



# CD PROJEKT GROUP FY 2019 EARNINGS

**Adam Kiciński** // President, Joint CEO

**Piotr Nielubowicz** // Member of the Board, CFO

**Michał Nowakowski** // Member of the Board, SVP Business Development

# UPDATE ON COVID-19



# SUCCESSFUL SHIFT TO REMOTE WORK

- ▶ Our **1 000-strong** team is working from home
- ▶ Equipment & infrastructure were **upgraded** to support effective remote collaboration
- ▶ Constant focus on **security** and **productivity** is maintained



GLOBAL RELEASE

17.09  
2020



# BUSINESS SUMMARY



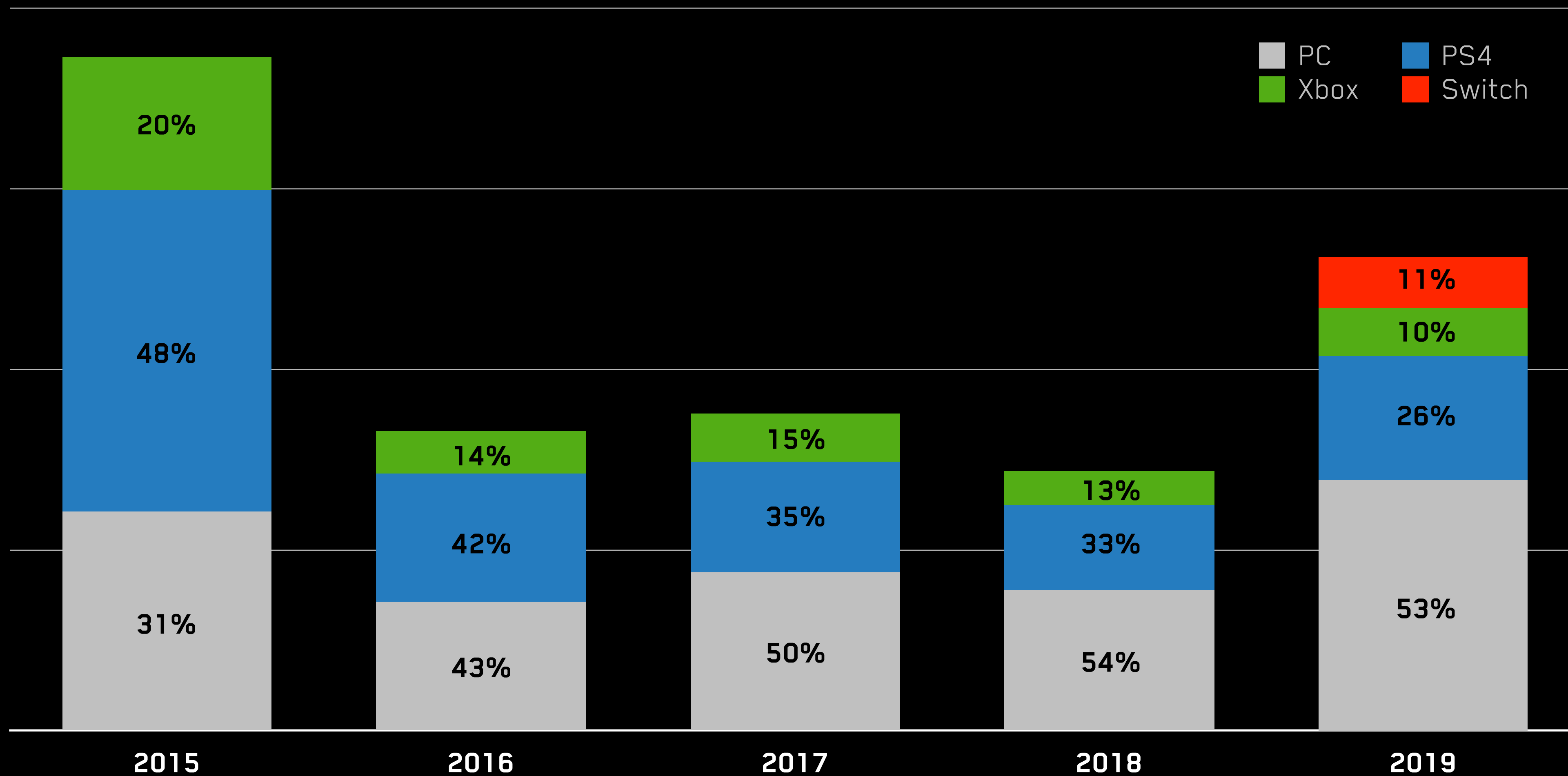
THE  
**WITCHER**  
WILD HUNT

COMPLETE EDITION

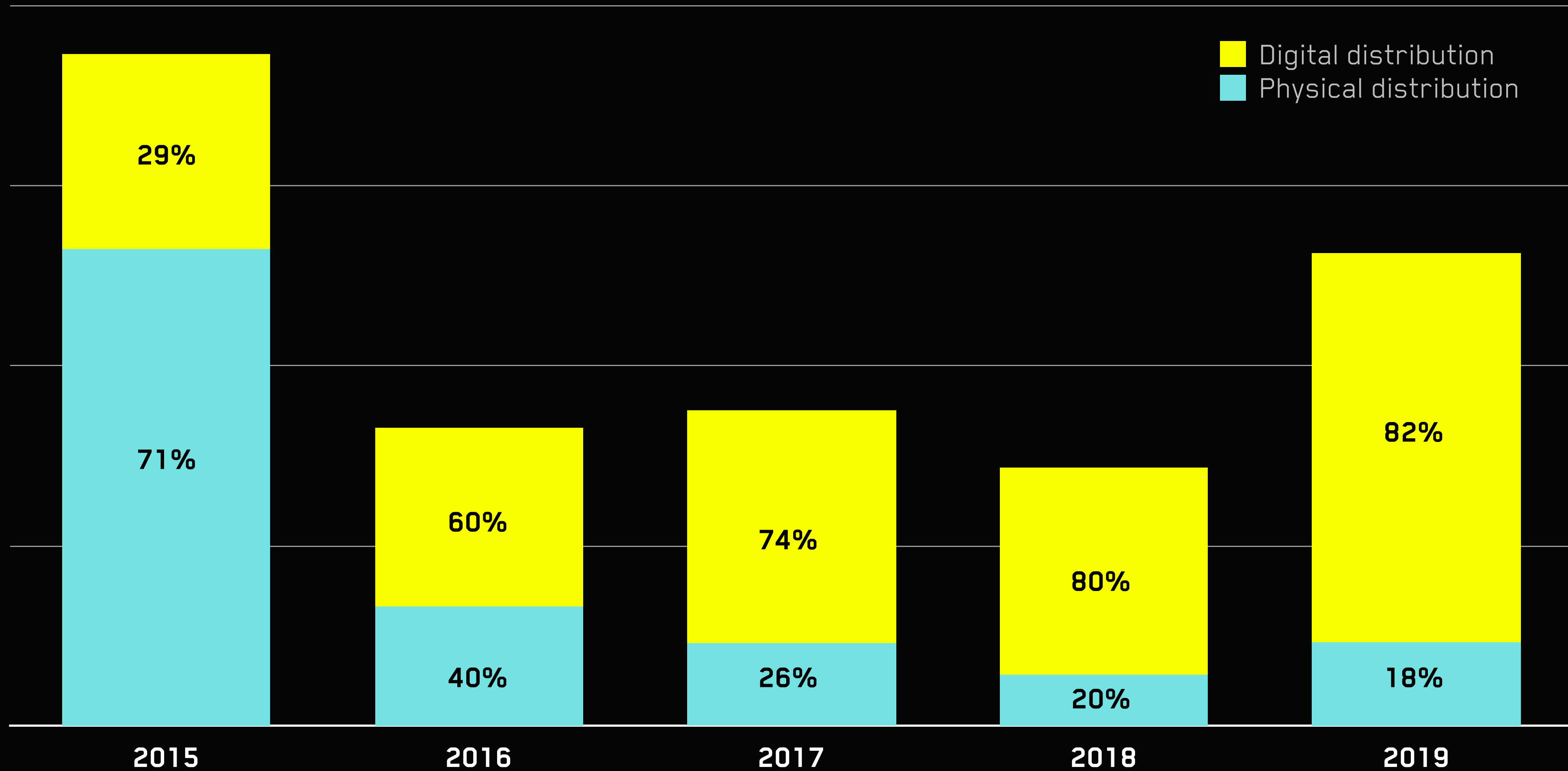


15.10.2019

# THE WITCHER 3 - UNITS SOLD BY PLATFORM



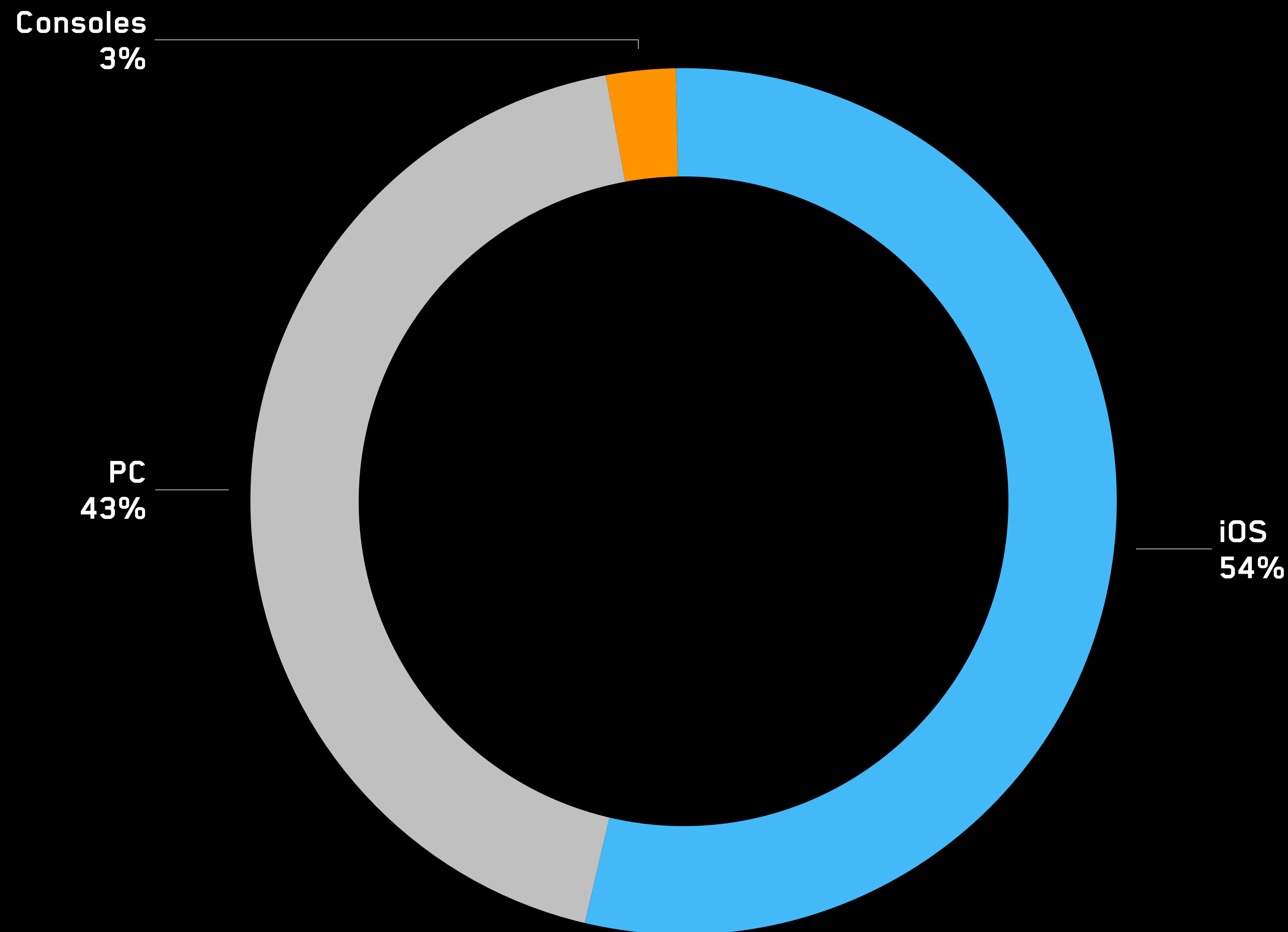
# THE WITCHER 3 – UNITS SOLD BY DISTRIBUTION TYPE





LAUNCHES ON IOS  
29.10.2019

# GWENT - CD PROJEKT GROUP NET REVENUES BY PLATFORM



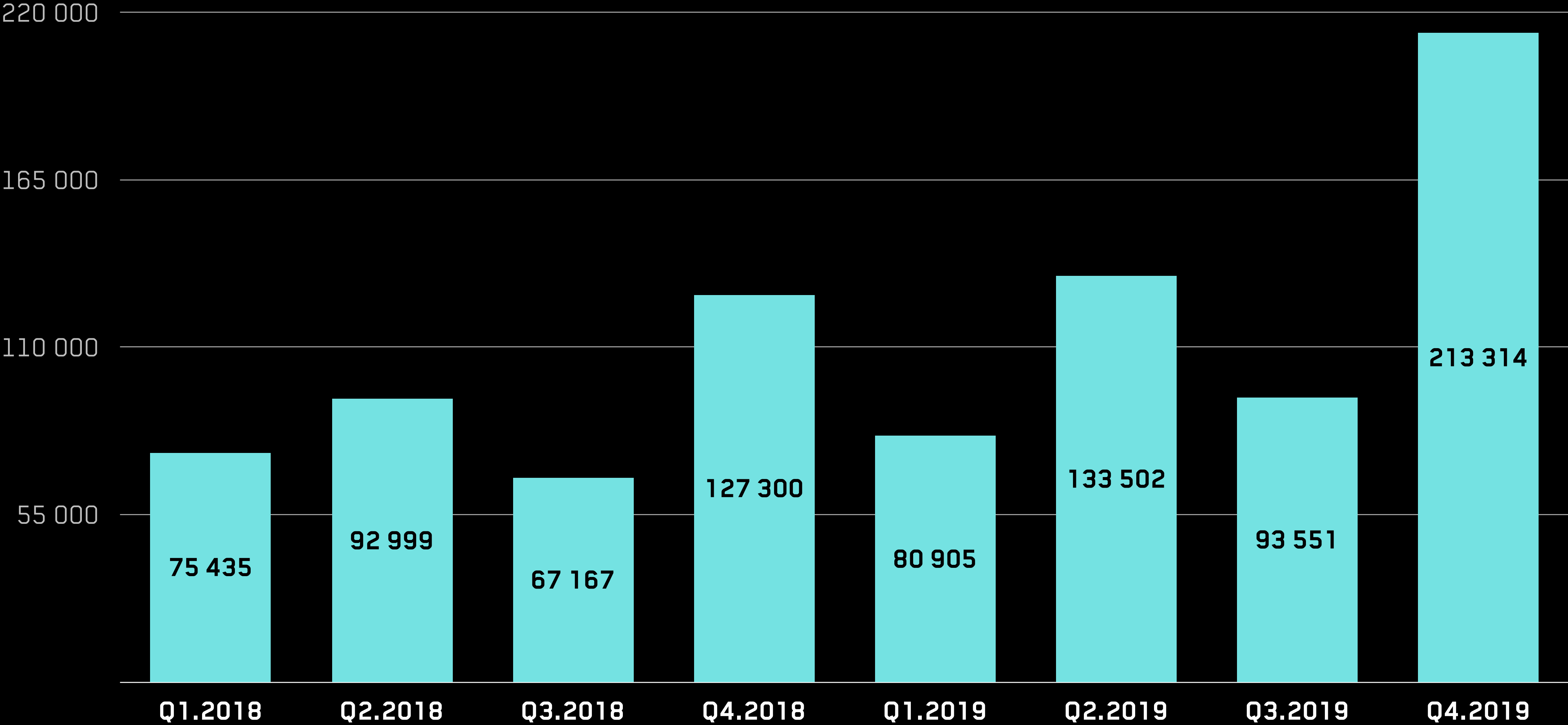
# FINANCIAL RESULTS



# CD PROJEKT GROUP - PROFIT AND LOSS ACCOUNT

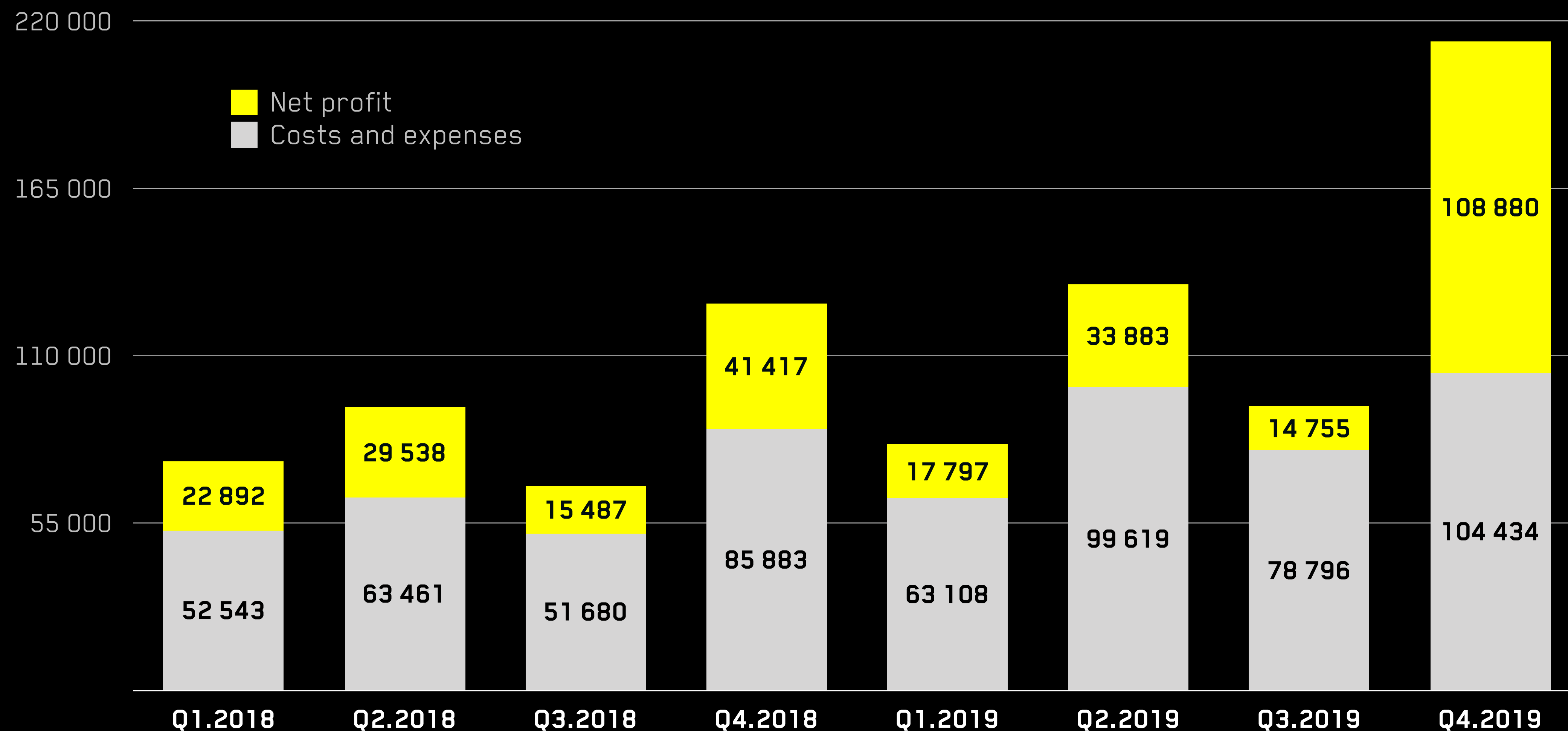
|   | 2018           | 2019           | RED            | GOG            | elimination    | change %   |
|---|----------------|----------------|----------------|----------------|----------------|------------|
| <b>Sales revenues</b>                             | <b>362 901</b> | <b>521 272</b> | <b>369 332</b> | <b>162 256</b> | <b>-10 316</b> | <b>44%</b> |
| Revenues from sales of products                   | 235 919        | 304 475        | 292 386        | 7 633          | 4 456          |            |
| Revenues from sales of services                   | 108            | 38 304         | 41 945         | 250            | -3 891         |            |
| Revenues from sales of goods and materials        | 126 874        | 178 493        | 35 001         | 154 373        | -10 881        |            |
| <b>Cost of products, goods and materials sold</b> | <b>106 254</b> | <b>161 308</b> | <b>53 763</b>  | <b>114 275</b> | <b>-6 730</b>  | <b>52%</b> |
| Cost of products and services sold                | 12 692         | 31 657         | 25 606         | 6 361          | -310           |            |
| Cost of goods and materials sold                  | 93 562         | 129 651        | 28 157         | 107 914        | -6 420         |            |
| <b>Gross profit (loss) from sales</b>             | <b>256 647</b> | <b>359 964</b> | <b>315 569</b> | <b>47 981</b>  | <b>-3 586</b>  | <b>40%</b> |
| <b>Operating costs</b>                            | <b>144 255</b> | <b>179 678</b> | <b>138 826</b> | <b>44 404</b>  | <b>-3 552</b>  | <b>25%</b> |
| Selling costs                                     | 107 183        | 125 341        | 86 476         | 41 029         | -2 164         |            |
| General and administrative costs                  | 36 602         | 57 113         | 54 132         | 4 400          | -1 419         |            |
| Other costs and revenues                          | 470            | -2 776         | -1 782         | -1 025         | 31             |            |
| <b>EBIT</b>                                       | <b>112 392</b> | <b>180 286</b> | <b>176 743</b> | <b>3 577</b>   | <b>-34</b>     | <b>60%</b> |
| Financial revenues less expenses                  | 10 641         | 8 876          | 9 126          | -269           | 19             |            |
| Income tax  | 13 699         | 13 847         | 13 522         | 325            | 0              |            |
| <b>Net profit</b>                                 | <b>109 334</b> | <b>175 315</b> | <b>172 347</b> | <b>2 983</b>   | <b>-15</b>     | <b>60%</b> |

CD PROJEKT GROUP - QUARTERLY REVENUES



All figures in PLN thousands

# CD PROJEKT GROUP - PROFIT VS. COSTS AND EXPENSES

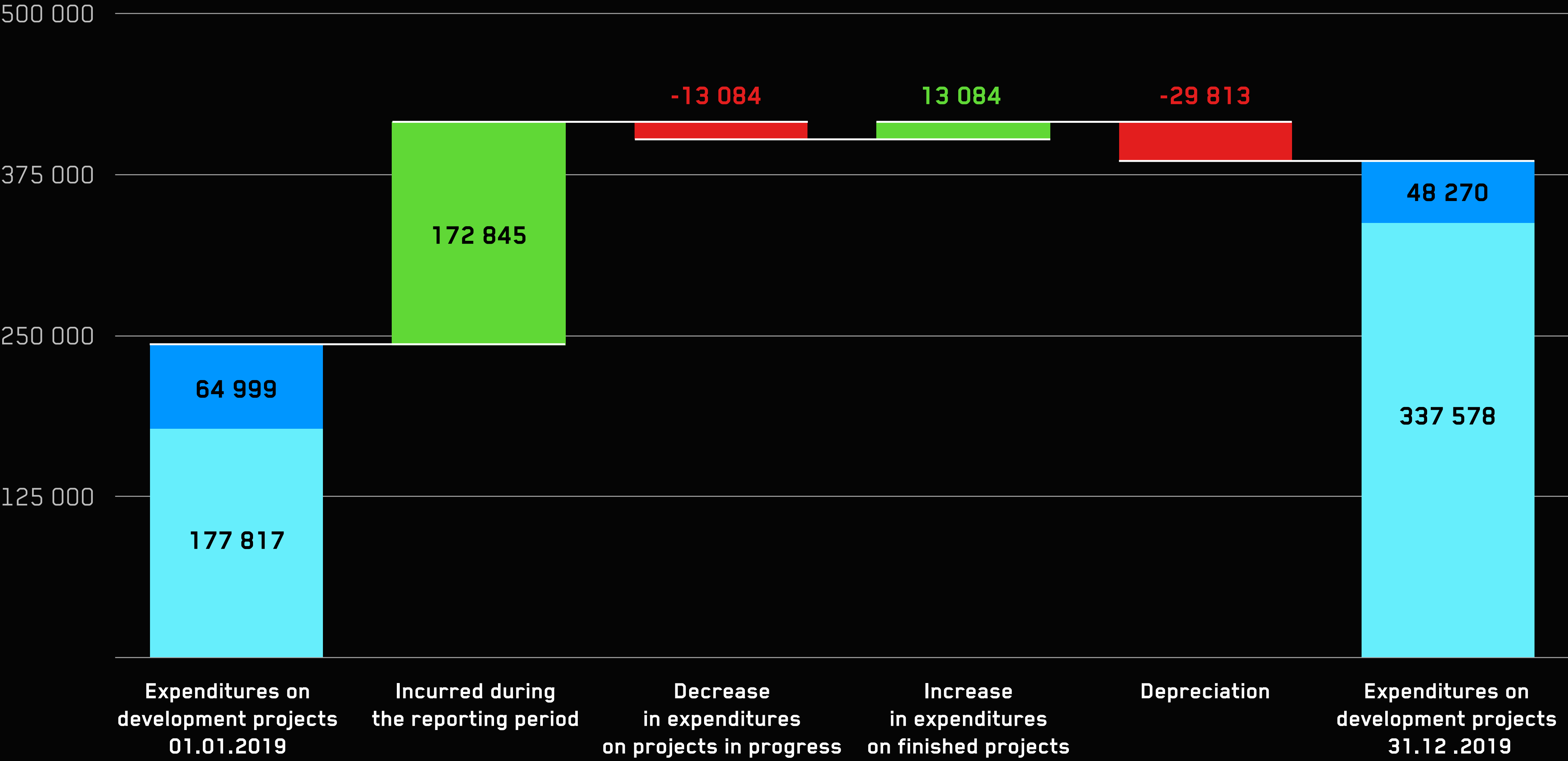


# CD PROJEKT GROUP - BALANCE SHEET

| ASSETS                               | 31.12.18         | 31.12.19         | change         | change %    |
|--------------------------------------|------------------|------------------|----------------|-------------|
| <b>Fixed assets</b>                  | <b>396 431</b>   | <b>679 097</b>   | <b>282 666</b> | <b>71%</b>  |
| Expenditures on development projects | 242 816          | 385 848          | 143 032        | 59%         |
| Other fixed assets                   | 153 615          | 293 249          | 139 634        | 91%         |
| <b>Working assets</b>                | <b>730 407</b>   | <b>725 011</b>   | <b>-5 396</b>  | <b>-1%</b>  |
| Inventories                          | 258              | 12 862           | 12 604         | 4885%       |
| Receivables                          | 57 850           | 210 292          | 152 442        | 264%        |
| Other working assets                 | 12 929           | 19 556           | 6 627          | 51%         |
| Cash and bank deposits               | 659 370          | 482 301          | -177 069       | -27%        |
| <b>TOTAL ASSETS</b>                  | <b>1 126 838</b> | <b>1 404 108</b> | <b>277 270</b> | <b>25%</b>  |
|                                      |                  |                  |                |             |
| EQUITY AND LIABILITIES               | 31.12.18         | 31.12.19         | change         | change %    |
| <b>Equity</b>                        | <b>1 002 864</b> | <b>1 105 651</b> | <b>102 787</b> | <b>10%</b>  |
| <b>Long-term liabilities</b>         | <b>6 691</b>     | <b>25 158</b>    | <b>18 467</b>  | <b>276%</b> |
| <b>Short-term liabilities</b>        | <b>117 283</b>   | <b>273 299</b>   | <b>156 016</b> | <b>133%</b> |
| Liabilities                          | 67 945           | 73 260           | 5 315          | 8%          |
| Deferred revenues                    | 26 172           | 161 364          | 135 192        | 517%        |
| Provisions                           | 23 166           | 38 675           | 15 509         | 67%         |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>1 126 838</b> | <b>1 404 108</b> | <b>277 270</b> | <b>25%</b>  |

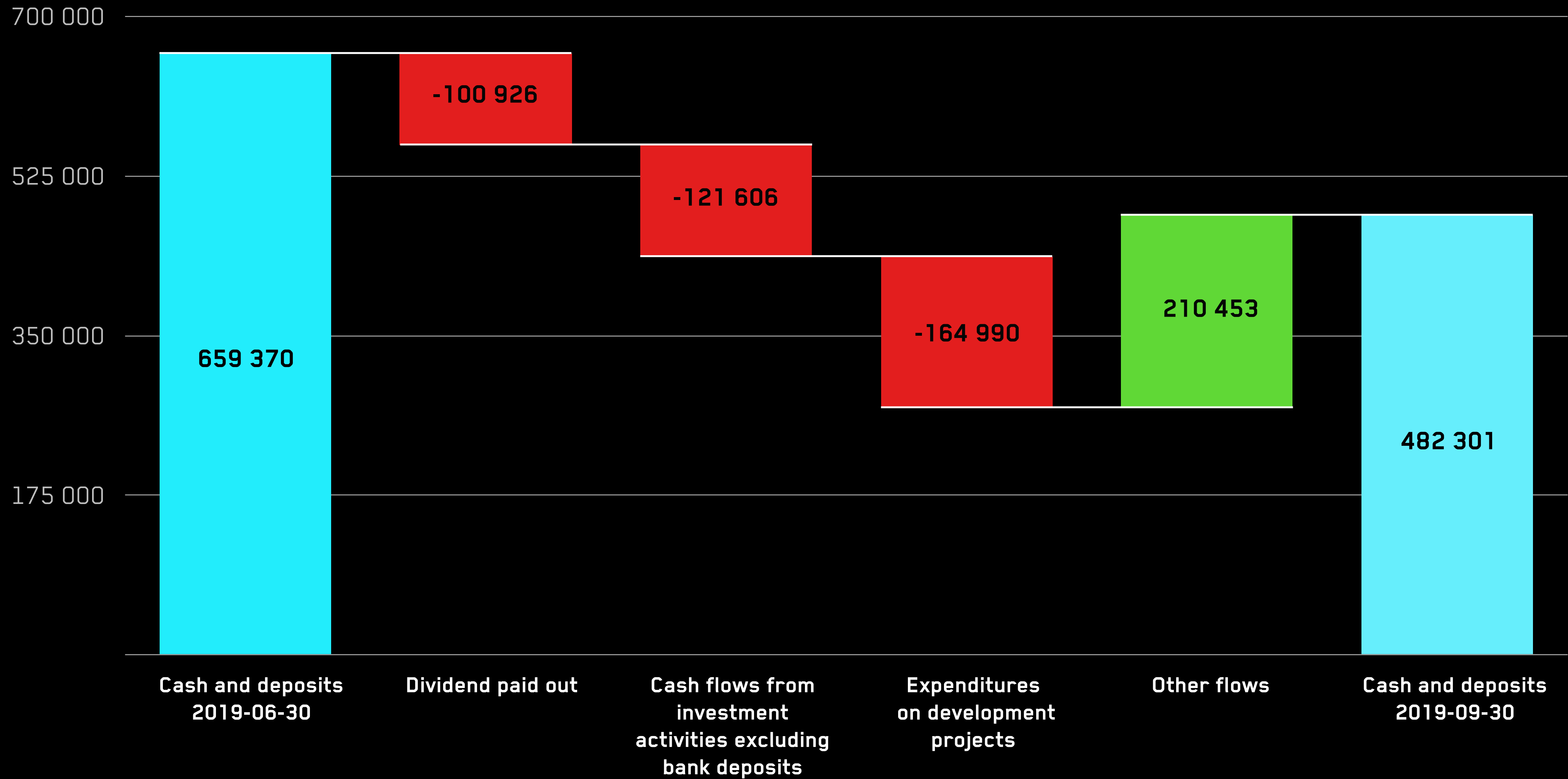
All figures in PLN thousands

# CD PROJEKT GROUP - CHANGES IN EXPENDITURES ON DEVELOPMENT PROJECTS



All figures in PLN thousands

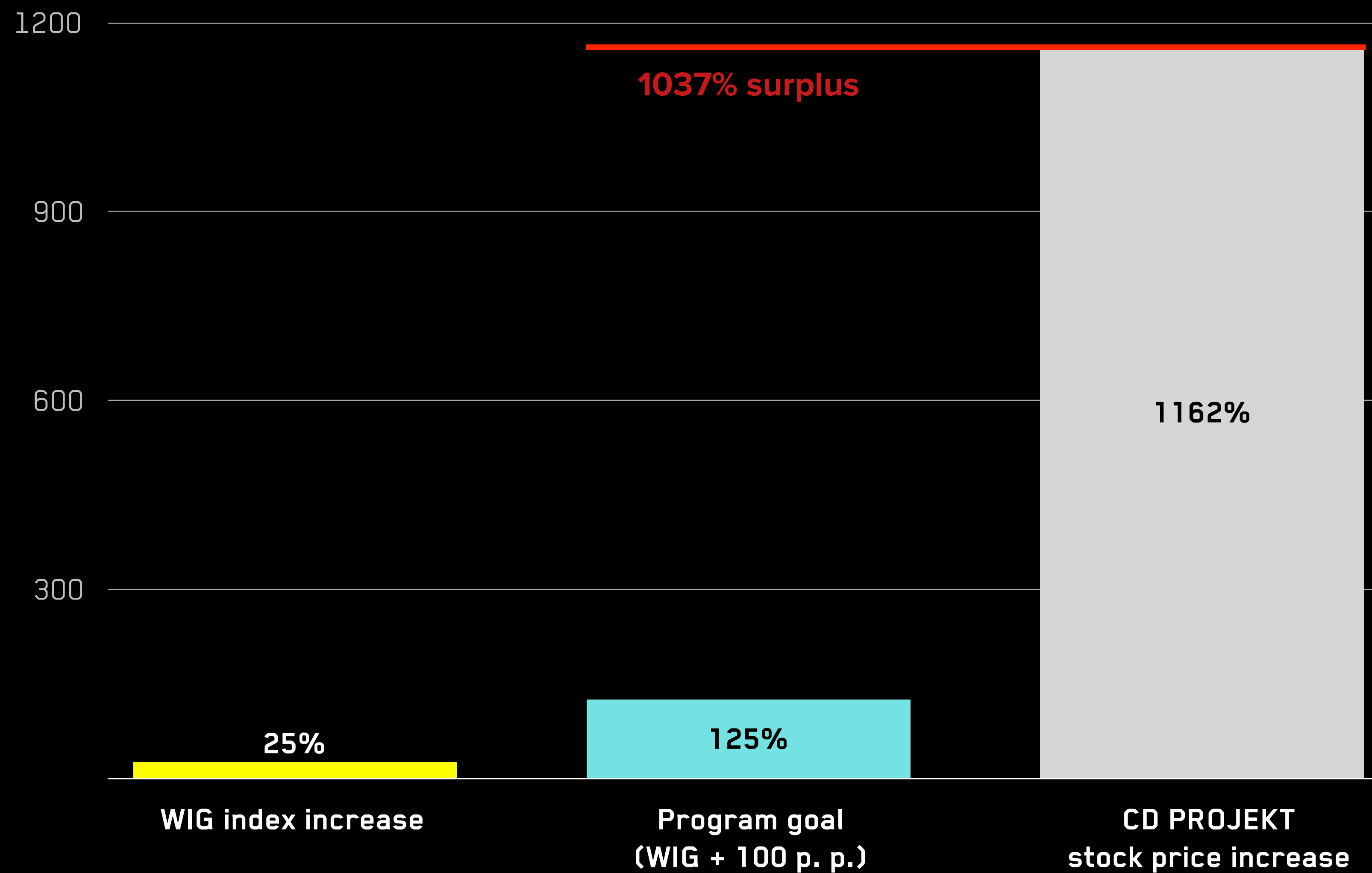
## CD PROJEKT GROUP - CASH FLOW



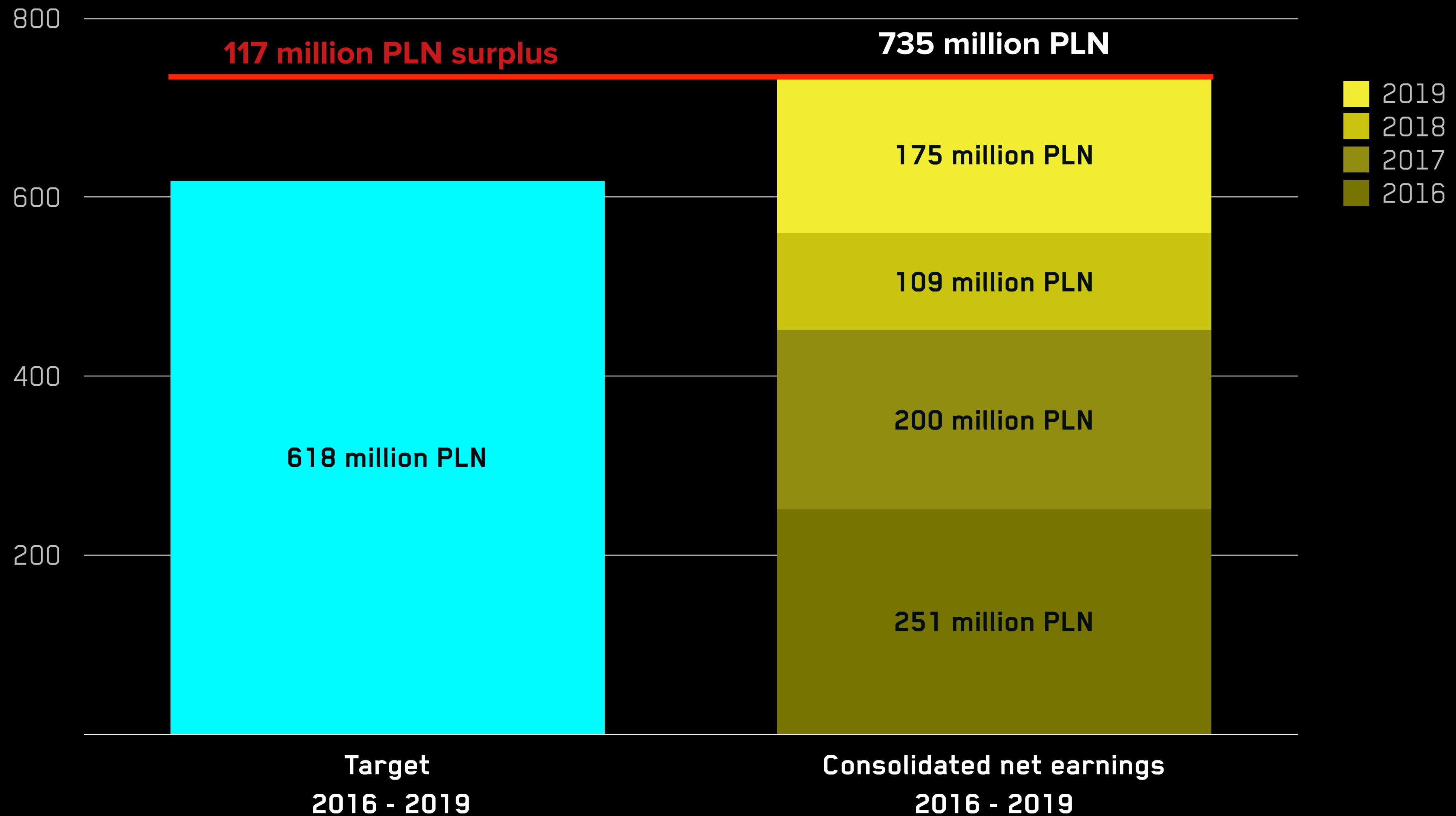
# INCENTIVE PROGRAM



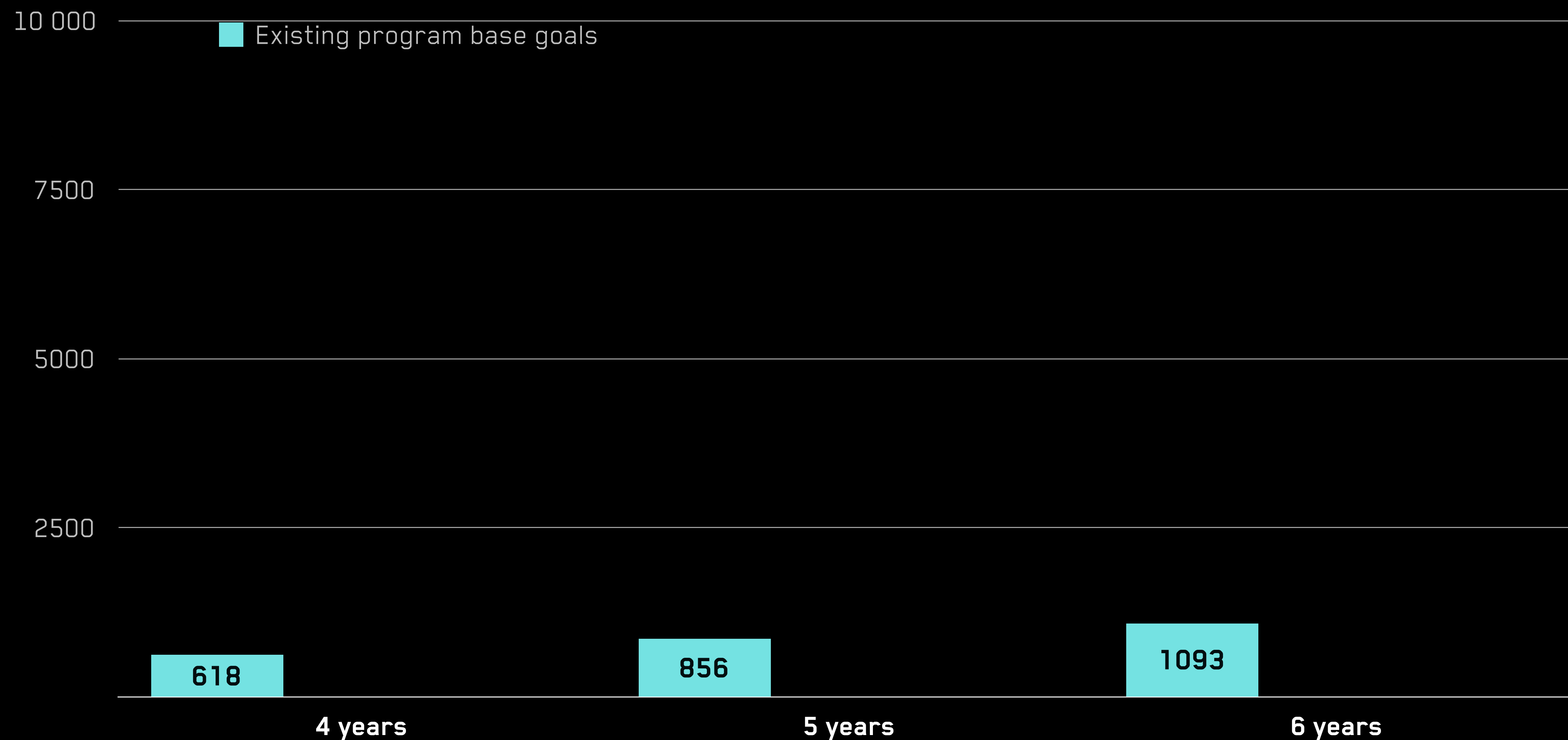
# FULFILLMENT OF THE INCENTIVE PROGRAM 2016-2019 - MARKET GOAL



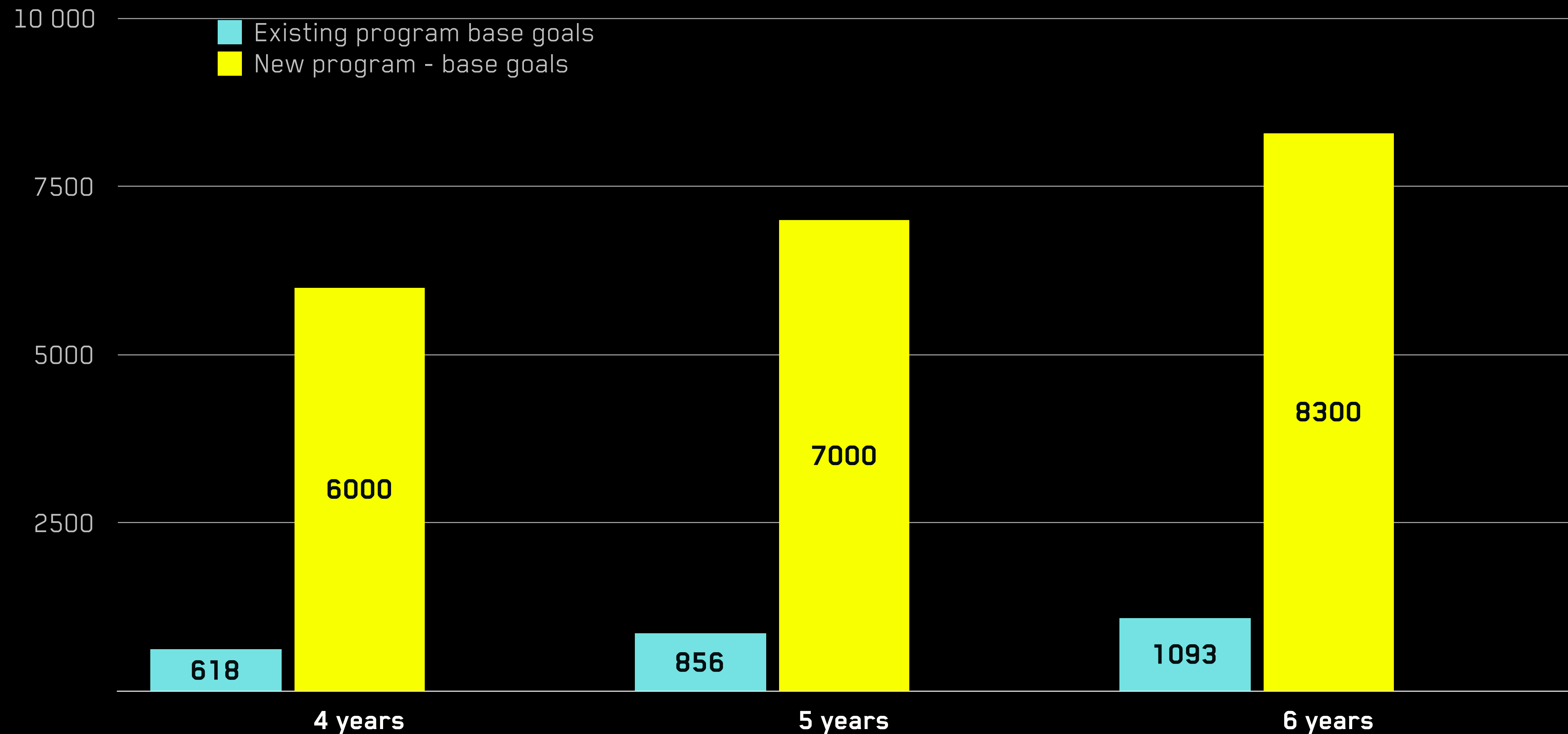
# FULFILLMENT OF THE INCENTIVE PROGRAM 2016-2019 - RESULTS GOAL



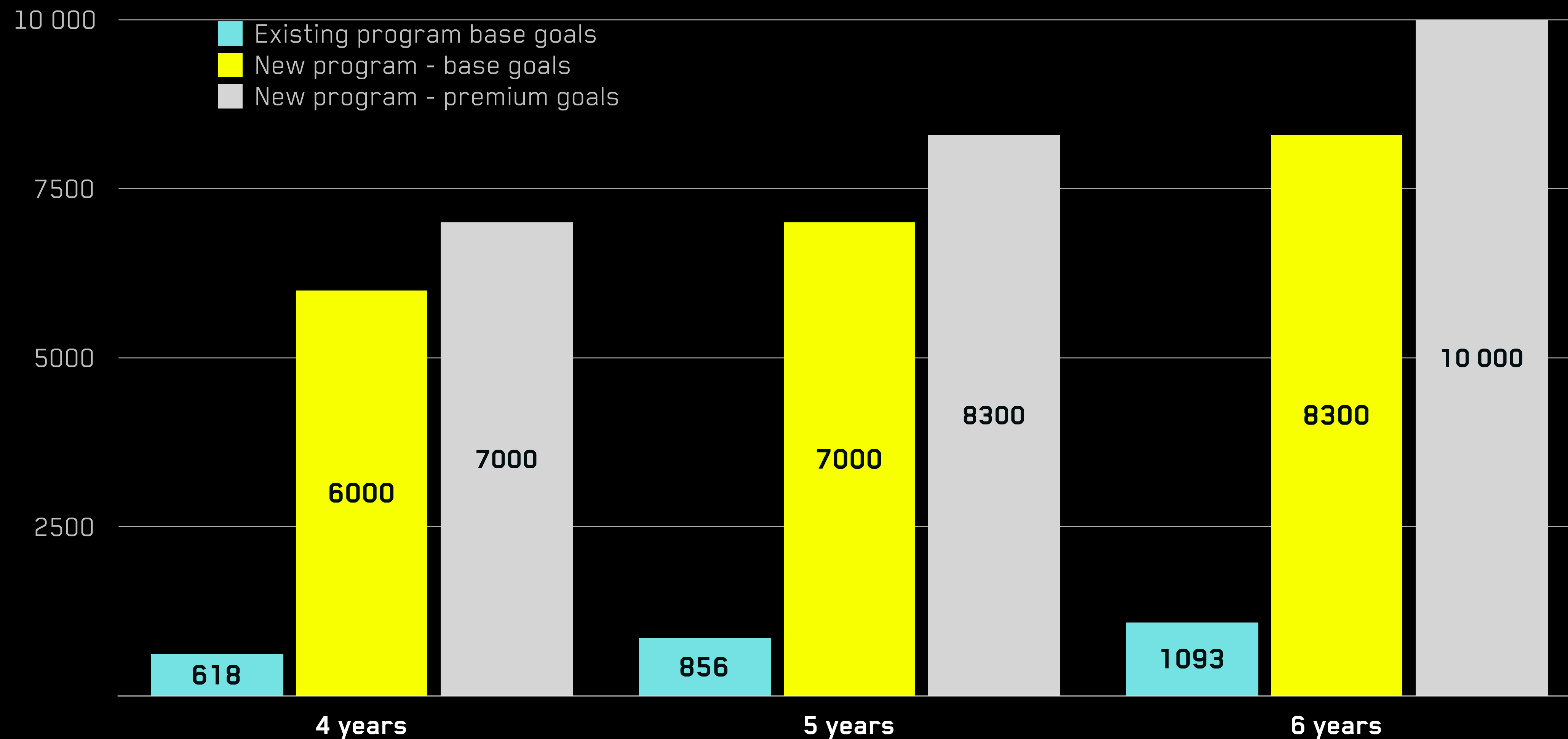
# INCENTIVE PROGRAM FOR 2020-2025 - PLANS



# INCENTIVE PROGRAM FOR 2020-2025 - PLANS



# INCENTIVE PROGRAM FOR 2020-2025 - PLANS



→ Q & A ←

→ **THANK YOU** ←

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## 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 2019 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.

