	<b>Change %</b>
<b>Equity</b>	<b>882 899</b>	<b>940 280</b>	<b>57 381</b>	<b>6%</b>
<b>Long-term liabilities</b>	<b>4 130</b>	<b>13 208</b>	<b>9 078</b>	<b>220%</b>
<b>Short-term liabilities</b>	<b>94 484</b>	<b>59 899</b>	<b>-34 585</b>	<b>-37%</b>
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%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>981 513</b>	<b>1 013 387</b>	<b>31 874</b>	<b>3%</b>

All figures in PLN thousands

# CD PROJEKT Group - development expenditures



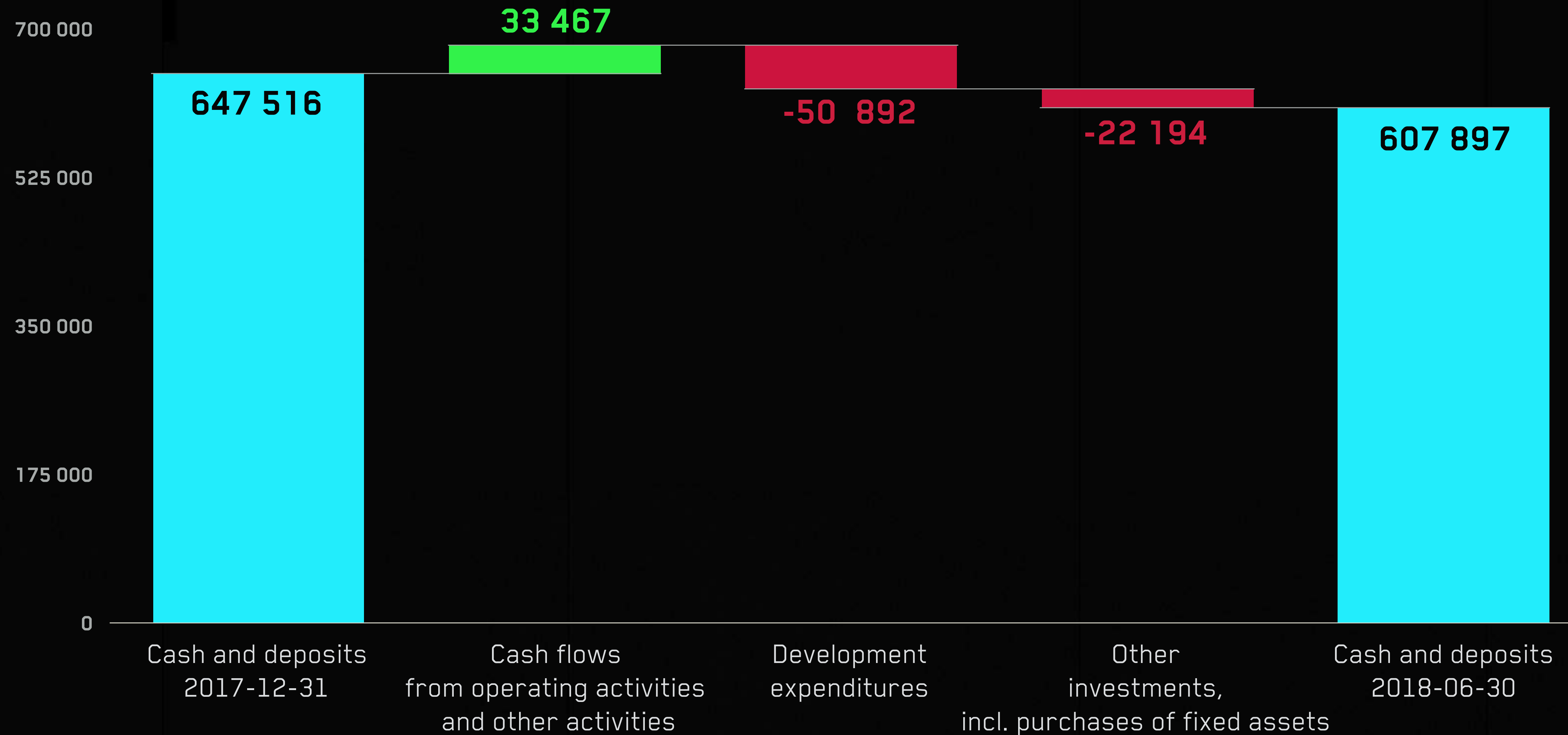
All balances in PLN thousands

# CD PROJEKT Group – balance sheet

<b>ASSETS</b>	<b>31.12.17</b>	<b>30.06.18</b>	<b>Change</b>	<b>Change %</b>
<b>Fixed assets</b>	<b>255 535</b>	<b>326 072</b>	<b>70 537</b>	<b>28%</b>
Development expenditures	142 486	196 734	54 248	38%
Other fixed assets	113 049	129 338	16 289	14%
<b>Working assets</b>	<b>725 978</b>	<b>687 315</b>	<b>-38 663</b>	<b>-5%</b>
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%
<b>TOTAL ASSETS</b>	<b>981 513</b>	<b>1 013 387</b>	<b>31 874</b>	<b>3%</b>
<b>EQUITY AND LIABILITIES</b>	<b>31.12.17</b>	<b>30.06.18</b>	<b>Change</b>	<b>Change %</b>
<b>Equity</b>	<b>882 899</b>	<b>940 280</b>	<b>57 381</b>	<b>6%</b>
<b>Long-term liabilities</b>	<b>4 130</b>	<b>13 208</b>	<b>9 078</b>	<b>220%</b>
<b>Short-term liabilities</b>	<b>94 484</b>	<b>59 899</b>	<b>-34 585</b>	<b>-37%</b>
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%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>981 513</b>	<b>1 013 387</b>	<b>31 874</b>	<b>3%</b>

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](mailto: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.

