



# CD PROJEKT GROUP Q1 2020 EARNINGS

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

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

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

**May 29, 2020**







THE  
WITCHER®

50 MILLION

COPIES SOLD



## UPDATE ON COVID-19

- ▶ The entire team continues to work from home
- ▶ We adapted quickly and efficiently to the new work environment
- ▶ The health and safety of our team are our priority
- ▶ We are focused on delivering Cyberpunk 2077
- ▶ We support local communities





# THRONEBREAKER

THE WITCHER TALES



28.01.2020

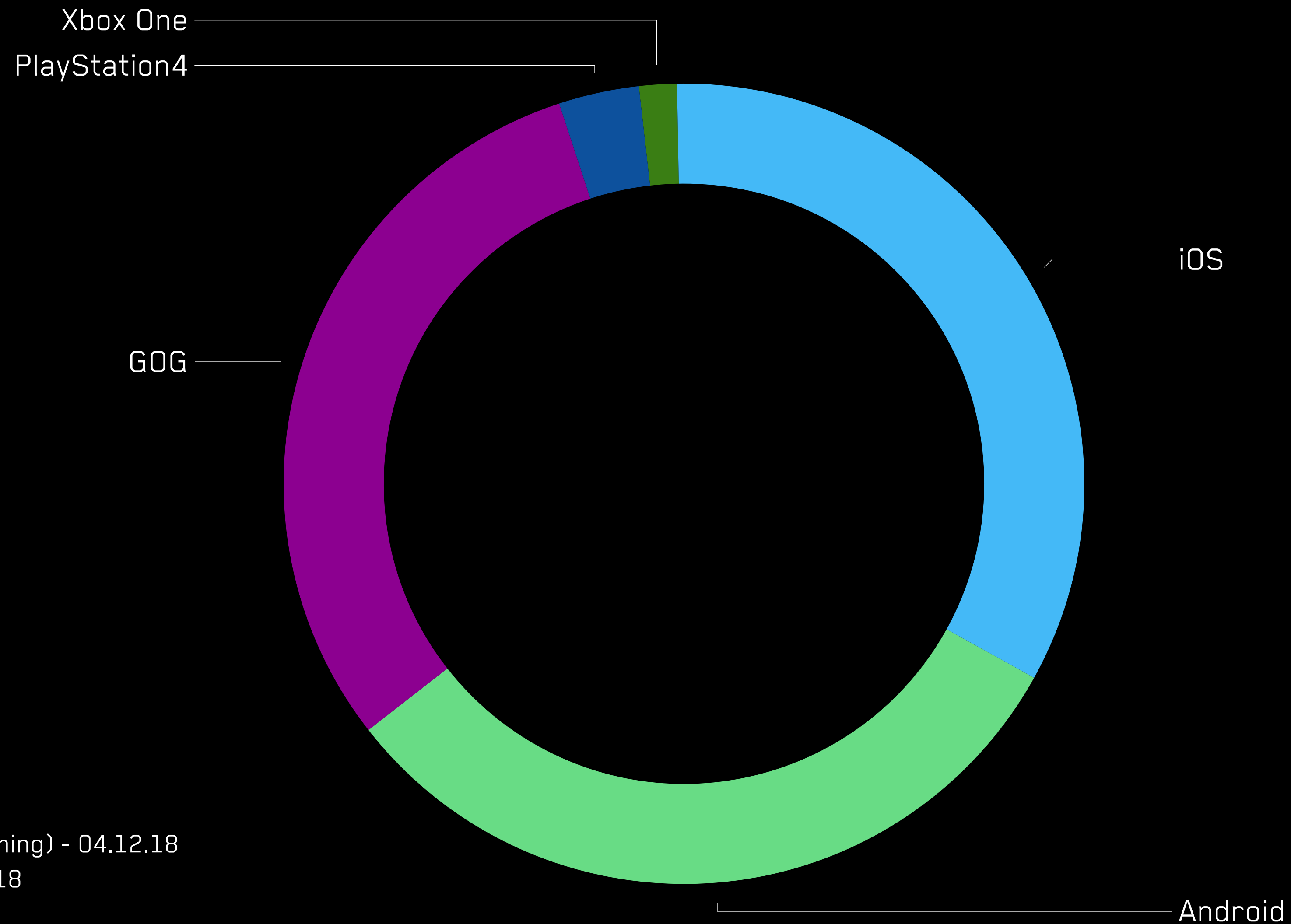




LAUNCHES ON ANDROID  
24.03.2020



# GWENT - CD PROJEKT GROUP NET REVENUES BY PLATFORM (7 days after platform launch)



## Launch dates:

PS4 and Xbox One (Homecoming) - 04.12.18

GOG (Homecoming) - 23.10.18

iOS - 29.10.19

Android - 24.03.20



# 4K SUPER PUNK<sup>®</sup>

2077



HANDS ON

JUNE  
2020





# Night City WIRE

JUNE 11



# FINANCIAL RESULTS



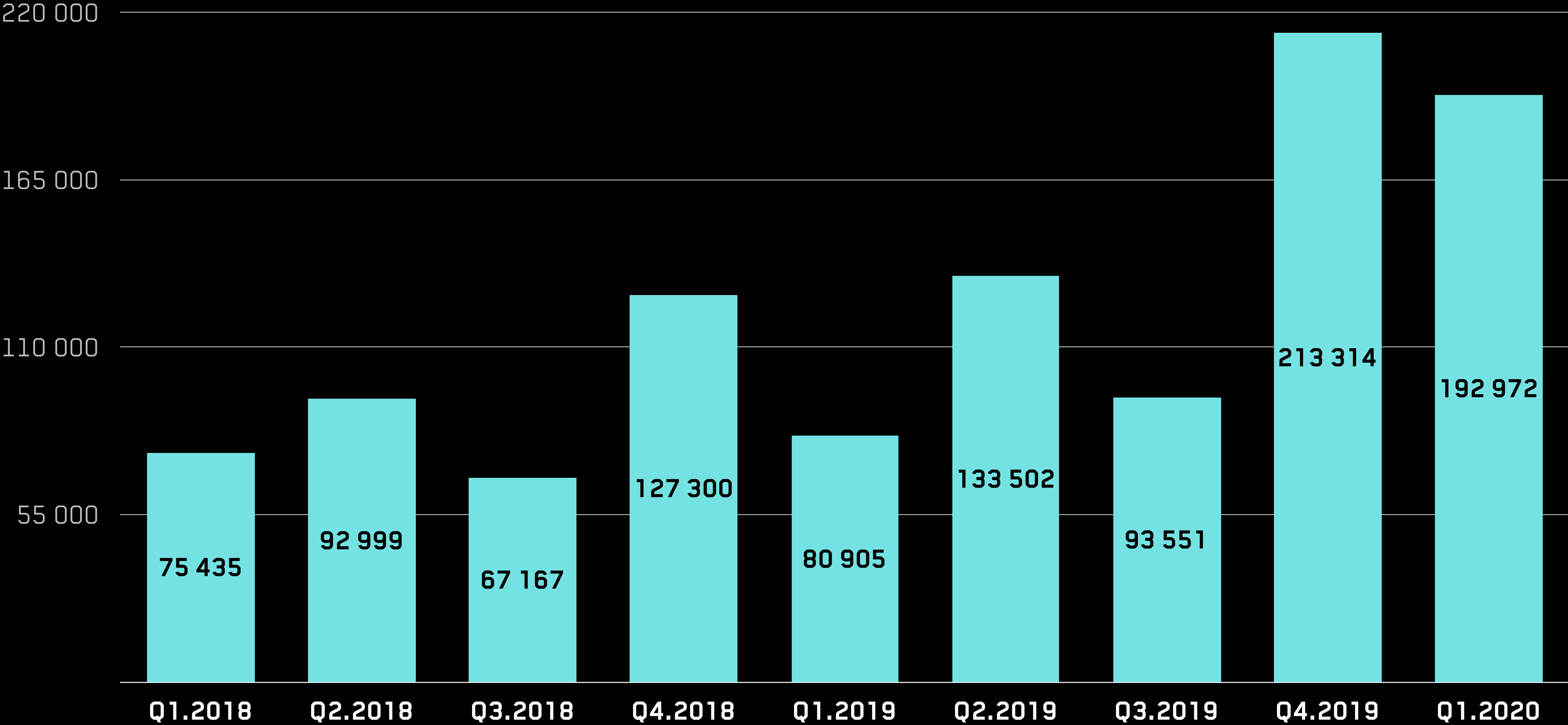


# CD PROJEKT GROUP - PROFIT AND LOSS ACCOUNT

|                                                   | Q1 2019       | Q1 2020        | RED            | GOG           | eliminations | change      |
|---------------------------------------------------|---------------|----------------|----------------|---------------|--------------|-------------|
| <b>Sales revenues</b>                             | <b>80 878</b> | <b>192 972</b> | <b>147 774</b> | <b>48 993</b> | <b>-3795</b> | <b>2,4x</b> |
| Revenues from sales of products                   | 50 870        | 137 220        | 133 089        | 2968          | 1163         |             |
| Revenues from sales of services                   | 48            | 319            | 1354           | 0             | -1035        |             |
| Revenues from sales of goods and materials        | 29 960        | 55 433         | 13 331         | 46 025        | -3923        |             |
| <b>Cost of products, goods and materials sold</b> | <b>28 691</b> | <b>47 491</b>  | <b>17 043</b>  | <b>33 553</b> | <b>-3105</b> | <b>1,7x</b> |
| Cost of products and services sold                | 6983          | 7677           | 6538           | 1484          | -345         |             |
| Cost of goods and materials sold                  | 21 708        | 39 814         | 10 505         | 32 069        | -2760        |             |
| <b>Gross profit from sales</b>                    | <b>52 187</b> | <b>145 481</b> | <b>130 731</b> | <b>15 440</b> | <b>-690</b>  | <b>2,8x</b> |
| <b>Operating costs</b>                            | <b>31 692</b> | <b>47 856</b>  | <b>36 528</b>  | <b>12 005</b> | <b>-677</b>  | <b>1,5x</b> |
| Selling costs                                     | 22 222        | 34 557         | 24 588         | 10 572        | -603         |             |
| General and administrative costs                  | 9677          | 11 771         | 10 419         | 1426          | -74          |             |
| Other costs and revenues                          | -207          | 1528           | 1521           | 7             | 0            |             |
| <b>EBIT</b>                                       | <b>20 495</b> | <b>97 625</b>  | <b>94 203</b>  | <b>3435</b>   | <b>-13</b>   | <b>4,8x</b> |
| Financial revenues less expenses                  | 2175          | 3333           | 4298           | -992          | 27           |             |
| Income tax                                        | 4939          | 8979           | 8453           | 522           | 4            |             |
| <b>Net profit</b>                                 | <b>17 731</b> | <b>91 979</b>  | <b>90 048</b>  | <b>1921</b>   | <b>10</b>    | <b>5,2x</b> |
| <b>Net profitability</b>                          | <b>22%</b>    | <b>48%</b>     | <b>61%</b>     | <b>4%</b>     |              |             |



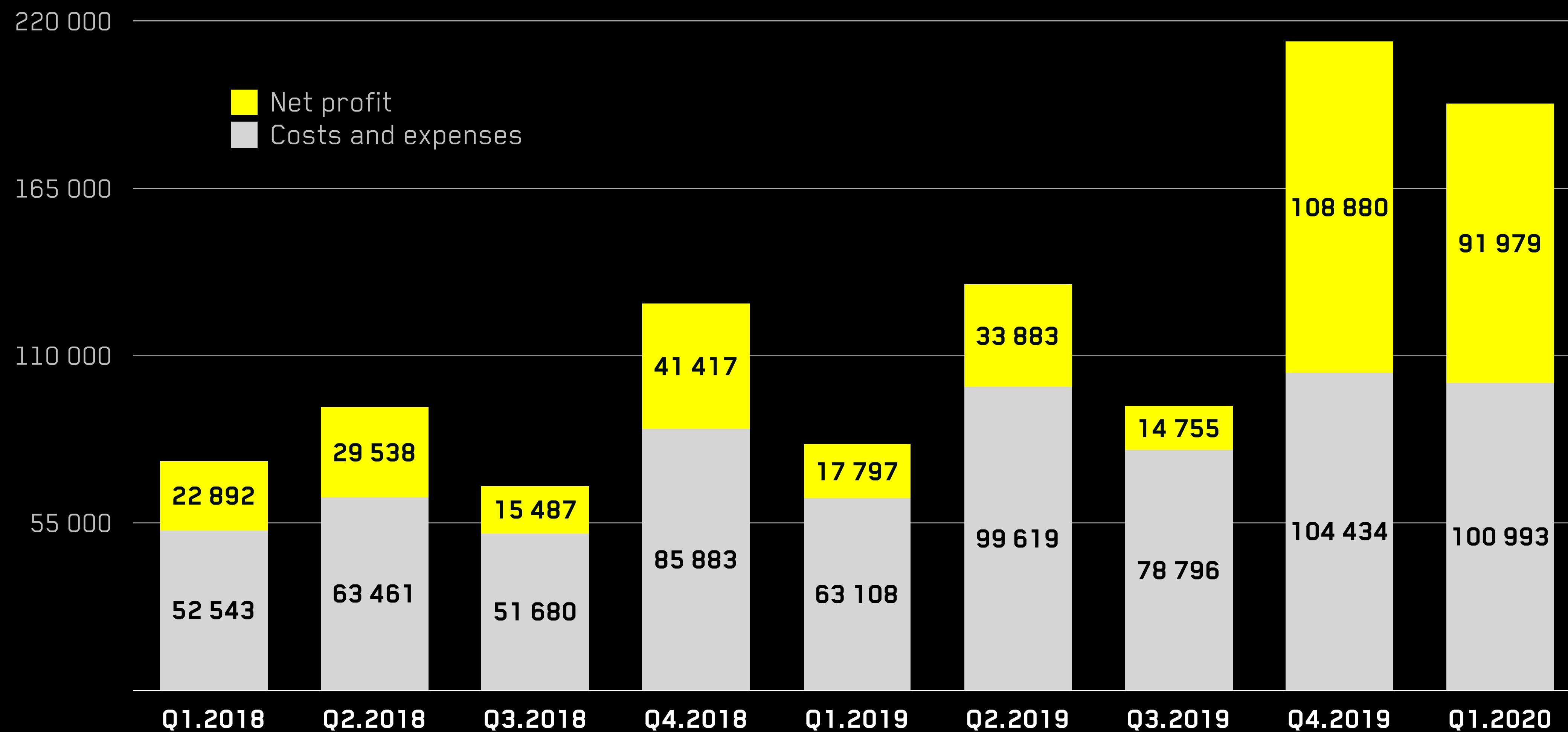
# CD PROJEKT GROUP - QUARTERLY REVENUES



All figures in PLN thousands



# CD PROJEKT GROUP - PROFIT VS. COSTS AND EXPENSES





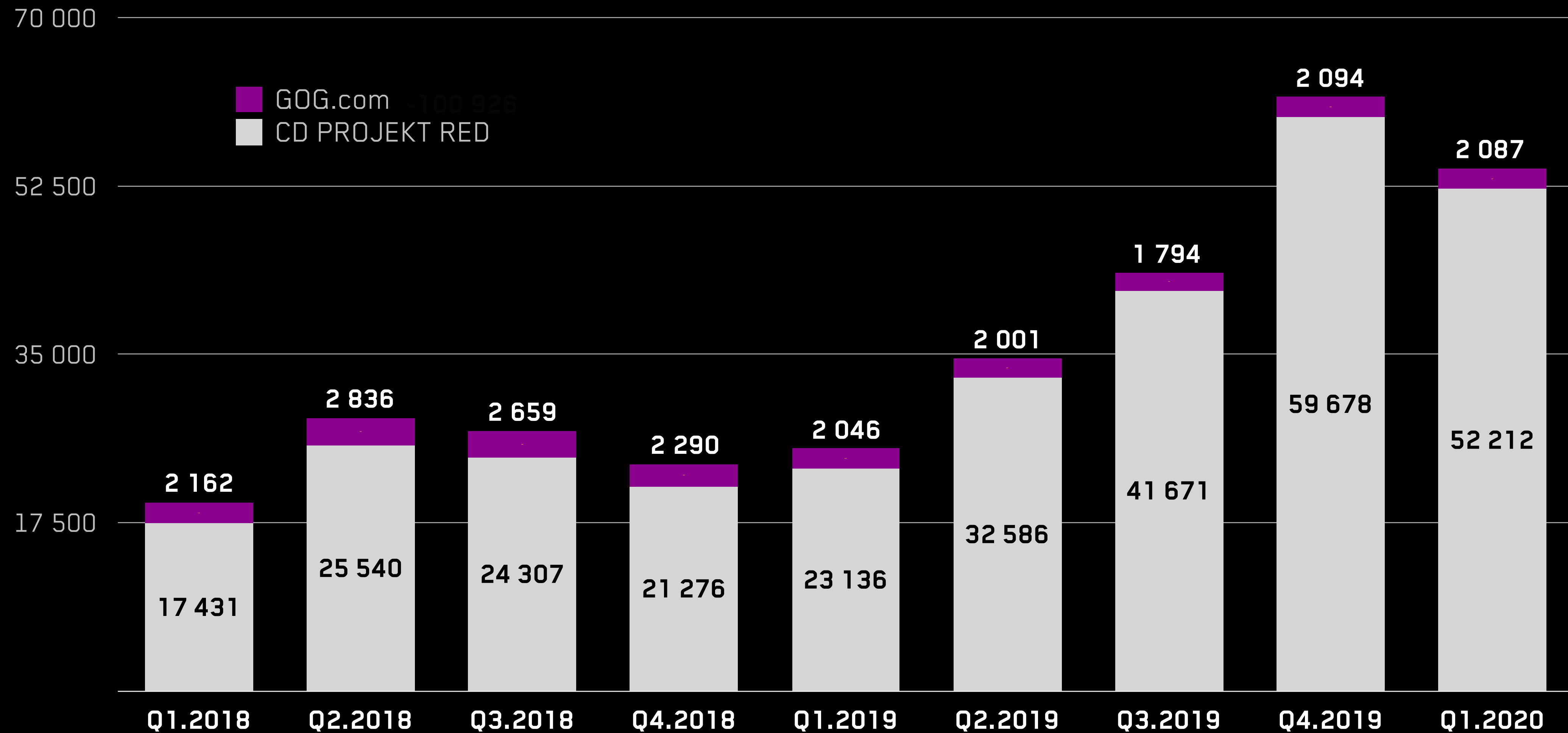
# CD PROJEKT GROUP - BALANCE SHEET

| ASSETS                               | 31.12.19         | 31.03.20         | change         | change %   |
|--------------------------------------|------------------|------------------|----------------|------------|
| <b>Fixed assets</b>                  | <b>679 097</b>   | <b>727 765</b>   | <b>48 668</b>  | <b>7%</b>  |
| Expenditures on development projects | 385 848          | 435 784          | 49 936         | 13%        |
| Other fixed assets                   | 293 249          | 291 981          | -1268          | 0%         |
| <b>Working assets</b>                | <b>725 011</b>   | <b>796 947</b>   | <b>71 936</b>  | <b>10%</b> |
| Inventories                          | 12 862           | 22 874           | 10 012         | 78%        |
| Receivables                          | 210 292          | 140 283          | -70 009        | -33%       |
| Other working assets                 | 19 556           | 23 470           | 3914           | 20%        |
| Cash and bank deposits               | 482 301          | 610 320          | 128 019        | 27%        |
| <b>TOTAL ASSETS</b>                  | <b>1 404 108</b> | <b>1 524 712</b> | <b>120 604</b> | <b>9%</b>  |

| EQUITY AND LIABILITIES              | 31.12.19         | 31.03.20         | change         | change %   |
|-------------------------------------|------------------|------------------|----------------|------------|
| <b>Equity</b>                       | <b>1 105 651</b> | <b>1 202 221</b> | <b>96 570</b>  | <b>9%</b>  |
| <b>Long-term liabilities</b>        | <b>25 158</b>    | <b>23 090</b>    | <b>-2068</b>   | <b>-8%</b> |
| <b>Short-term liabilities</b>       | <b>273 299</b>   | <b>299 401</b>   | <b>26 102</b>  | <b>10%</b> |
| Liabilities                         | 73 260           | 61 156           | -12 104        | -17%       |
| Deferred revenues                   | 161 364          | 183 961          | 22 597         | 14%        |
| Provisions                          | 38 675           | 54 284           | 15 609         | 40%        |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>1 404 108</b> | <b>1 524 712</b> | <b>120 604</b> | <b>9%</b>  |



# CD PROJEKT GROUP - CHANGES IN EXPENDITURES ON DEVELOPMENT PROJECTS





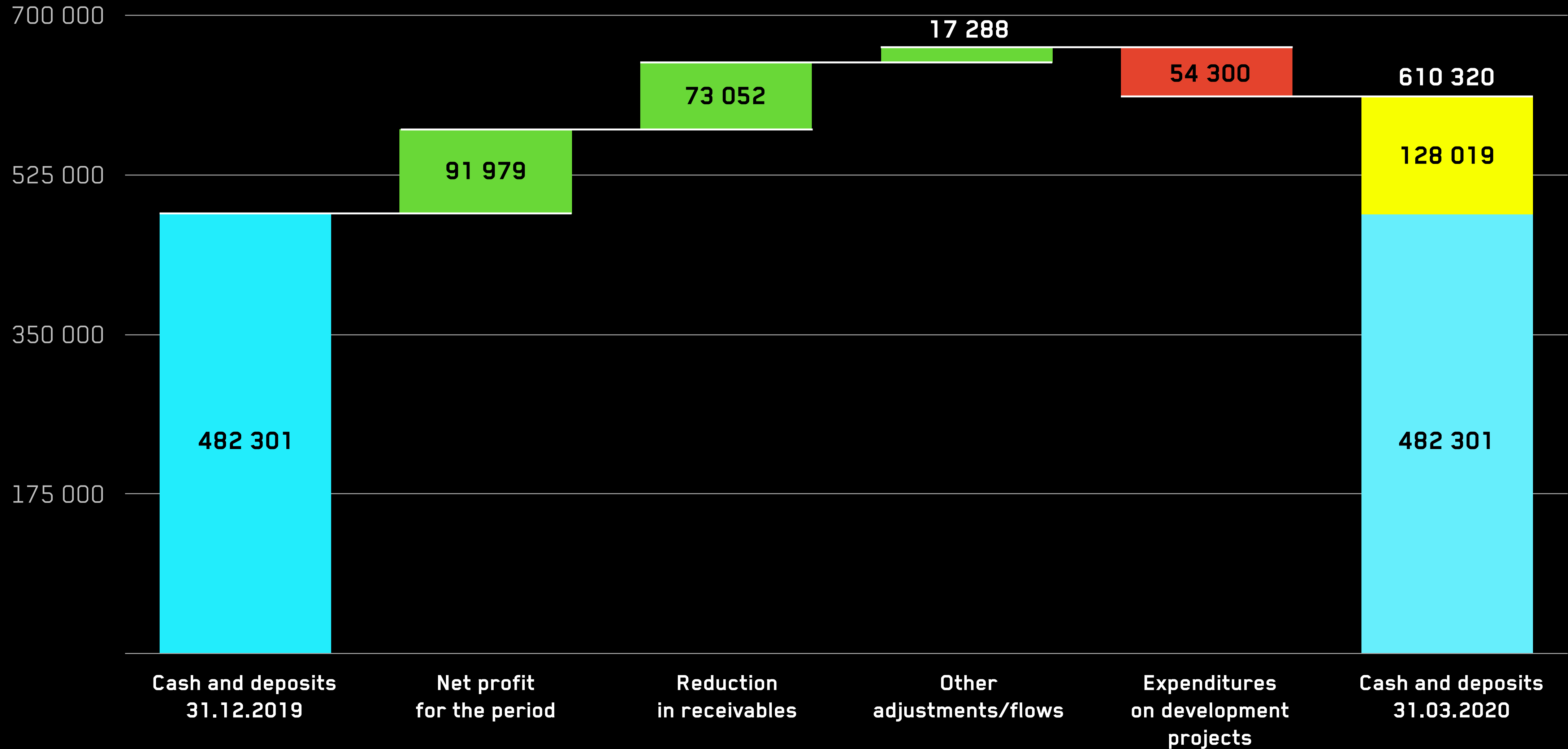
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# CD PROJEKT GROUP - CASH FLOW







→ Q & A ←

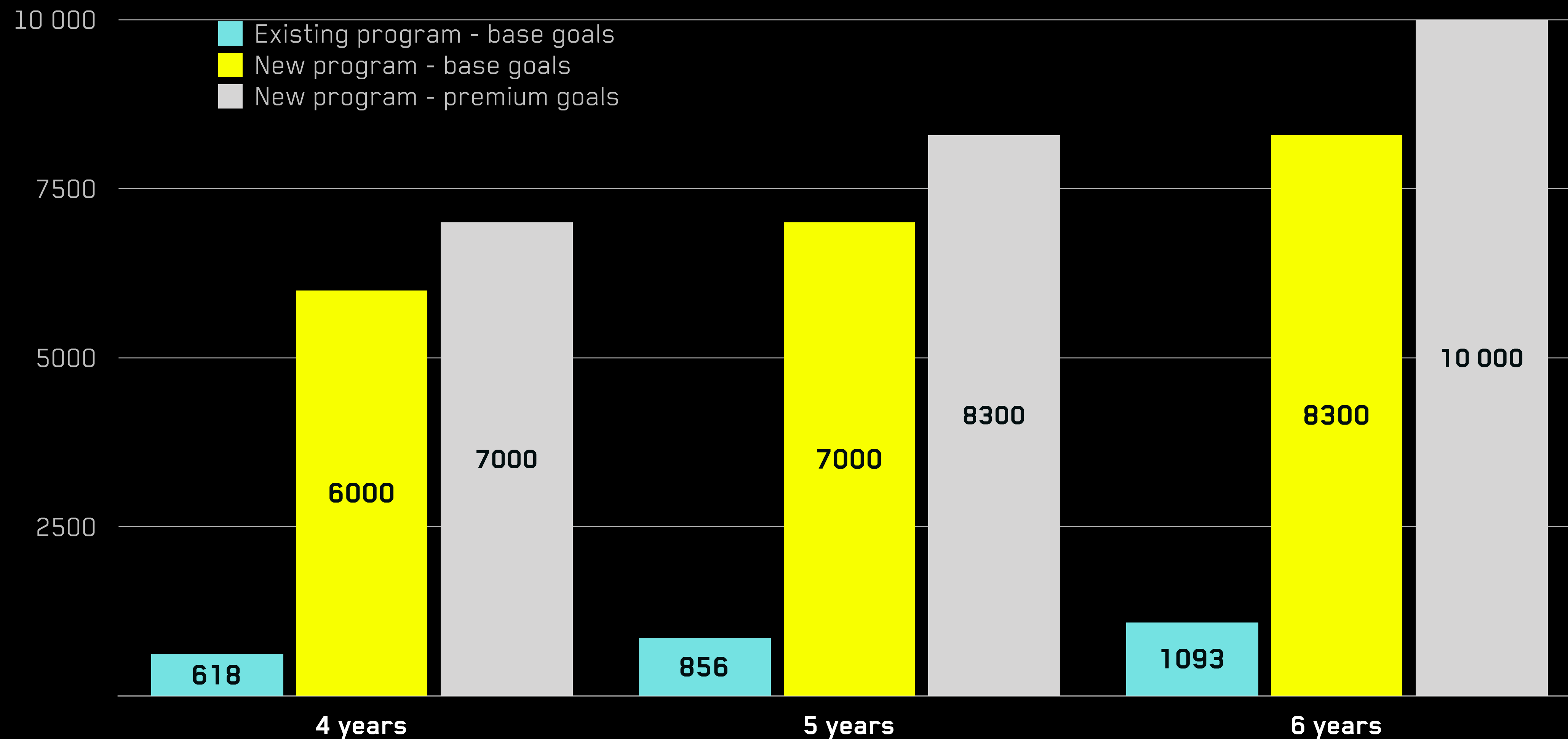


# APPENDIX





# INCENTIVE PROGRAM FOR 2020-2025 - PLANS





→ **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 2020 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.

