

CD PROJEKT looks back at 2018

In 2018 the CD PROJEKT Capital Group posted 363 million PLN in revenues and 109 million PLN in net profit. Yet again the Group's result was rooted in excellent sales of The Witcher 3: Wild Hunt. In the GOG.com segment the most important product from the perspective of sales revenues was GWENT – another addition to The Witcher franchise.

Owing to the reported results and to ongoing expansion of activities, the Group's balance sheet total and equity exceeded – for the first time ever – the symbolic 1 billion PLN threshold.

The past year marked a period of intensive investments for us. The Group spent nearly 100 million PLN on development of games and new technologies. Accordingly, the cumulative balance of our R&D expenditures topped a quarter billion PLN by the end of 2018. When pursuing development activities we are always guided by two overarching goals: uncompromising dedication to videogame quality and willingness to tell an enthralling story. This is why our games continue to sell for years and underpin the Group's financial result. – says Piotr Nielubowicz, Vice President and CFO of CD PROJEKT S.A.

Over the past year we greatly expanded our creative potential, both in Warsaw and at the Kraków studio. We were also joined by a highly talented team from Wrocław, as well as by developers from Spokko – a newly established company currently working on a yet unannounced project targeting mobile devices. With regard to strengthening our creative capabilities, 2018 marks the most intensive period in the Group's history. – remarks Adam Kiciński, President of CD PROJEKT S.A.

Parallel to its R&D activities, the Company was also actively involved in communicating with gamers, chiefly in the framework of two projects: Cyberpunk 2077 and GWENT. Cyberpunk itself was showcased for the first time ever in 2018 – first to journalists and then to the general public. Hourlong invitational presentations of the game held at E3 and gamescom were attended by over 2800 participants, including celebrated Youtubers and streamers with a combined total of 250 million subscribers. Video content released in 2018 by CD PROJEKT RED garnered over 50 million views.

In the past year we also worked on securing the widest possible availability of Cyberpunk on store shelves throughout the world. We signed a number of distribution contracts covering several dozen countries, including key territories in North America and Europe. Further agreements are being finalized as we speak. – adds Kiciński.

Towards the end of the year CD PROJEKT RED released Thronebreaker and the full version of GWENT for which the studio is already announcing new attractive content and bonus features. The first expansion – titled Crimson Curse – is scheduled to appear on 28 March.

The past year was also an important time for the GOG.com segment which celebrated its 10th anniversary. The platform currently carries over 2700 games and has just added the Blizzard cult classic – Diablo – to its catalogue, soon to be followed by two other Blizzard legends – Warcraft: Orcs & Humans and Warcraft II.

The full financial statement and report on the activities of the CD PROJEKT Capital Group can be found on the Company website at <http://www.cdprojekt.com>