



CD PROJEKT®

CD PROJEKT Group H1 2022 Earnings

7 September 2022

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SVP BUSINESS DEVELOPMENT**

H1 2022: PARALLEL DEVELOPMENT KICKS OFF

Parallel development: two teams working on two separate projects

Launch of 1.5 next-gen update

Strategic partnership with Epic Games on using Unreal Engine in our upcoming games

Announcement of the new Witcher game – a new saga begins

CYBERPUNK

EDGERUNNERS

NETFLIX | SEPT 13



A promotional image for the Cyberpunk 2077 Edgerunners update. It features a character with long red hair holding a handgun, and a character in a red and yellow jacket holding a camera. The background is a neon-lit city street with a 'Roasted Noodles' sign and a 'The Moon' sign. The title 'CYBERPUNK' is written in large, stylized yellow letters, with '2077' below it. A red and yellow progress bar is visible above the 'EDGERUNNERS UPDATE' text.

CYBERPUNK

2077


EDGERUNNERS
UPDATE

CYBERPUNK

2 0 7 7

PHANTOM LIBERTY

→ 2023

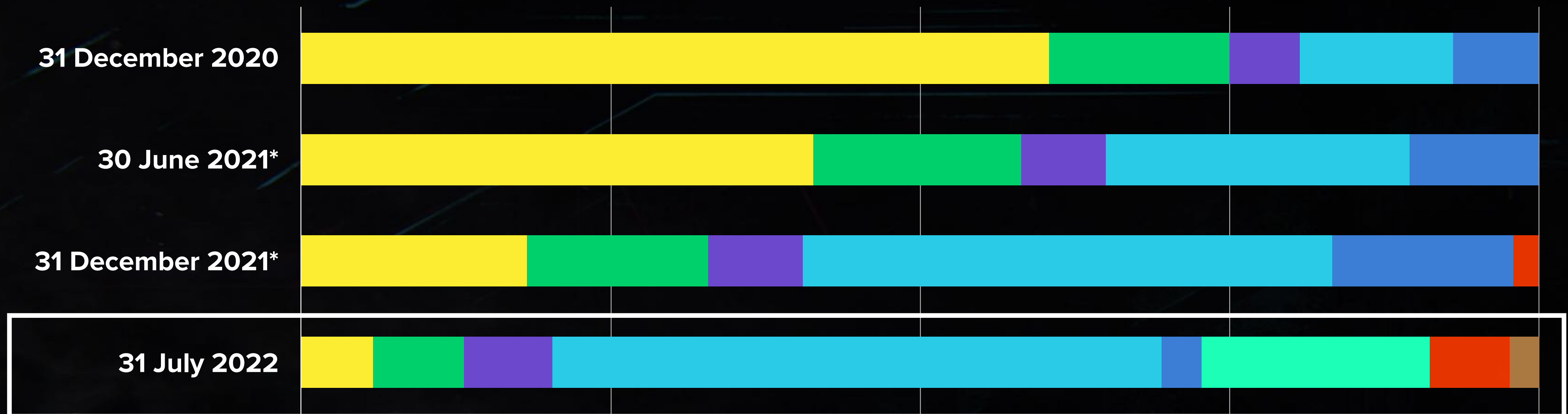
 XBOX SERIES X|S

 PS5.

PC



DEVELOPMENT TEAMS ENGAGED IN ONGOING PROJECTS



- Support for Cyberpunk 2077 + next-gen version
- GWENT-related projects
- SPOKKO
- Phantom Liberty – expansion to CP
- Other projects
- The new Witcher game
- The Molasses Flood project
- W3 next-gen version

* The "Other projects" category reported at the end of 2021 and H1 2021 includes the research phase of the new Witcher project.



THE
WITCHER[®]
WILD  HUNT

COMPLETE EDITION

NETFLIX
ADDED CONTENT

**ENHANCED
FOR NEXT-GEN**

**TARGET DATE
Q4 2022**

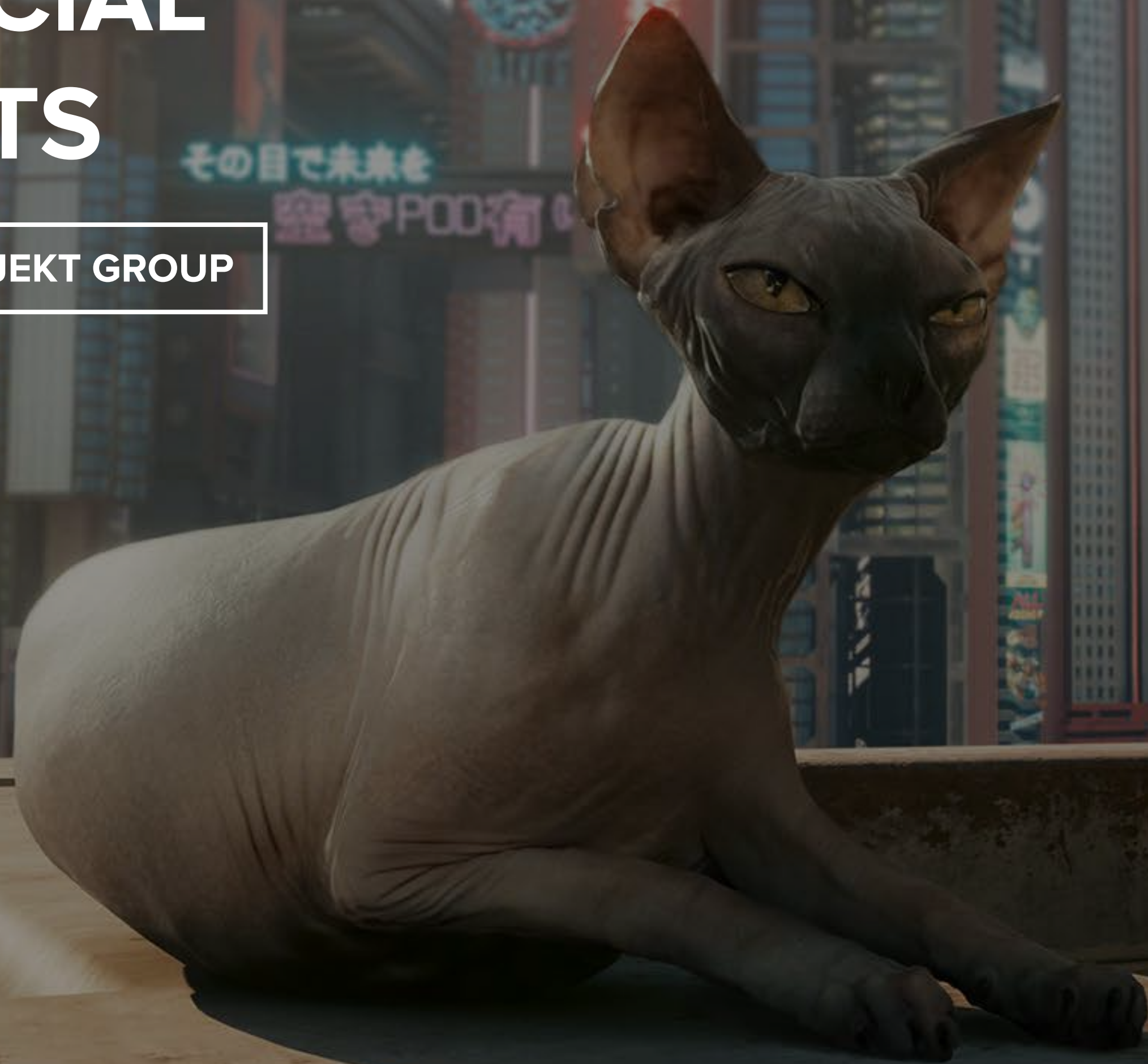


CD PROJEKT GROUP STRATEGY UPDATE

OCTOBER 2022

FINANCIAL RESULTS

OF THE CD PROJEKT GROUP



CD PROJEKT GROUP – PROFIT AND LOSS ACCOUNT

| | CD PROJEKT Group | | RED | GOG | eliminations | H1 2022 |
|---|------------------|----------------|----------------|---------------|---------------|-------------|
| | H1 2021 | H1 2022 | H1 2022 | H1 2022 | | VS. H1 2021 |
| Sales revenue | 470 617 | 377 916 | 295 488 | 88 751 | -6 323 | -20% |
| Sales of products | 366 986 | 285 868 | 283 471 | 0 | 2 397 | -22% |
| – rev. from unused CP77 sales provisions – decrease | 39 521 | | | | | |
| Sales of services | 3 687 | 1 235 | 1 927 | 136 | -828 | -67% |
| Sales of goods for resale and materials | 99 944 | 90 813 | 10 090 | 88 615 | -7 892 | -9% |
| Cost of Sales | 162 171 | 101 334 | 43 791 | 63 208 | -5 665 | -38% |
| Cost of products and services sold | 87 894 | 37 013 | 37 141 | 42 | -170 | -58% |
| – CP77 costs provisions – increase | 40 636 | | | | | |
| Cost of goods for resale and materials sold | 74 277 | 64 321 | 6 650 | 63 166 | -5 495 | -13% |
| Gross profit on sales | 308 446 | 276 582 | 251 697 | 25 543 | -658 | -10% |
| Operating costs | 185 832 | 139 098 | 115 900 | 23 727 | -529 | -25% |
| Selling expenses | 131 183 | 101 307 | 80 552 | 20 874 | -119 | -23% |
| – CP77 service | 47 805 | 15 153 | 15 153 | | | -68% |
| Administrative expenses | 54 187 | 35 260 | 32 323 | 3 164 | -227 | -35% |
| – Stock based incentive program | 17 879 | 2 320 | 2 203 | 117 | | -87% |
| – Early projects research phase costs | 11 850 | 3 904 | 3 904 | | | -67% |
| Other operating income and expenses | 462 | 2 531 | 3 025 | -311 | -183 | 448% |
| EBIT | 122 614 | 137 484 | 135 797 | 1 816 | -129 | 12% |
| Financial income less costs | -6 749 | 16 132 | 17 332 | -1 250 | 50 | -339% |
| Income tax | 10 817 | 39 870 | 39 654 | 213 | 3 | 269% |
| – Withholding tax paid abroad | 3 | 24 634 | 24 632 | 2 | | |
| Net profit | 105 048 | 113 746 | 113 475 | 353 | -82 | 8% |
| Net profitability | 22.3% | 30.1% | 38.4% | 0.4% | | |

CD PROJEKT GROUP – ASSETS

| Assets | 31.12.2021 | 30.06.2022 | CHANGE | CHANGE % |
|--|-------------------|-------------------|----------------|-----------------|
| Non-current assets | 905 846 | 1 039 127 | 133 281 | 15% |
| Expenditure on development projects | 350 195 | 434 055 | 83 860 | 24% |
| – <i>New development during H1 2022</i> | | | 121 007 | |
| – <i>Amortisation during H1 2022</i> | | | -36 837 | |
| Other financial assets * | 178 540 | 173 589 | -4 951 | -3% |
| Property, plant and equipment | 119 588 | 129 155 | 9 567 | 8% |
| Intangible assets | 58 393 | 69 764 | 11 371 | 19% |
| Shares in non-consolidated subordinated entities | 38 520 | 67 055 | 28 535 | 74% |
| Other non-current assets | 160 610 | 165 509 | 4 899 | 3% |
| Current assets | 1 252 889 | 1 157 539 | -95 350 | -8% |
| Inventories | 15 886 | 15 136 | -750 | -5% |
| Receivables | 238 889 | 117 085 | -121 804 | -51% |
| Prepayments and deferred costs | 13 763 | 20 717 | 6 954 | 51% |
| Other financial assets * | 307 765 | 319 572 | 11 807 | 4% |
| Cash and bank deposits * | 676 586 | 685 029 | 8 443 | 1% |
| Total assets | 2 158 735 | 2 196 666 | 37 931 | 2% |
| <i>* Cash, bank deposits and T-bonds – total</i> | <i>1 154 001</i> | <i>1 178 190</i> | <i>24 189</i> | <i>2%</i> |

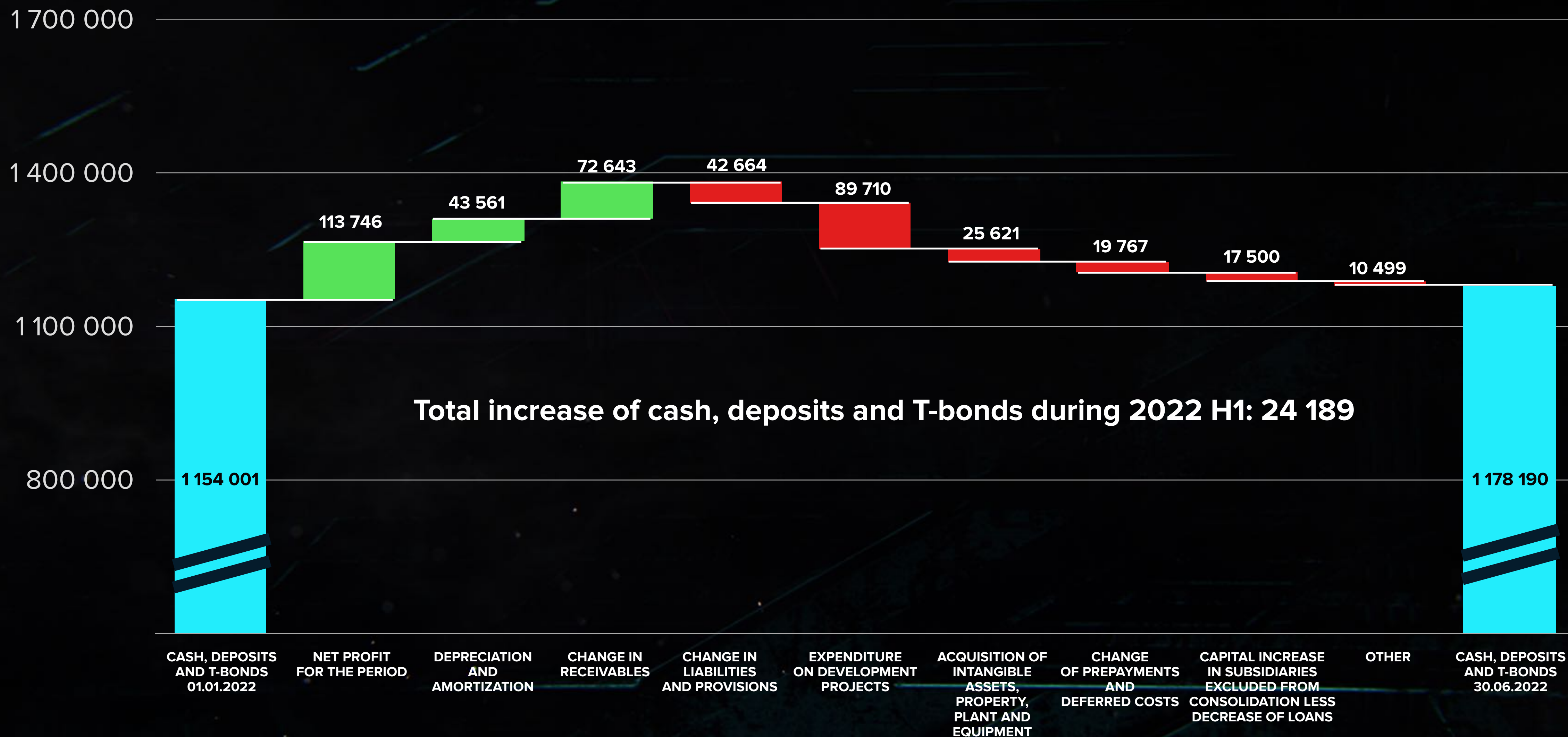
CD PROJEKT GROUP – EQUITY AND LIABILITIES

| Equity and liabilities | 31.12.2021 | 30.06.2022 | CHANGE | CHANGE % |
|-------------------------------------|-------------------|-------------------|---------------|-----------------|
| Equity | 1 894 356 | 1 903 244 | 8 888 | 0% |
| Liabilities | 264 379 | 293 422 | 29 043 | 11% |
| Liabilities | 137 610 | 230 442 | 92 832 | 67% |
| Deferred income | 37 972 | 23 186 | -14 786 | -39% |
| Provisions | 88 797 | 39 794 | -49 003 | -55% |
| – <i>Bonuses</i> | 44 856 | 22 128 | -22 728 | -51% |
| – <i>Costs/expenses</i> | 43 941 | 17 666 | -26 275 | -60% |
| Total liabilities and equity | 2 158 735 | 2 196 666 | 37 931 | 2% |

CD PROJEKT RED – PRODUCT RESEARCH, DEVELOPMENT & SERVICE COSTS



CD PROJEKT GROUP – CASH FLOW



Total increase of cash, deposits and T-bonds during 2022 H1: 24 189

A vibrant, stylized city street scene at night. The scene is dominated by tall buildings with glowing windows and numerous neon signs. In the foreground, a yellow and green awning with the word "TURBO" in white letters is visible. Below the awning, a police car and a person in a yellow jacket are seen. The overall atmosphere is futuristic and energetic.

THANK YOU

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