

CD PROJEKT looks back at 2019

The CD PROJEKT Group posted 521 million PLN in 2019 sales revenues, which is 44% more than in the preceding year. This is mostly due to excellent sales of The Witcher 3, including its new Nintendo Switch release, and the launch of GWENT on mobile devices. The Group's consolidated net profit increased by 60% compared to 2018, topping 175 million PLN.

- Both with regard to sales and the Group's net result, the fourth quarter of 2019 was the best final period of the year in our history. We are extremely pleased with the unceasing popularity of The Witcher 3 – especially given the fact that the game will be celebrating its 5th anniversary in just a couple of weeks. We continue to reach new fans: in October we The Witcher 3 appeared on Nintendo Switch, while GWENT was released on iOS devices. Strong sales of The Witcher and its debut on new hardware platforms contributed to our net earnings and the Group's net profitability, which increased to 34% in the past year. – says Piotr Nielubowicz, Vice President and CFO of CD PROJEKT.

In 2019 the CD PROJEKT Group incurred record expenditures on development of new games and technologies, at 165 million PLN. On 31 December 2019 the Group's cumulative balance of expenditures on development projects stood at 386 million PLN.

- In addition to intensive development of Cyberpunk over the past year, we also focused on the game's global promotional campaign. Having announced the release date, along with the fact that Keanu Reeves would be starring as one of the main NPCs, we proceeded with a series of meetings with fans throughout the world, participating in over 20 gaming industry events spread across four continents. Interest in Cyberpunk is enormous, as attested to by the 200 awards which the game has already received, and excellent viewership of its trailer – over 50 million views since its release in June 2019. – remarks Adam Kiciński, President and CEO of the CD PROJEKT Group.

The past year also saw many initiatives which will contribute to CD PROJEKT's long-term prospects. In the fourth quarter the Company purchased the commercial campus located in Warsaw at Jagiellońska 74, which had served as its headquarters for 20 years and where the Group intends to continue expanding its operations. An agreement was also reached with Mr. Andrzej Sapkowski, creator of The Witcher universe, establishing a framework for future cooperation.

Due to the outbreak of the coronavirus pandemic, the entire CD PROJEKT team has been working from home since mid-March.

- There is no shortage of motivation and we also possess all the tools needed to facilitate remote work. We've been operating in this mode for over three weeks and to-date results confirm that we can carry on with all our operations without major disruptions. Our plans haven't changed – we're steaming towards the September release of Cyberpunk. – adds Adam Kiciński.

The Group's longstanding strategy of avoiding debt and accumulating cash reserves means that it is well prepared to continue with its work even in tough times.

In 2019 GOG.com posted 162 million PLN in revenues – another high water mark. During this time the GOG.com team unveiled the GOG GALAXY 2.0 application, which enables gamers to combine all their game shelves into a common library while communicating with friends and tracking their progress regardless of their preferred platforms. GOG GALAXY 2.0 is currently in open beta and has been garnering positive reviews from its users.

The full financial statement of the CD PROJEKT Group can be found at <https://www.cdprojekt.com/en/investors/result-center/>.