

**Q1:** Good evening guys, I've got three questions. First of all, can you give us a sense of when we might see Polaris – in broad terms? I understand if you wouldn't want to put it in a particular month or a particular year, but in very broad terms – you said that the six-year period, with the other two games coming along, starts with Polaris, but – can we get a sense when Polaris might arrive? Second question – can you give us a sense of how Project Orion might fit around the plans for The Witcher trilogy in terms of timing? Is it likely that you could launch Project Orion in the middle of that six-year period that you've discussed? And then the third question – would the creation of the NA studio mean that the cash spending would ramp up in the next couple of years – up until Polaris is launched? Could it be that the Group will have negative cash flow in some of those years because of that?

**AK:** Thank you for the questions; I'll take the first and the second. In terms of dates – today we've decided to share our long-term outlook mostly in terms of direction. We said there would be three Witcher games in our pipeline, to be released first of all, and two of them are already in development – that's Polaris and Sirius. For Polaris we're also preparing technology. This is our first project to use the new engine, UE5, and that calls for some extra work in making this technology suitable for huge open-world story-driven games. So for this project we surely need some extra effort to deliver, and – as we've said in our strategy – the following games, that is the 2nd and the 3rd installment, should go more smoothly as the technology will be there, along with the tools and pipelines. This is all I can say for now. Regarding Orion, that's the game we haven't yet started to develop; in terms of the Cyberpunk franchise we're wrapping up our work on Phantom Liberty, and once this expansion is released, we'll start initial work on Orion. That's all I can say for now.

**PN:** I'll take the third question. There's not much I can do in terms of guiding on future Company results. In general, developing projects that are planned for the future will naturally increase cash spending and investment in development work. At the same time, carrying out a project in North America will be more expensive compared to running a comparable project in Poland – but we believe it's the only way to tap into the American talent pool, which we need to deliver on our ambitious production plans.

**Q1:** Can I have a quick follow-up on the first one? Listening to your answer about the timing for Polaris – if the second and third game in the trilogy will appear over a six-year period beyond Polaris – therefore three years each, on average – we're saying that the first one takes more effort, so from the point where you're fully focused on that game, we're saying it could be more than three years, since you're saying that the 2nd and 3rd will be faster? Is that an accurate way of reading what you've said?

**AK:** Yes, it is.

**Q1:** Thank you.

**Q2:** Thank you for the strategy update. Going back to Polaris – would it be accurate to say, based on your previous answer, that it would be at least three years from now until we see Polaris come out? And then – do you have a timeframe for Sirius, since Sirius is being started presumably a little bit earlier...? And then on Hadar – you're saying it's still in conceptual phase – can you give us a bit of a feel of what that really is, even in a vague and general way? And finally, in terms of employees – how big do you think the US studio is gonna be? I know you didn't really answer the question about costs, but in terms of your near-term results, what are we talking about in terms of additional expenses?

**AK:** Adam again; I'll take the first and the second. So – as I've said, we're not ready to guide any more about dates today; I won't narrow down the timeframe. What we've said is that we started preproduction this year – actually, at the very beginning of the year, in Q1 – so it's already in the first phase of development. Regarding Sirius – we've just said that there are two games in production, so

we're not guiding on whether Sirius will come before or after; of course we'll announce it once we're ready.

**MN:** This is Michał Nowakowski; I'll respond to the third one. When it comes to Hadar – we're at early stages of the creative process, creating the foundation of the new setting. That foundation is going to become the place where at some point we'll be developing a new game, but we're not at this stage yet; we're not developing the game yet. The early conceptual phase began in the 2nd half of 2021, and we're currently laying the foundation for creation of a future line of games.

**PN:** Piotr Nielubowicz; the last question. Our North American studio consists of a team working from Boston and the existing CD PROJEKT RED Vancouver team. The project will also be supported by developers from Poland. As far as the total headcount required for such a production is concerned, I believe the best reference point is our most recent release, Cyberpunk 2077. I think it's safe to assume that between 350 and 500 developers would be required at the peak of such a production in our development process. Of course the final team size depends on the scale of the particular project, but in this case we're thinking of a significant AAA continuation of Cyberpunk.

**Q3:** Is the toolset prepared for Polaris and also meant to be used for Canis Majoris already created? Or is it still being made? How long, usually, does it take to create such a toolset?

**AK:** It's not ready yet; we've started working on it, but we teamed up with Epic half a year ago, and we are working on it. Of course, some tools we already have as they had been used in REDengine and we prepare them to work with Unreal, but other tools have to be created – so we're in initial phases of this process. How long does it take? In past productions, where we had to prepare the technology for each product, though maybe not from scratch – the technology and the game together took 4-5 years. That was in the past. This time we're not guiding how much time we'll need for this development.

**Q4:** Are you considering returning to the idea of Cyberpunk Multiplayer as a standalone product due to visible improvement in Cyberpunk sales in the last couple of weeks? Will the Orion project from the CP franchise have multiplayer features?

**AK:** So, with multiplayer – or multiplayer elements, depending on the project – we're referring only to future games. Of course, at the core of our business are story-driven open-world RPGs, and we're working on extending these to include multiplayer. We've just said that most of those codenamed projects that we had announced will have multiplayer, but we're not ready to specifically say whether this or that game will have it.

**Q5:** Are you going to propose to the General Meeting of Shareholders a change in your financial goals for 2020-2025 ESOP regarding strategy update?

**PN:** We are close to wrapping up internal work on a new incentive program, but I'd say it's not directly related to the strategy update we've just published. Rather, we believe it should be an important part of our remuneration scheme which we plan for future years at CD PROJEKT. Stay tuned – we'll soon be able to share our concept in the form of a draft GM resolution.

**Q6:** Thank you very much and good evening. First couple of questions – on Canis Majoris. First of all, you say it's a full-fledged project, so should we take that to mean it's an AAA game? The second – considering the tools that are still being built, should we assume that the CapEx on the project, might not start until some time from now, say, over a year from now? And the third one – I understand you've announced that there would be some DLCs to coincide with the Witcher next-gen console release, thematically tied to the Netflix series. Would these be free DLCs, or perhaps microtransactions?

**AK:** Thank you for the questions; I'll take the first one. So yes, we're thinking of a full-fledged AAA RPG. Today we've said almost nothing beyond that, but we'll talk more about this project soon, so stay tuned.

**PN:** The second question – as soon as we've moved from the research phase to the development phase, we'll obviously begin capitalizing our expenses on this project, if I've understood your question correctly.

**Q6:** Yes, that's correct – but there's nothing to say on the timeframe?

**PN:** No, not yet; we've not released any such info today.

**MN:** And about the DLC to coincide with The Witcher 3 next-gen launch – these are free DLCs; we're not planning any microtransactions. Everyone who upgrades or purchases a new copy will get them free of charge as part of the package.

**Q7:** The Hadar project – when you plan to start preproduction of this title? Is the game supposed to be in the RPG genre?

**MN:** We're not providing specific dates in terms of the start of preproduction. We're still building the setting – this is what the core team is preoccupied with. When it comes to the genre – we create a certain kind of games, and I think it's safe to assume we want to continue creating games within that kind of genre. You can imagine what kind of games this implies.

**Q8:** Thanks; just a couple of follow-ups. Is there any update on the timing and pricing of the expansion? When in 2023 are we likely to see the expansion, and will it be priced like a normal AAA title? And just to get a bit more feel – in terms of your profitability, your EBIT for 2021 was a couple hundred million; in terms of the development costs of the new studio and the new titles for the next couple of years, will that go near zero, or below zero, as you ramp up expenses?

**MN:** When it comes to the update on timing and pricing of the expansion – that information is part of the marketing campaign, so when we're ready to reveal that information, we'll come forward with that; I don't really have specifics to share here. The situation is similar when it comes to announcing when in 2023 we might see the expansion. It's set to release next year, and we'll share more details when we're ready as part of the marketing campaign. I'm not sure I understood the last part – would the expansion be priced like a normal AAA title, or are you talking about the following titles? Expansions are traditionally cheaper than full-price games.

**Q8:** I guess the answer is your saying that the expansion is not at full AAA price.

**MN:** Yes, so the expansion is going to be exactly that – an expansion. It's big, we're happy with what we're offering to gamers, but it's not a full AAA title.

**PN:** The second part of the question related to our future cash flows – which, as you know, we're not guiding on, so I'm afraid I cannot directly answer the question.

**Q9:** A couple more follow-ups. First one – as The Molasses Flood is clearly a pretty small team, is it safe to say that Project Sirius will be a much smaller game than your major AAA efforts? And the second one – about Project Canis Majoris – how is that going to work with an external partner; is it a question of you funding it and then taking revenues, but giving them royalties or fixed payments? Could you describe how the business model will work with that external partner?

**MN:** When it comes to TMF, the team is right now more than 60 people, because that project is not only in Boston; there are also team members working on that project in Europe – and in Vancouver, as a matter of fact. We also intend to keep growing that team. It's a sizeable team, and it's going to become bigger by the time the project launches. So, no, the project is definitely not a smaller game, and we intend to be fully behind that game when it launches.

**AK:** I'll just add one thing – we're clearly saying that TMF project is different from our other productions. Don't expect another open-world story-driven RPG like The Witcher 3. It's a different project targeted at a broader audience, and that's why we've decided to acquire TMF with their expertise, and have them work on the project.

**PN:** Regarding the business model of our cooperation with an external partner working on Canis Majoris – what I can say is that the project will be based on our IP and we'll be the party financing it. However, I wouldn't like to dive into details of our cooperation with our external partner.

**Q10:** Good afternoon and thank you for taking my question. The first question concerns the Polaris project – as you've said, the games will be released in a six-year publishing cycle, which works out to about 3 years each for the 2nd and 3rd game. Will they be full AAA experiences, with many dozens of gameplay hours? It seems that a three-year production cycle is rather short for an AAA project. My other question regards the Sirius project from TMF – you said it targets a broader group of players than your previous games; however, it seems that action games and shooters are the most popular genre, and you did those – I wonder what could be more popular, unless we're talking about mobile games.

**AK:** I'll take the first one. I know it's a bold statement – that we're going to release three full-fledged AAA open-world story-driven RPGs in six years. But we really mean it – we believe we have a plan for this, and we're working on a solid technological foundation for all our future releases. With Polaris in particular, we believe we'll have all the tools to continue streamlined development on successive parts of the trilogy. But of course we intend to approach each game with great ambition, so we're not cutting corners; there are no such plans. We believe that changing our pipelines from past ones, when we were really deep into technological processes with each game – to new ones, where we have the technology in hand – well, of course, we'll have to add some, because some technologies are always required to create something new, but this is very different than what we had in the past.

**MN:** I'll take the second one. I can definitely say Project Sirius is not a mobile game. When talking about it I think we meant broader demographics, which means we want to reach people whom we were not sufficiently reaching through The Witcher games that we've been making so far – imagine people who might have watched the TV series but are not necessarily into dark-themed hardcore RPGs. That's the kind of thinking behind this project. It's as deep as I can go, but I hope it gives you a little bit more in terms of what we're trying to do. Obviously, we're going to be revealing more about that project when the time comes.

**Q10:** Great; I'd like to ask two follow-up questions. Are some of the games mentioned in this strategy update mobile games? And just to clarify – Orion will be developed by CD PROJEKT RED NA that consists of Boston and Vancouver, and I understand that both are currently working on Sirius? I mean TMF is currently working on Sirius? Does it mean that once TMF is done with Sirius it will start working on Orion?

**MN:** So I can start with the first one. None of the games mentioned in the strategy are mobile games – let's make this clear. Having said that, when it comes to mobile we did mention that we are opening up to external cooperation on that front, and we'll tell you more when we're ready.

**AK:** And I'll take the second one. So, no, Orion will be developed by CD PROJEKT RED NA, which will consist of the existing Vancouver team and a new team which we're building in Boston. It's next door to TMF – but it's totally separate. TMF will stay focused on Sirius and we're building another team in Boston to work, which, together with Vancouver, will comprise CD PROJEKT RED NA and which will lead production of Orion.

**Q11:** Your plans for future releases are much more ambitious than your last strategy update. What has changed? Why are you more confident you can deliver a fuller slate of content?

**AK:** First and foremost, in our previous strategy update we did not focus on future product plans – but rather on transformation and how we're willing to approach development – what we called RED 2.0. But that was 1.5 years ago; since then we've begun transformation and we're more confident since the first phase of transformation is already behind us and we see the first positive results – how we can work in agile, how we can deliver – and we also have new technology: UE5. Of course this brings challenges, but at the end of the day we believe that it'll help streamline our development. On top of this, we're launching CD PROJEKT RED NA, which should significantly increase our capabilities in terms of recruitment.

**Q12:** How are you thinking about the use of third-party outsourcers to help deliver on your development ambitions?

**MN:** When it comes to third-party – well, partners, since “outsourcers” would suggest companies that help us with a portion of the game, and in some cases work on the game *per se* – we're looking for people who share our ambitions, our drive for quality, and who – we believe – are not going to deliver experience that would be inferior to what the fans of a given franchise deserve. So, we definitely don't want to cut corners with any of the game done in cooperation with third-party dev teams.

**Q13:** How much cash do you think you need to definitely maintain on the balance sheet during this accelerated phase of releases?

**PN:** As of the last reporting quarter, we had slightly over 1 billion PLN in our bank accounts. What I can share with you is that we definitely aim at having decent safety buffers; we want to be self-financed – that safety buffer in our cash flow has been with us for years and we do not want to change the situation. Having said that, we will balance between the revenues generated on a daily basis – continuing to sell our products; releasing new products like The Witcher 3 new-gen edition, the Phantom Liberty expansion and other projects later on, as announced in our strategy – and at the same time continuously and gradually financing development of future games. However, we're not sharing precise data on outgoing and incoming future cash flows or future cash balances on various balance sheet dates.

**Q14:** What is the difference between Sirius and Polaris? And what is the future target for the incentive plan?

**AK:** I can take the first part of that question – we sort of spoke about that in one of our previous answers. Polaris is the next Witcher game, similar to what we've been doing in the past with TW3, 2, 1 and so on – so a continuation, while Project Sirius is the one reaching out to broader demographics, as discussed before – so, to people who are interested in the franchise and in the IP but are not necessarily into hardcore RPGs like our existing Witcher series.

**PN:** As I've already mentioned – we continue working on the next iteration of our incentive plan; however, we plan changes: it will not be a direct continuation, or “multiplication” of past schemes; we

plan to change the logic a bit; make it more comparable to incentive plans offered by our top global competitors. As soon as we have all the details, we'll share them with you.

**Q15:** Just a point of clarification – what are the two games being developed in parallel now? Would you consider the Cyberpunk DLC as one of the two games? Are Phantom Liberty and Sirius the two ongoing developments?

**AK:** So, first and foremost, we don't consider Phantom Liberty a DLC. It's a huge expansion – from the development perspective and how it's organized in production it's the same as a full-fledged game. So, the first set of AAA content we're working on, yes, is Phantom Liberty, while the second one is preproduction of Polaris. Sirius comes on top of this – we've been talking about CD PROJEKT RED working on two AAA releases – and Sirius is developed at TMF.

**Q16:** Taking into account your development plans, where would you see the size of your development team in, let's say, 3-year horizon? To double-check, are there 800 developers now?

**AK:** So, we are constantly looking for talented developers; we have to grow. The Group currently employs over 1200 people, including nearly 800 developers, but this includes GOG. We have over 700 developers at our studios. Those are developers working on the game itself. I'm not ready to talk about target headcount, but for sure our NA teams will grow, and we will also expand our European forces. Our ambitious plans are based on the assumption that we'll keep growing our creative teams.

**Q17:** Do you consider a potential equity issue to finance the ambitious plans?

**PN:** For now we do not have such plans and we do not consider issuing new equity. As you know, today we've announced a buyback program, so we're actually moving in the opposite direction.

**Q18:** What would be your role in the Canis Majoris project? Purely the publisher?

**MN:** We obviously would be the publisher for CM. Having said that, there's also a certain development and technology overlap, so there will be parts of the project where we would be participating in development; however, the vast majority of work will be done by the team specifically responsible for that project. So – it's external, with some participation, but published by us.

**Q19:** In terms of the size of the project, would it be fair to assume that Polaris, Orion and Hadar would be large AAA games, while the remaining two – Sirius and Canis Majoris – would be relatively smaller productions?

**MN:** You're correct in that Polaris, Orion and Hadar would be large AAA games. Having said that, we would definitely call Sirius or Canis Majoris "smaller games". CM is an AAA standalone project, while Sirius is also ambitious. It's different from what you're used to with The Witcher series, but as I've mentioned, we're fully behind it and it's a big project for us as well.

**Q20:** Good evening. I wish to apologize for repeating other questions; I have to say I'm a bit confused about the timing and scale of the games. Could you confirm that four projects would be AAA projects – please correct me if I'm wrong. Could you confirm on the Polaris project – that it will take six years to publish? When will that start? Or should we count the six-year period from now? And about Hadar – will it be released earlier than 6-7 years from now? Thank you.

**AK:** Thank you. So – starting with Polaris. This is the next full-fledged open-world story-driven RPG set in The Witcher universe, and it will open a new saga – that's three games. This six-year window starts with the release of Polaris. So, first we have Polaris, and then, within six years, the second and third

game in the saga, all of them being full-fledged AAA RPGs. As for Hadar – last year we began conceptual work – not on the game but on the setting. For the first time we’re working on our own IP, incubating it internally – so we need some time to start working on the game itself.

**Q20:** The question may sound bizarre – I do understand it’s a six-year period, but will it start 10 years from now or 3 years from now? Could you give us a little bit more insight? And if that is the case, then Hadar is going to be a long way away?

**AK:** We are not talking about release dates; we just said we started preproduction – the first phase of development – of Polaris in Q1 this year. Once we’re ready to talk about dates, we’ll do so, but in the past our development of these games, together with the relevant technologies, took 4-5 years. Once Polaris is released, then we’re going to release the 2nd and 3rd in the saga within six years, starting with the release date of Polaris. With Hadar it’s really too early to talk about dates.

**Q20:** Can I assume that the projects that are presented here are more or less in chronological order?

**AK:** No, they are not in chronological order. We said we have three games in our pipeline – which means that the first three games to be released, but not necessarily in that order, are Polaris, Sirius and Canis Majoris. This is the only “sneak peek” into our order. These three will come first – without saying which of them will be first, second and third – and on the rest we’re not guiding.

**AK:** We’re running out of time; I would like to thank you for joining us today. If you have any follow-up questions, do not hesitate our IR team directly by e-mail. Have a nice evening and goodbye!