



CD PROJEKT Group FY 2021 Earnings

14 April 2022

Adam Kiciński // President, Joint CEO

Piotr Nielubowicz // Member of the Board, CFO

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

YEAR OF PIVOTAL INTERNAL CHANGES

RED 2.0 in progress - building agile teams and internal competences

Building two independent teams to work on 2 AAA projects

Strengthening the role of CTO followed by changes to the Management Board

Refocus on staff well-being and priority given to HR activities



PATCH 1.5 AVAILABLE ON

XBOX ONE PS4 PC STADIA

CYBERPUNK

2077

**NEXT-GEN
UPDATE**

→ AVAILABLE NOW ←

XBOX SERIES X|S PS5

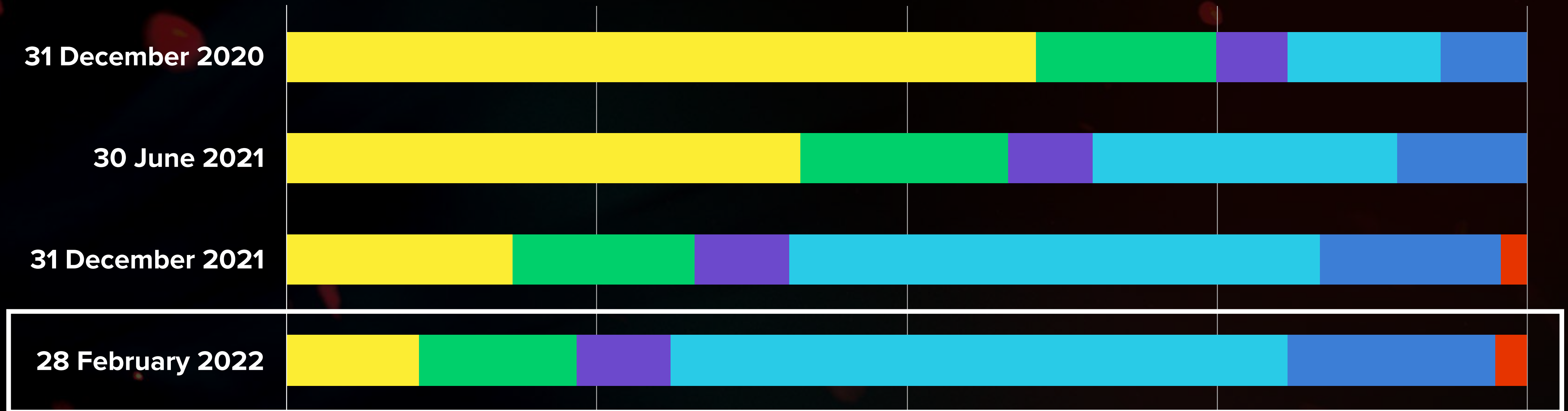
CYBERPUNK
2077

18+ **MILLION**

COPIES SOLD*

* as of 14 April 2022; retail sales to gamers (sell-through); company estimates based on information collected from distributors

DEVELOPMENT TEAMS ENGAGED IN ONGOING PROJECTS



- Support for Cyberpunk 2077 + next-gen version
- GWENT-related projects
- SPOKKO
- CP Expansion
- Other projects, incl. new game in The Witcher IP
- The Molasses Flood



NEW OUTPOSTS TO REACH FOR TALENT POOL
AND COMPLEMENT OUR COMPETENCES



**THE
MOLASSES
FLOOD**
A CD PROJEKT STUDIO

A STRATEGIC PARTNERSHIP WITH EPIC GAMES USING

UNREAL ENGINE

IN OUR UPCOMING GAMES



CD PROJEKT RED®



UNREAL
ENGINE



THE
WITCHER®

A NEW SAGA BEGINS

THE
WITCHER®

65+ MILLION

COPIES SOLD, INCLUDING

40+ MILLION

OF THE WITCHER 3: WILD HUNT*

PRODUCTION PLANS FOR 2022

Development work on Cyberpunk 2077 expansion

Development work on a new Witcher game based on Unreal Engine 5

Further support for Cyberpunk 2077

Development work on the next-gen version of The Witcher 3: Wild Hunt

Development work at The Molasses Flood on an unannounced project based on one of our franchises

Launch of a single-player mode for GWENT: The Witcher Card Game

Further support for GWENT: The Witcher Card Game and The Witcher: Monster Slayer

Conceptual and research work on unannounced projects



A NETFLIX ORIGINAL ANIME SERIES

CYBERPUNK

EDGERUNNERS



CD PROJEKT RED®



TRIGGER

NETFLIX | COMING 2022



FINANCIAL RESULTS

OF THE CD PROJEKT GROUP

CD PROJEKT GROUP — PROFIT AND LOSS ACCOUNT

	CD PROJEKT GROUP		RED	GOG		2021
	2020	2021	2021	2021	eliminations	vs. 2020
Sales revenues	2 138 875	888 172	701 739	199 983	-13 550	-58%
Revenues from sales of products	1 839 932	691 564	678 507	8 264	4 793	-62%
Revenues from sales of services	2 242	5 865	8 103	286	-2 524	162%
Revenues from sales of goods and materials	296 701	190 743	15 129	191 433	-15 819	-36%
Cost of products, goods and materials sold	491 364	250 234	118 547	144 458	-12 771	-49%
Cost of products and services sold	256 105	107 391	104 933	4 236	-1 778	-58%
Cost of goods and materials sold	235 259	142 843	13 614	140 222	-10 993	-39%
Gross profit from sales	1 647 511	637 938	583 192	55 525	-779	-61%
Operating costs	490 434	405 035	319 645	86 086	-696	-17%
Selling costs	408 016	299 225	239 160	60 382	-317	-27%
– CP77 service	9 147	80 792	80 792			
General and administrative costs	66 435	71 949	65 413	6 735	-199	8%
– early projects research phase costs	1 889	23 985	23 985			
Other operating expenses and revenues	15 983	33 861	15 072	18 969	-180	112%
– REDengine multiplayer tech - writeoff		20 806	20 806			
– GOG tech change of depr. scheme; MG's writeoffs		15 014		15 014		
EBIT	1 157 077	232 903	263 547	-30 561	-83	-80%
Financial revenues less expenses	7 872	-13 795	-11 205	-2 688	98	-275%
Income tax	14 801	10 200	13 664	-3 458	-6	-31%
Net profit	1 150 148	208 908	238 678	-29 791	21	-82%
Net profitability	54%	24%	34%	-15%		

CD PROJEKT S.A. – SALES AND COSTS PROVISIONS (EXCLUDING PROVISIONS FOR BONUSES)

	Sales*	Costs**
Provisions in place at the end of 2020	194 537	34 131
New provisions created in 2021	42 635	94 955
Total provisions consumed during 2021	136 236	74 435
Provisions dissolved in 2021	100 936	17 838
Provisions in place at the end of 2021	0	36 814
Influence on 2021 P&L statement:		
Sales revenues increase	58 301	
Costs increase		77 117
Total negative effect on EBIT		18 816

Both sales and costs provisions are adjusted individually per each contract.

* Cyberpunk 2077 only

** Mainly Cyberpunk 2077

All figures in **PLN** thousands

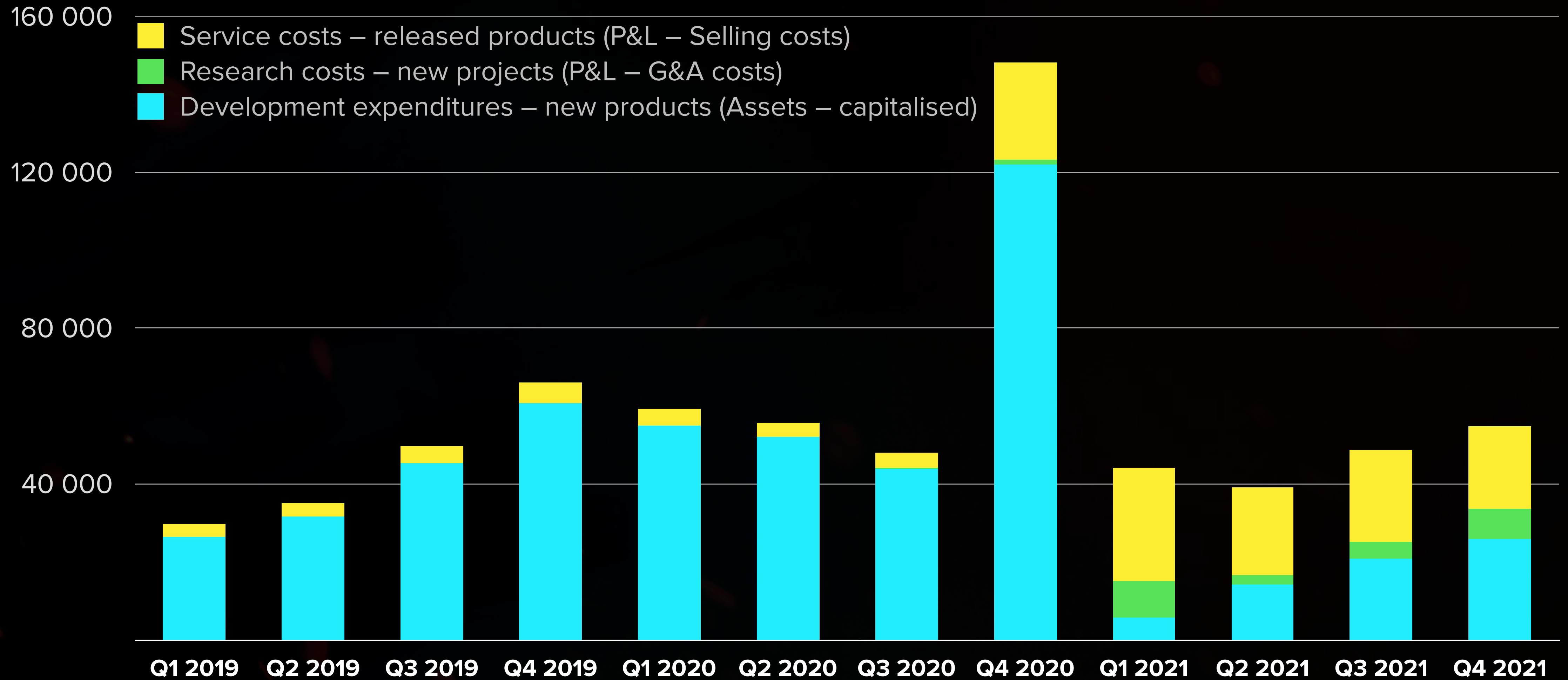
CD PROJEKT GROUP – ASSETS

ASSETS	31.12.2020	31.12.2021	change	change%
Fixed assets	759 999	905 846	145 847	19%
Expenditures on development projects	406 798	350 195	-56 603	-14%
Other financial assets*	51 588	178 540	126 952	246%
Shares in subsidiaries excluded from consolidation	8 195	38 520	30 325	370%
Deferred income tax assets	11 003	47 418	36 415	331%
Other fixed assets	282 415	291 173	8 758	3%
Working assets	2 130 300	1 252 889	-877 411	-41%
Inventories	6 957	15 886	8 929	128%
Receivables	1 275 813	238 889	-1 036 924	-81%
Deferrals	13 383	13 763	380	3%
Other financial assets*	106 444	307 765	201 321	189%
Cash and bank deposits*	727 703	676 586	-51 117	-7%
TOTAL ASSETS	2 890 299	2 158 735	-731 564	-25%
<i>*Cash, bank deposits and T-bonds – total</i>	<i>874 688</i>	<i>1 154 001</i>	<i>279 313</i>	<i>32%</i>

CD PROJEKT GROUP – EQUITY AND LIABILITIES

EQUITY AND LIABILITIES	31.12.2020	31.12.2021	change	change%
Equity	2 183 177	1 894 356	-288 821	-13%
Liabilities	707 122	264 379	-442 743	-63%
Liabilities	172 432	137 610	-34 822	-20%
Deferred revenues	48 721	37 972	-10 749	-22%
Provisions	485 969	88 797	-397 172	-82%
- bonuses	256 130	44 856	-211 274	-82%
- sales	194 537	0	-194 537	-100%
- costs/expenses	35 302	43 941	8 639	24%
TOTAL EQUITY AND LIABILITIES	2 890 299	2 158 735	-731 564	-25%

CD PROJEKT RED — PRODUCT RESEARCH, DEVELOPMENT & SERVICE COSTS



CD PROJEKT GROUP — CASH FLOW





THANK YOU

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