

CD PROJEKT GROUP FY 2022 Earnings

30 MARCH 2023

Adam Kiciński | PRESIDENT, CEO

Piotr Nielubowicz | MEMBER OF THE BOARD, CFO

Michał Nowakowski | MEMBER OF THE BOARD, SVP BUSINESS DEVELOPMENT



2022

A clear vision for the years ahead

- ▶ **Parallel development kicks off:** two teams working on separate projects
- ▶ **Strategic partnership with Epic Games** on using Unreal Engine in our upcoming games
- ▶ **Strategy Update:** reveal of CD PROJEKT longterm product outlook
- ▶ **1.5 patch** - dedicated version of **Cyberpunk 2077** for the next-gen consoles
- ▶ **Success of anime series Cyberpunk: EDGERUNNERS** on Netflix with new in-game content in **1.6 Edgerunners Update**
- ▶ Collaboration with Fool's Theory studio on **The Witcher Remake**
- ▶ Release of **The Witcher 3: Wild Hunt** edition for the next-gen consoles



PATCH 1.5

© 2020 CD PROJEKT S.A. WYKORZYSTANIE WYKRESZCZONYCH ZOBOWIĄZAŃ I PRAW AUTORSKICH CD PROJEKT S.A. WYKORZYSTANIE WYKRESZCZONYCH ZOBOWIĄZAŃ I PRAW AUTORSKICH CD PROJEKT S.A. WYKORZYSTANIE WYKRESZCZONYCH ZOBOWIĄZAŃ I PRAW AUTORSKICH CD PROJEKT S.A.

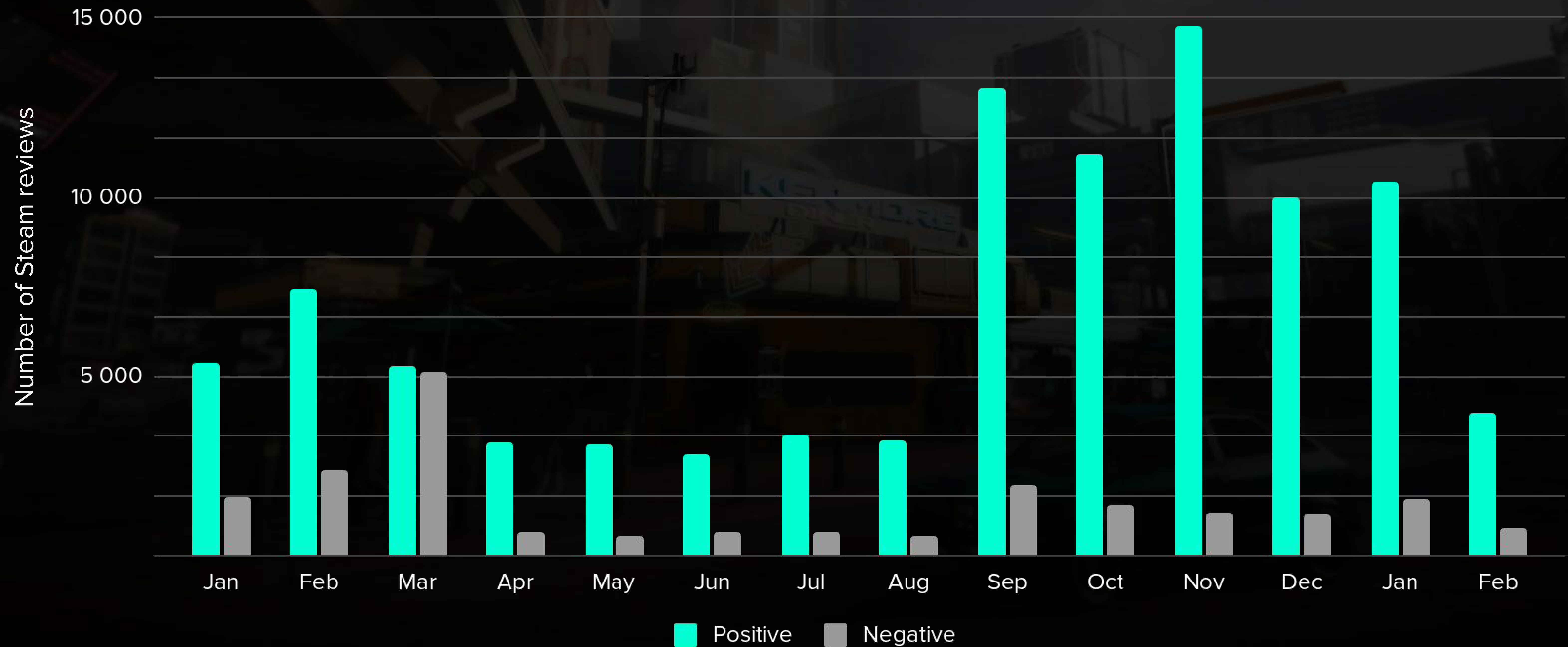
CYBERPUNK

2077

2.00.39140

EDGERUNNERS
UPDATE

Great feedback after Cyberpunk 2077 major updates in 2022



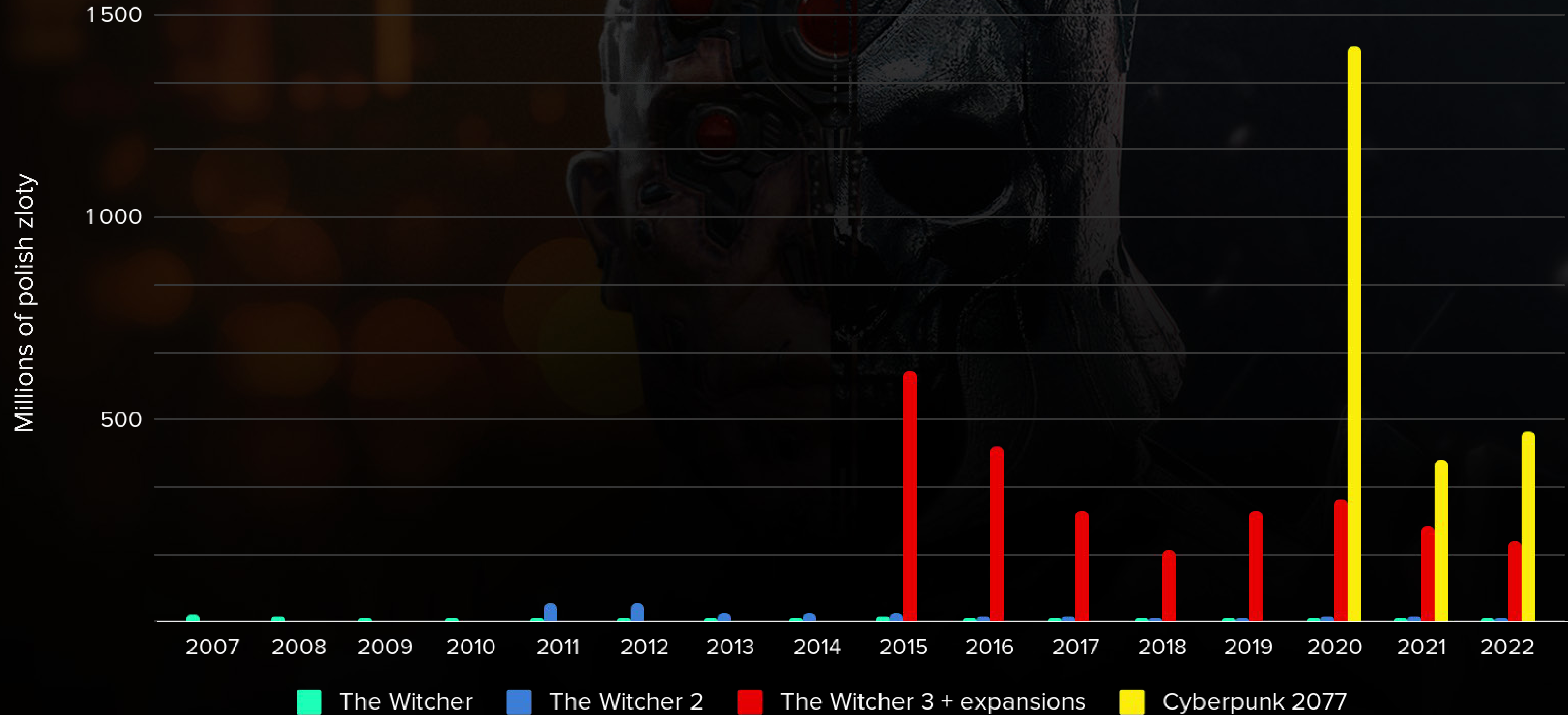
A promotional image for The Witcher 3: Wild Hunt Complete Edition. Geralt of Rivia is the central figure, shown from the chest up, wearing his signature silver and black armor. He has long, grey hair tied back and a serious, determined expression. He is holding the hilt of his sword, the Witcher's Blade, which is partially visible. The background is a dramatic, volcanic landscape with jagged, snow-capped mountains under a hazy, grey sky. In the foreground, there are dark, rocky terrain and a large plume of fire and ash on the right side, with glowing embers and sparks falling. The overall atmosphere is one of epic fantasy and adventure.

THE
WITCHER
WILD HUNT

COMPLETE EDITION

Revenues from sales of CD PROJEKT RED games

CD PROJEKT RED long-term sales tail



Strengthening the RED team

- ▶ **HEADCOUNT:** Over 1000 in CDPR – scaling for the development of two AAA games
- ▶ **ENGAGEMENT:** 85% of REDs took part in the voluntary employee survey – giving space for opinions, new paths to improve job quality
- ▶ **TURNOVER:** Drop by 6% vs. 2021 – stabilizing teams
- ▶ **COMPENSATION:** Year by year adjustments of remuneration – top talents in Europe within our reach

Below table compares inflation in Poland in relation to CDPR salary increases over the last three years

	2020	2021	2022
inflation*	3.4%	5.1%	14.4%
CDPR base salary increases%	8%	23%	27%

*Central Statistical Office (GUS)

Development teams engaged in ongoing projects



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

*The "Other projects" category reported as of the end of December 2021 includes the research phase of Polaris – the new Witcher project.



CYBERPUNK
2077

PHANTOM LIBERTY

MARKETING CAMPAIGN STARTS THIS JUNE

FINANCIAL RESULTS

of CD PROJEKT GROUP



CD PROJEKT GROUP — Profit and loss account

	CD PROJEKT GROUP		RED	GOG		2022	2022
	2021	2022	2022	2022	eliminations	vs. 2021 [PLN]	vs. 2021 [%]
Sales revenue	888 172	952 576	780 309	188 579	-16 312	64 404	7%
Sales of products	691 564	767 499	761 518	0	5 981	75 935	11%
Sales of services	5 865	1 960	3 044	272	-1 356	-3 905	-67%
Sales of goods for resale and materials	190 743	183 117	15 747	188 307	-20 937	-7 626	-4%
Cost of sales	250 234	243 974	124 808	134 387	-15 221	-6 260	-3%
Cost of products and services sold	107 391	111 562	112 997	50	-1 485	4 171	4%
Cost of goods for resale and materials sold	142 843	132 412	11 811	134 337	-13 736	-10 431	-7%
Gross profit on sales	637 938	708 602	655 501	54 192	-1 091	70 664	11%
Operating costs	405 035	331 255	285 936	46 037	-718	-73 780	-18%
Selling expenses	299 225	222 350	180 841	42 168	-659	-76 875	-26%
– CP77 service	80 792	22 882	22 882			-57 909	-72%
Administrative expenses	71 949	75 536	69 256	6 489	-209	3 587	5%
– early projects research phase costs	23 985	4 593	4 593			-19 392	-81%
Other operating income less expenses	-33 861	-33 369	-35 839	2 620	-150	492	-1%
– Project Siruis – impairment		33 375	33 375				
EBIT	232 903	377 347	369 565	8 155	-373	144 444	62%
Financial income less costs	-13 795	15 838	16 785	-1 026	79	29 633	-215%
– Revaluation of Spokko shares		27 271	27 271				
Income tax	10 200	46 092	44 255	1 881	-44	35 892	352%
Net profit	208 908	347 093	342 095	5 248	-250	138 185	66%
Net profitability	23.0%	36.4%	43.8%	2.8%			

CD PROJEKT GROUP – assets

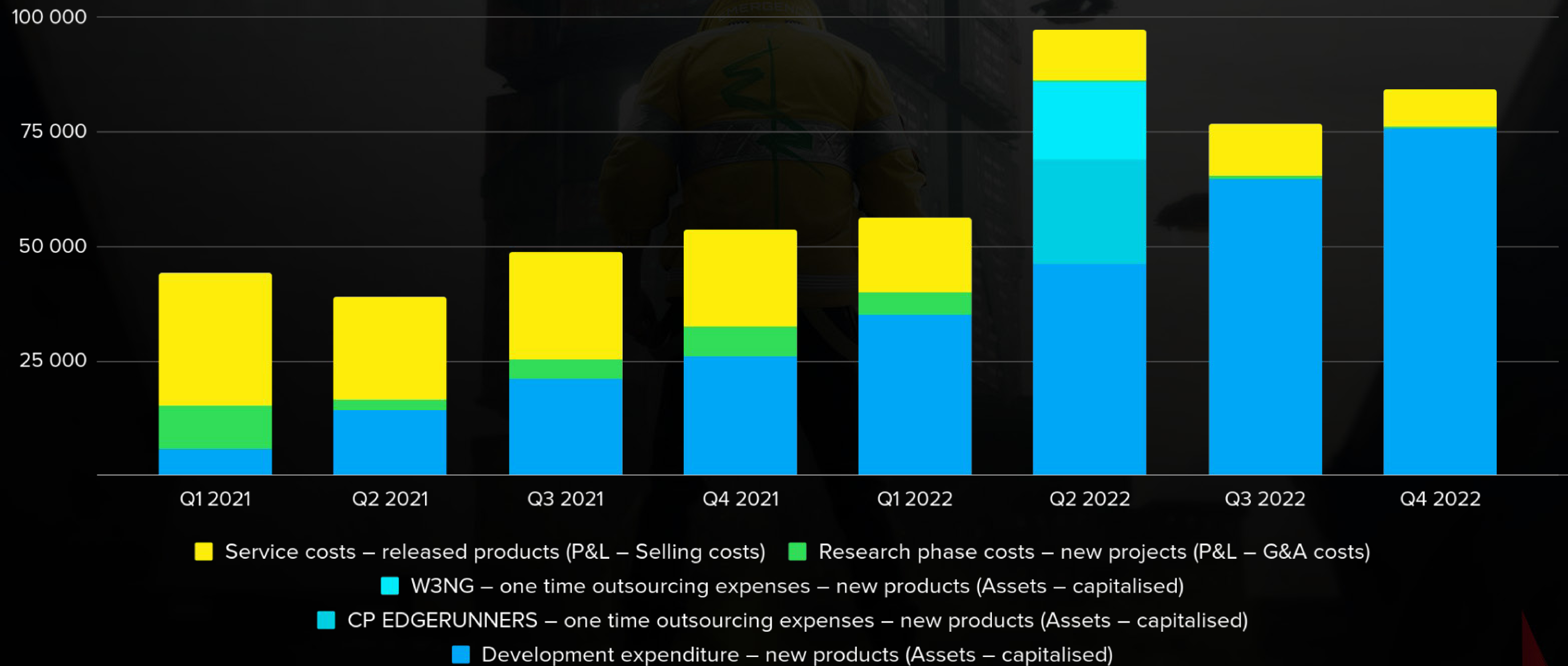
Assets	31.12.2021	31.12.2022	change	change %
Non-current assets	905 846	1 119 978	214 132	24%
Expenditure on development projects	350 195	473 202	123 007	35%
– new development during 2022			262 236	
– costs recognized during 2022			-139 229	
Other financial assets *	178 540	207 437	28 897	16%
Property, plant and equipment	119 588	145 252	25 664	21%
Intangible assets	58 393	69 157	10 764	18%
Shares in non-consolidated subordinated entities	38 520	41 607	3 087	8%
Prepayments and deferred costs	11 434	31 074	19 640	172%
Other non-current assets	149 176	152 249	3 073	2%
Current assets	1 252 889	1 154 146	-98 743	-8%
Inventories	15 886	12 701	-3 185	-20%
Trade receivables	125 293	165 290	39 997	32%
Other receivables	113 596	58 597	-54 999	-48%
Prepayments and deferred costs	13 763	22 886	9 123	66%
Other financial assets *	307 765	279 515	-28 250	-9%
Cash and bank deposits *	676 586	615 157	-61 429	-9%
Total assets	2 158 735	2 274 124	115 389	5%
<i>*Cash, bank deposits and T-bonds – total</i>	<i>1 154 001</i>	<i>1 091 005</i>	<i>-62 996</i>	<i>-5%</i>

CD PROJEKT GROUP – equity and liabilities

Equity and liabilities	31.12.2021	31.12.2022	change	change %
Equity	1 894 356	2 033 404	139 048	7%
Liabilities	264 379	240 720	-23 659	-9%
Liabilities	137 610	115 560	-22 050	-16%
Deferred income	37 972	26 094	-11 878	-31%
Provisions	88 797	99 066	10 269	12%
– bonuses	44 856	67 966	23 110	52%
– costs/expenses	43 941	31 100	-12 841	-29%
Total liabilities and equity	2 158 735	2 274 124	115 389	5%

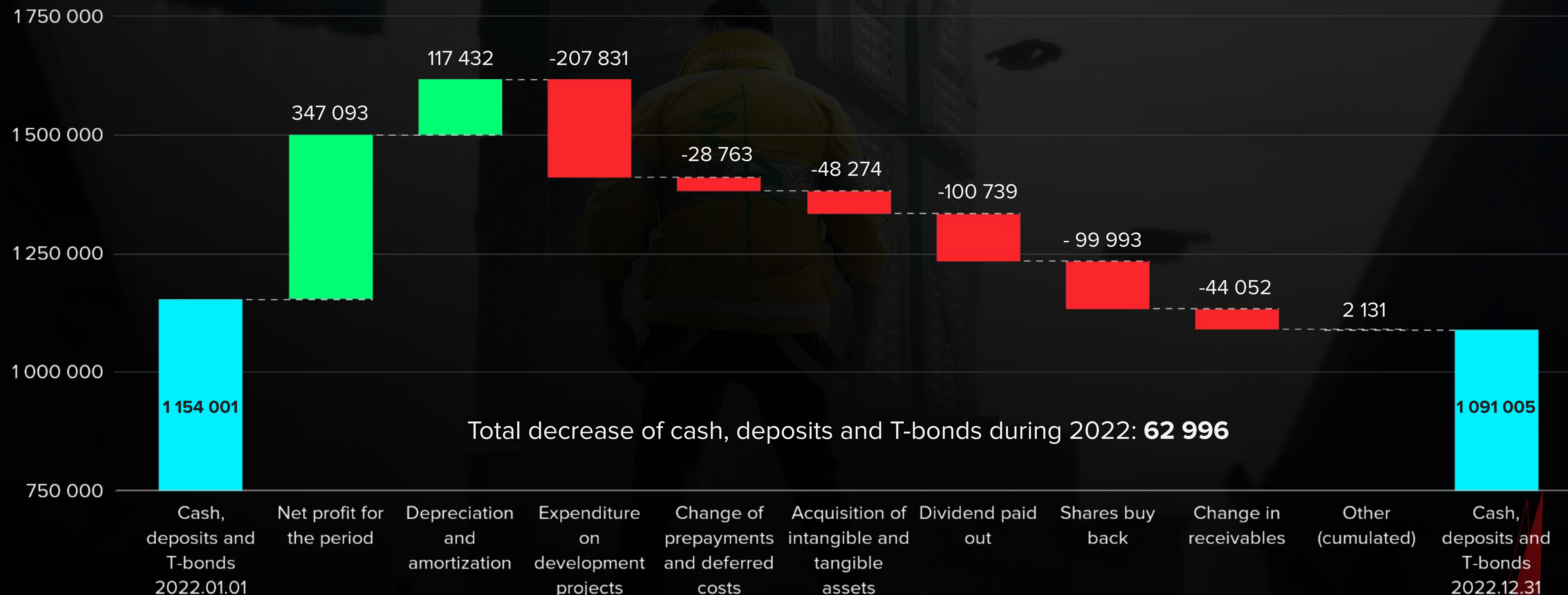
CD PROJEKT RED

Product research, development & service costs



CD PROJEKT GROUP

Changes in cash, deposits & T-bonds





THANK YOU

ir@cdprojekt.com

karolina.gnas@cdprojekt.com

Legal Disclaimer

This presentation was created by CD PROJEKT S.A. (“CD PROJEKT”).

Data contained in this presentation is valid as of the day of its preparation. Consequently, this presentation will not be subject to changes, updates or modifications to account for events which might occur after this day.

The presentation outlines the activities of CD PROJEKT and the CD PROJEKT Group. It is purely informative in scope and should not be regarded as offering investment advice. Information contained in this presentation must not be construed as assurances, projections or forecasts regarding future accomplishments or earnings of CD PROJEKT or of the CD PROJEKT Group.

Although due diligence was applied in preparing this presentation, it may nevertheless contain ambiguities. Under no circumstances should this presentation be construed as a purchase recommendation, an invitation to subscribe to, or an offer to recommend purchase or subscription to any securities issued by CD PROJEKT.

The recipients of this presentation bear all responsibility for their own analyses and assessments regarding the status of the market as well as the condition and potential future earnings of CD PROJEKT which may be based on information contained herein. CD PROJEKT wishes to advise all parties accessing this presentation that the sole authoritative source of information concerning the Company’s earnings, projections, events and indicators is represented by the current and periodic reports published by CD PROJEKT in the course of discharging its reporting obligations under Polish law.

This presentation is not to be circulated in territories and states where public circulation and sharing of information contained herein may be subject to legal restrictions. Parties accessing this presentation are advised to familiarize themselves with any such restrictions beforehand.

CD PROJEKT S.A. or any of its affiliates in the capital group (“CD PROJEKT”) with regards to any kind of, either sponsored or unsponsored ADR (“alternative depositary receipts”) or any other financial instruments of this kind (“Financial Instruments”) does not (i) make any warranties, expressed or implied, as to the accuracy, adequacy or completeness or any of the information connected with the Financial Instruments, (ii) support or encourage the creation of any kind of the Financial Instruments. CD PROJEKT does not represent any depository institution, bank or anyone nor should any such entity/person.

CD PROJEKT shall have no responsibility or liability for the Financial Instruments. In case of any question, the holder of any Financial Instruments (as defined above) shall receive all the essential information at the institution issuing such Financial Instruments or any institution supporting such issuance of the Financial Instruments.