

Michał Nowakowski (MN):

Good afternoon,

My name is Michał Nowakowski, and I'll be your host during today's conference dedicated to the CD PROJEKT Group's financial results for the third quarter of 2025. I will be co-presenting with Piotr Nielubowicz. After the presentation, we will traditionally invite you to participate in a Q&A session where we will be joined by Karolina Gnaś, our VP and Head of Investor Relations.

Starting off, I'm thrilled to announce that just on the eve of its 5th anniversary, Cyberpunk 2077 has just surpassed the 35 million copies sold milestone. This is not only a remarkable achievement for us, but also a powerful testament to the strength of the franchise and the effectiveness of our business strategy. We deliver high-quality, story-driven games that keep selling, supported by content updates that ensure our games continue to evolve and engage players for years.

Staying on the Cyberpunk sales topic, let me briefly walk you through the game's performance on the PlayStation platform – as you probably know, in July we introduced Cyberpunk 2077 to the PlayStation Plus Extra and Premium catalogue - for the first time ever offering the game as part of a subscription service.

Based on data from the first four months of the game's availability to subscribers, we see that interest in the Cyberpunk franchise on PlayStation remains strong, and that the game continues to reach new groups of players on that platform. And just for the sake of clarity, the 35 million number on the previous slide included only direct purchases of the game – and any time we're gonna mention a number like that, that's also gonna be only about the sales, not accounting for any downloads from the subscription catalogue.

Beyond the direct positive financial impact that the PlayStation licensing deal had on our Q3 results, we are particularly glad to see that many of these new players choose to buy the Phantom Liberty expansion and expand their adventures in Night City.

The upcoming Cyberpunk anniversary coincides with another important date for the company and the IP. Two years ago, we launched our Boston Hub and started building the team responsible for the next Cyberpunk title there. We'd like to take this opportunity to give you a quick update and shed some light on our plans for the development of the Cyberpunk 2 team, especially in the context of the Boston Hub.

Initially, this began with transferring the core team, which consisted of studio veterans previously involved in the development of Cyberpunk 2077 and the Phantom Liberty expansion, to spearhead the project. This group has significantly expanded since then, joined by skilled industry professionals with a proven track record of well-known AAA projects under their belts - such as GTA, God of War, World of Warcraft or The Last of Us. And those are only some of the many examples.

Currently, the Boston-based part of the Cyberpunk 2 team consists of over 80 members, with more than 90% of them holding Senior-level positions. Having accomplished our goal of building a strong leadership team at its core, we are now shifting to hiring more mid-entry level roles to carry on with pre-production works. We plan to expand the Boston-based Cyberpunk team as the project progresses, and double it in the next two years.

We also intend to shift the split between the Boston-based team and the teams in Vancouver and Warsaw to around 50% in the coming years, as the Canadian and Polish team will be steadily growing in size as well.

Establishing the Boston-based Cyberpunk 2 enabled us to carry on with the development of two separate big triple A games at the same time. Despite introducing some geographical and operational complexity, it brought in a wealth of multi-layered experience, skills, and backgrounds. We strongly believe that this investment will pay off in the future, bringing the next Cyberpunk experience to a new level.

Getting back to the topic of current recruitment, let me briefly walk you through the final slide of my part of the presentation, which discusses recent changes in the size of our project teams.

Over this year, our recruitment efforts have shifted into higher gear, driven by the needs of our expanding projects. This trend was maintained over the past three months, with over 50 talented developers joining the studio and its teams. The majority of new hires are part of the Cyberpunk 2 team, as the project continues its pre-production phase works.

That would be all from me. Now it's time for financials – I'll hand it over to Piotr.

Piotr Nielubowicz (PN):

Thank you Michał, and good evening everyone.

Let's start with our Consolidated Profit and Loss account on slide 7.

Our Group sales revenue for the third quarter of 2025 reached nearly 350 million zloty - that's 53% more than in the corresponding period last year.

Naturally, most of this revenue came from sales of our own products - especially the Cyberpunk family. It is worth mentioning that regular sales of Cyberpunk 2077 and Phantom Liberty on PC, XBOX and Playstation generated higher revenues in this year's Q3 than the year before. On top of that, we booked income attributable to introducing the base edition of Cyberpunk to PlayStation Plus Extra and Premium subscription services, as well as to sales of the Ultimate Edition of the game for Nintendo Switch 2 and Mac platforms. Talking about the Cyberpunk product family, all of the above resulted in a more than twofold increase in revenues compared to Q3 2024.

At the same time, revenues from sales of The Witcher games were lower compared to last year, when in Q3 we had booked revenue from The Witcher 3 being made available on PlayStation Plus Extra and Premium.

Our sales of goods and materials reached 58 million zloty, and recorded a 24% growth vs last year. While GOG's contribution to this line item was stable quarter-to-quarter (despite a strengthening of PLN vs. USD and EUR), in the case of the CD PROJEKT RED segment - the figure reached over 14 million zloty, which is 10 times more than in the reference period. This was driven mainly by our sales of physical cartridges of Cyberpunk Ultimate Edition for Nintendo Switch 2.

Our cost of products and services sold was lower in Q3 2025 compared to Q3 of the previous year, mainly for two reasons: first, due to applying a declining amortisation model; and second, because we had extended the amortisation scheme based on an estimation of the useful lives of our assets - which happened at the end of 2024.

The cost of goods for resale and materials sold grew in line with the discussed increase of sales in this category.

Moving on to operating costs - in Q3 2025 they were slightly higher versus the previous year, especially with regard to selling expenses - due to our promotional activity related to the Cyberpunk product family (including the Nintendo Switch 2 edition), as well as some expenses on our game updates. Administrative costs remained flat year over year.

And, finally, our net profit for the third quarter of 2025 reached 193 million zł. This figure is two and a half times higher than the year before. The numbers speak for themselves.

We are also very proud of our results for the nine consecutive months of 2025. Our revenues grew 21% and net profit increased by 40%, reaching nearly 350 million zloty. Most of that was delivered by the CD PROJEKT RED segment. Please take a look at this segment's results in a broader perspective on the next slide.

This year we generated even higher sales and more profits than two years ago, which is when Phantom Liberty was launched. In recent years, we also recorded a steady increase of the net profitability factor - which, for the first 9 months of this year, reached 53% in the CD PROJEKT RED segment. As shown on the P&L slide, in the 3rd quarter alone this factor stood at an impressive 63%.

Now let's take a look at the next slide – number 10 – our consolidated balance sheet.

On the assets side - first, the usual expenditures on development projects. The balance here increased by 122 million zł, driven by 137 million zloty in new development expenses, less 15 million zł from amortisation of previously launched games. During the past quarter the total balance of this line item exceeded 1 billion zloty. Out of this total number, 173 million zloty corresponds to our finished products - mainly Phantom Liberty, Cyberpunk and its next-gen, Switch 2 and Apple versions. Works in progress account for 847 million zloty in development expenditures. Here, the main share comes from investing in the development of The Witcher 4, Sirius and Cyberpunk 2. We also have a few other capitalised gaming and non-gaming projects, which differ in terms of scale and stage of development.

We also continue investing in our local physical assets - as evidenced by the nearly 19 million zloty increase in the property, plant and equipment line item. This was mainly driven by the investments at our Warsaw campus - final touches to the construction and fitout of our new office building, which - since June - houses The Witcher 4 team, as well as the recently initiated work on our new performance capture studio, equipped with two stages, which - once finished - will help us work faster and more efficiently on two projects at the same time.

The total value of cash, deposits and bonds included in the three asset items marked with an asterisk is summed up under the table - and amounts to 1 billion 408 million zloty as of the end of September. As usual, I will have a separate slide to provide more insight on our main cash flow drivers during that period.

Moving forward to equity and liabilities - slide 11.

The most noticeable change here involves the increase in our equity, driven by the strong financial performance of the recent Q3.

In addition, we reported a 99.9 million zloty decrease in liabilities due to the dividend payout, which took place in July.

Now, please move on to the next slide - number 12: CD PROJEKT RED's expenditures on research works, development, and cost of product maintenance - presented here on a quarterly basis over the last 7 quarters.

We continue to increase investments in our projects - most public, some unannounced - both developed internally and outsourced. The majority of what we present here – in blue – relates to capitalized projects, which reflects their stage of advancement, as well as our confidence in their future economic potential.

And finally – my favourite - our aggregated cash flow drivers on slide 13.

The 193 million zloty book net profit was supported by 32 million zloty in amortisation, depreciation and non-cash costs of our share-based incentive programs. At the same time, 40 million zloty was expensed on the acquisition of tangible and intangible assets.

The overall change in receivables, liabilities, provisions and deferrals boosted our cash flows by 31 million zloty.

Putting dividend, share buy-back and investments into currently developed products aside, our ongoing business generated a healthy 221 million zloty in positive cash flows during the third quarter of 2025.

During the same time, most of our team was engaged in work on new projects - hence the nearly 118 million zloty outflow associated with development projects.

And at the beginning of July we shared with our shareholders a nearly one hundred million zloty dividend, which was later followed by a 22 million zloty share buy-back.

All in all, after all the reported investments and financial activity related to dividend and share buy-back, our financial reserves kept in cash, bank deposits and bonds decreased by only 19 million zloty - 1% - over the reporting period, and stood at 1.4 billion zloty at the end of September.

Moving on - as the past quarter was a significant step in terms of our bottom line, I would like to show you where we currently stand in terms of achieving the goals of our share-based incentive program - please move to slide 14.

The earnings condition for 2023 to 2026 was set at 2 billion zloty in cumulative net profit. After 11 out of 16 quarters, 700 million zloty still remains to be earned to reach this target.

Although it is a very ambitious goal, we believe that, if things go according to our plan, we have a fair chance of reaching it. Given our current progress, there is a chance that new content hinted upon in recent calls and reports may see release in the coming year, having an impact on our results and increasing the likelihood of achieving the earnings condition for the first stage of the incentive program.

That's all from me - we can now move on to the Q&A session. Thank you!

Q1: Good evening guys, I have two questions. In terms of the two factors that are helping you this year, which are not just pure unit sales – we've got the PS Plus benefit and the Switch 2 benefit – in terms of the PS Plus benefit, can I assume that benefit has all happened in Q3 in a one-off thing,

or should I assume there's more to come in terms of that benefit? And with Switch 2 – could we assume even more in the next quarter – because Switch 2 is expected to be a big holiday season seller? That's the first question. In terms of Piotr's favorite slide – expenditures on development projects of 118 – I think we had in Q1 100 and in Q2 142 – and now we've got 118 – can you just talk about the lumping of that – because I wasn't really expecting it to go down, as it's basically people – and they're going up.

PN: So, starting with the first two, which are easier than the third one. Yes, this Q3 we recorded all of the revenue related to our agreement with Sony on including CP in the PS Plus system – you mentioned it's one-off? To a certain degree, it is one-off, but at the same time I'd like to underline that was an intentional business decision made by us, directly related to the core of the business we run – so it wasn't a lottery win, it was conscious life cycle management. To make it even more “not a one-off type” of revenue, I'd like to add that a year ago, exactly in Q3 2024 we also recorded revenues related to becoming a partner of PS Plus, but back then it was based on The Witcher games. So, such revenues happen in our business, and answering directly the question – we recorded both of them, 100%, either now in Q3 '25, or back then, with The Witcher, in Q3 '24. The expenditures on development projects – 118 – this is cash flow-wise, and it may differ from period to period vs. what we record bookwise. Basically, bookwise our investment into development of projects was presented on the nicely growing table in blue; quarter-to-quarter we invest more into future projects, and 118 was part of the cash flow presentation related directly to cash flows attributed to development, and these may be somewhat desynchronized with the bookings we do, but in general, we develop and spend more quarter-to-quarter. There was also Switch 2 mentioned – you asked, as far as I remember, whether we can assume even more sales this quarter, Q4, than in Q3 – so we never guide on future period sales, but what I can say is that we feel well positioned with Cyberpunk on the Switch 2 platform. It's a one-of-the-kind offering we have for gamers; Switch is nicely growing, and the guidance of Nintendo recently increased the volumes of the console they expect to sell, and this puts us in a nice position to expect longevity of the title on this platform. And Q4, usually, as you know, is seasonally an important period of the year.

Q2: Does the company plan to conduct any marketing activities related to new projects later this year?

MN: We typically do not comment on marketing activities or lack thereof – ahead of them – as that's traditionally supposed to be a surprise, but if you're alluding or asking about our presence at TGA, The Game Awards – we're not bringing any new content to TGA this year; let me get this straight – but we will be present as part of the show as we're very happy and proud to be nominated with TW4 as the most anticipated game. I'd like to thank everyone who has voted for us – that means a lot to us – and we'll be there to watch the show and celebrate the event with the rest of the industry.

Q3: Is the Cyberpunk 2 nearing the end of preproduction work, or is that still a long way off?

MN: We're happy with the progress the CP2 team has made so far, but it's for sure too early to talk about entering any next stage or phase of this project. For sure we'll make a proper update and statement when that time comes.

Q4: Are you able to quantify the contribution from the licensing deal with PlayStation for CP2077 in Q3 2025?

PN: I'm sorry, but we cannot share any details regarding payment or remuneration – however, as I said, it had a visible impact on our bottom line in Q3, as just published. But I'd like to once again underline that this was not the only driver behind the growth of revenues; we also enjoyed higher sales of CP on the old platforms – and another revenue driver came from the Nintendo Switch 2 version.

Q5: After adding Cyberpunk to PS Plus subscription, has the Company seen a decline in CP sales on PS5?

MN: So, there's always a hit to current sales of the game when you launch on a subscription basis. We launched the base game on PS Plus – without the expansion – however what should be taken into account when planning is that we do want to generate a surplus vs. what the game would normally at a given moment in time, and we believe we did that with this particular entry into subscription, and also created more opportunity to sell additional copies of the Phantom Liberty expansion within that timeframe. So, this is beneficial for the bottom line, for the Company and for long-term performance of CP77 as well.

Q6: Approximately how many people at Fool's Theory are working on the new unannounced project, and when did development on this project begin?

Karolina Gnaś: Over 100 people right now – and regarding the timeline, we do not have any comment; thank you.

Q7: Can you share more detail about where you are in The Witcher 4 development process? What are the key technical/design risks that could shift the release window?

MN: As we have already stated, The Witcher 4 is in the full-scale production phase. We're not disclosing any details regarding the target release date, so there's not a point in time I could refer to when answering such a question. The only think we're commenting is that we're not launching in 2026, and we're also not typically getting into any specifics regarding technical or design matters. There's nothing out of the ordinary, I'd say, in that area happening with TW4 – it's just full-scale production proceeding at its pace, as per our internal plans. I think that's as much as we can say.

Q8: Hi guys. A couple of questions. How many unannounced projects are being capitalized? How many of them are gaming projects? Do these unannounced projects include board games – or any trading card games, let's say? Would you consider The Witcher IP-based board games as gaming projects? What is going on with Sirius and Hadar? And as a follow-up to the Fool's Theory question – how many people are working at Fool's Theory on TW1 remake?

MN: I'll try to tackle some of them. I think we're not disclosing details of how many projects are gaming or non-gaming etc., so I won't be able to help here. I can comment on card games – I saw there was a lot of confusion around that one, so let me state it clearly: this is a physical collectors' card game, TCG; it's not a videogame project.

PN: The question on whether that project was among the unannounced projects? No, we are not developing it ourselves, we're not capitalizing expenditures on that; we did not mention either the board games or the collectible card game as the unannounced projects from us.

MN: As for Hadar and Sirius – they're in their respective stages of – for Sirius – development, and for Hadar – still, IP preproduction, if you want to call it that way. In terms of Fool's Theory – I think we stated in the past that the majority of the team is currently involved in the other project, and

also support for The Witcher 4, so there is some limited team working on TW1, but since it's very much tied with TW4 development – this is also why we made this move, and we have explained that in the past – so, for TW1 per se, it's a smaller group of people.

Q9: On the Scopely mobile partnership – anything to share on the progress of the discussion? Do you expect to book any upfront payment of the collaboration in 2026?

PN: What I can say for now is that this project is still in a very early phase, and regarding the potential booking of revenues on our side – unfortunately I have nothing to guide in terms of our 2026 revenues.

Q10: Any update you can make on the use of Unreal Engine 5 for the full production process of The Witcher 4? Do you expect next games in The Witcher trilogy can be delivered on a shorter and more predictable cadence?

MN: We've been using UE5 for The Witcher 4 for almost five years now [IR comment: almost four years], and we're very happy with what we've achieved. I think you could have seen some of that with your own eyes with our tech demo reveal at Unreal Fest couple of months ago, and we're very happy with the results of that as well – we've already said that, but I'm always happy to say it again – and we're happy with how the engine is evolving through the Epic team's efforts, and how we are learning how to make it work within a huge open-world game, as TW4 is meant to be. In a way, yes, I do believe that further games should be delivered in a shorter period of time – as we had stated before, our plan still is to launch the whole trilogy within a six-year period, so yes, that would mean we would plan to have a shorter development time between TW4 and TW5, between TW5 and TW6 and so on.

Q11: Does the government plan to control self-employed income to check whether such agreements should rather be typical employment contracts impact the way CD PROJEKT operates?

PN: In general – what you refer to as “typical employment contract” is our main type of contract; however, obviously, it is the nature of our business that we collaborate with various artists and freelancers using various forms of allowed cooperation. Having said that, we still do not know the final legislation you're referring to, as that's unannounced. We continuously monitor work on changes to regulations.

Q12: How would you describe the current availability of IT talent at your studios given numerous reports that AI is making many people redundant. Can you imagine that you can reduce headcount thanks to AI tools in the near future without any harm to work on your next projects?

MN: We are not really hiring “classic” IT – but I understand this is supposed to be about gaming industry talent – the availability of talent has perhaps increased a bit over the past three years, but I'm not sure I'd actually ascribe it to AI, to be perfectly honest – some studios have been going through turmoil; there were some project closures and so on, which led to many redundancies in the gaming industry; we've all seen that – it's been very dramatic in many cases – but – literally kill me here, but I don't recall a single time when it would be attributable directly to AI. At least I don't know about that. And as for reducing headcount thanks to AI – I don't imagine that. Our usage of AI is mainly in the productivity areas, and that's where we see the largest benefits of that. The benefits are real, they're meaningful, but it's not a situation – and I'm unaware of such a situation – where AI could “sit down and make games”. That's our take. It doesn't mean it's not gonna be useful, but it's not gonna be making The Witcher 5, or 6, or anything like that.

MN: As there seems to be no more questions on the line or in the text, I'd like to thank all of you for joining us today – and if you have any follow-up questions, please free to get in touch with our fantastic IR team. I wish you all a pleasant evening. Goodbye, and see you at the next investors' call. Thank you.