# CI Games

Company update

## Timing is everything for Lords of the Fallen 2

Software and comp services

29 July 2026

**We believe that the market's reaction to the CI Games announcement that the release of *Lords of the Fallen 2* (*LotF2*) is being pushed out to Q1 next year is overly negative. The opportunity that this postponement offers to include additional customer feedback and further enhance gameplay while avoiding a potentially disruptive H226 release calendar lowers risk for shareholders. Such an approach could enhance shareholder value creation over the medium to long term.**

| Year end | Revenue (PLNm) | EBITDA (PLNm) | EPS (PLN) | P/E (x) | EV/EBITDA (x) |
|---|---|---|---|---|---|
| 12/24 | 80.8 | 42.5 | (0.03) | N/A | 11.8 |
| 12/25 | 73.8 | 32.7 | 0.02 | 123.8 | 15.4 |
| 12/26e | 281.7 | 173.8 | 0.41 | 6.0 | 2.9 |
| 12/27e | 208.2 | 141.7 | 0.26 | 9.5 | 3.5 |

Consensus data, Source: LSEG data & analytics. Please note that the above consensus forecasts (as at 27/7/26) do not seem to reflect release postponement.

## Shares fall on announcement

On 24 June CI Games announced that the group's eagerly awaited release of *LotF2* was postponed until Q127 from the original proposed date of Q226. The shares initially fell 9.5% on the news, ending the day at PLN2.29 per share. Earlier in the month the shares had fallen from PLN3.04 to PLN2.49.

## Context is important

There are two principal reasons why such an important launch would be delayed. First, the postponement could occur because an opportunity presents itself to improve such an important game franchise even more. Second, a postponement might occur to ensure that the launch window offers the best possible opportunity to establish the game in gamers' minds.

## Management is optimising upside while minimising risk

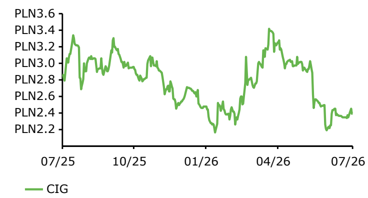
It is difficult to underestimate the importance of a title's launch, particularly one as critical to CI Games as the *LotF* franchise. While the game will be bigger than its predecessor, the priority with *LotF2* is to deliver the highest possible quality gaming experience. Modifying the release date is likely to maximise the revenue potential and therefore reduce risk, making it a sensible option.

## Valuation: Nothing changes in the longer term

The long-term value creation potential of the business remains unchanged in our opinion (and with a postponed launch could actually be enhanced). In order to assess the investment opportunity that the current share price weakness represents, the question for investors is whether the announced delay affects their assessment of management's ability to generate significant shareholder value over the medium to long term. We see little evidence to suggest that this is the case.

| | |
|---|---|
| **Price** | **PLN2.48** |
| **Market cap** | **PLN453m** |
| Net cash/(debt) | PLN(49.7)m |
| Shares in issue | 182.9m |
| Free float | 114,823,889.0% |
| Code | CIG |
| Primary exchange | WSE |
| Secondary exchange | N/A |

### Share price performance




| % | 1m | 3m | 12m |
|---|---|---|---|
| Abs | 9.0 | (24.5) | (14.9) |
| 52-week high/low | | PLN3.6 | PLN2.2 |

### Business description

Founded in 2002, CI Games is a Warsaw-based developer and publisher of AAA multi-platform video games for a global audience. It specialises in first-person shooter and action-driven titles and owns IP including the *Sniper Ghost Warrior* and *Lords of the Fallen* franchises.

### Next events

| | |
|---|---|
| H1 2026 results | 24 September |

### Analysts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# Lords of the Fallen falls into Q127

## What happened?

On 24 June the Warsaw Stock Exchange halted trading in CI Games following the announcement that the group's eagerly awaited release of *LotF2* was postponed to Q127 from the original proposed date of Q226. The shares initially fell 9.5% on the news, ending the day at PLN2.29 per share. Earlier in the month the shares had fallen from PLN3.04 to PLN2.49. It is unclear how consensus forecasts will be revised, but it is safe to assume that the uplift in revenues and profitability expected in FY26 courtesy of the *LotF2* launch will now be deferred into FY27.

## How should this be interpreted?

It is difficult to underestimate the importance of a title's launch, particularly one as critical to CI Games as the *LotF* franchise. There are two principal reasons why such an important launch might be delayed, neither of which should overly concern investors. First, the postponement could occur because an opportunity presents itself to further improve such an important game. Second, a postponement might occur to ensure that the launch window offers the best possible opportunity to establish the game in gamers' minds. We believe that the delay of *LotF2* fits both categories, noting that CEO Marek Tymiński has recently described *LotF2* as 'the most important game in the company's history' and 'extremely important for the long-term future success of the company'.

We have written previously about how in recent years management has refocused on player feedback, placing the customer at the epicentre of the development journey. This strategy has yielded a significant amount of new ideas, with Tymiński acknowledging on X that 'consistent community feedback has made us even more knowledgeable'.

A desire to incorporate new content into the release version sits behind the launch postponement. Tymiński also stated on X that since having established a Gameplay Feedback Team, CI Games has 'identified meaningful opportunities to further refine and strengthen the overall experience. These enhancements will benefit from additional integration, iteration, and polishing time...'. The last phrase provides crucial context to understanding the postponement. While the game will be bigger than its predecessor, the priority with *LotF2* is clearly to deliver the highest possible quality gaming experience.

## Market outlook in H226

It is also important to take this delay within the context of the outlook for the games market in the second half of 2026. The next release of the highly successful *Grand Theft Auto* franchise, *Grand Theft Auto VI (GTA 6)* has an official release date of 19 November 2026. The launch has the potential to be an industry-defining moment. The game has been in active development for more than eight years and while no official data has been released, market research firm Newzoo suggests *GTA 6* generated roughly $260m in global digital pre-orders in the week after pre-orders became available in June. Based on typical video game pre-order patterns, this could put *GTA 6* on track to sell c 50m units within a week of its November 2026 release.

The *GTA 6* launch will doubtlessly dominate the market in Q4 and with a price that is expected to set new records, the launch has the potential to disrupt purchasing patterns for AAA games for much of H2. This is important context when analysing the *LotF2* launch delay. Marek Tymiński alluded to this on X when writing that 'releasing the game rather late in one of the hottest holiday seasons ever would have been a mistake'. Modifying the release date is likely to maximise the revenue potential and therefore reduce risk, making it a sensible option.

## Valuation: What is the impact?

While there is undoubtedly a short-term effect on valuation approaches such as discounted cash flow analysis, the long-term value creation potential of the business remains unchanged in our opinion (and with a postponed launch could actually be enhanced). We note that the current consensus target share price is PLN3.6. This implies a valuation of PLN656m, which is below the PLN740–900m that we suggested in our note of June 2025 but still offers significant upside from current levels. In order to assess the investment opportunity, the question for investors to ask is whether the announced delay affects their assessment of management's ability to generate significant shareholder value over the medium to long term. We see little evidence to suggest that this is the case.

## Exhibit 1: Financial summary

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| 31-December | IFRS | IFRS | IFRS | IFRS | IFRS | IFRS |
| **INCOME STATEMENT** | | | | | | |
| **Revenue** | **46,010** | **105,528** | **56,694** | **236,343** | **80,788** | **73,782** |
| COGS | (26,683) | (39,602) | (15,949) | (108,408) | (58,332) | (40,103) |
| Gross Profit | 19,327 | 65,926 | 40,745 | 127,935 | 22,456 | 33,679 |
| **Adj. EBITDA** | **27,829** | **62,486** | **16,158** | **91,056** | **42,536** | **32,761** |
| **Depreciation and amortisation** | **(19,100)** | **(20,179)** | **(8,257)** | **(66,127)** | **(47,148)** | **(31,609)** |
| **Normalised operating profit** | **8,729** | **42,307** | **7,901** | **24,929** | **(4,612)** | **1,152** |
| Amortisation of acquired intangibles | 0 | 0 | 0 | 0 | 0 | 0 |
| Exceptionals | 0 | (2,040) | 0 | (1,499) | 689 | 0 |
| Share-based payments | 0 | 0 | 0 | 0 | 0 | 0 |
| **Reported operating profit** | **8,729** | **40,267** | **7,901** | **23,430** | **(3,923)** | **1,152** |
| Net Interest | (197) | 2,552 | 3,567 | (5,205) | (1,990) | 3,013 |
| Joint ventures & associates (post tax) | 0 | 0 | 0 | 0 | 0 | 0 |
| Exceptionals | 0 | 0 | 0 | 0 | 0 | 262 |
| **Profit Before Tax (norm)** | **8,532** | **44,859** | **11,468** | **19,724** | **(6,602)** | **4,165** |
| **Profit Before Tax (reported)** | **8,532** | **42,819** | **11,468** | **18,225** | **(5,913)** | **4,427** |
| Reported tax | (1,435) | (4,476) | (2,811) | (10,665) | (701) | 744 |
| **Profit After Tax (norm)** | **5,972** | **31,401** | **9,174** | **15,779** | **(5,282)** | **4,909** |
| **Profit After Tax (reported)** | **7,097** | **38,343** | **8,657** | **7,560** | **(6,614)** | **5,171** |
| Minority interests | (138) | (1,535) | (379) | (1,448) | 0 | (1,753) |
| Discontinued operations | 0 | 0 | 0 | 0 | 0 | 0 |
| **Net income (normalised)** | **5,834** | **29,866** | **8,795** | **14,331** | **(5,282)** | **3,156** |
| **Net income (reported)** | **6,959** | **36,808** | **8,278** | **6,112** | **(6,614)** | **3,418** |
| Average number of shares outstanding (m) | 168 | 183 | 183 | 183 | 184 | 177 |
| EPS - normalised (PLN) | 0.03 | 0.16 | 0.05 | 0.08 | (0.03) | 0.02 |
| EPS - diluted normalised (PLN) | 0.03 | 0.16 | 0.05 | 0.08 | (0.03) | 0.02 |
| EPS - basic reported (PLN) | 0.04 | 0.20 | 0.05 | 0.03 | (0.04) | 0.02 |
| Dividend (PLN) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Revenue growth (%) | (3.1) | 129.4 | (46.3) | 316.9 | (65.8) | (57.0) |
| Gross Margin (%) | 42.0 | 62.5 | 71.9 | 54.1 | 27.8 | 45.6 |
| Adj EBITDA Margin (%) | 60.5 | 59.2 | 28.5 | 38.5 | 52.7 | 44.4 |
| Normalised Operating Margin | 19.0 | 40.1 | 13.9 | 10.5 | (5.7) | 1.6 |
| **BALANCE SHEET** | | | | | | |
| **Fixed Assets** | **69,137** | **90,767** | **158,466** | **188,678** | **209,367** | **251,292** |
| Intangible Assets | 58,987 | 80,959 | 152,044 | 168,707 | 188,628 | 241,784 |
| Tangible Assets | 437 | 1,774 | 1,528 | 1,367 | 1,197 | 933 |
| Right-of-use assets | 6,484 | 4,391 | 3,397 | 2,276 | 392 | 426 |
| Investments & other | 3,229 | 3,643 | 1,497 | 16,328 | 19,150 | 8,149 |
| **Current Assets** | **41,150** | **61,345** | **20,795** | **78,828** | **23,451** | **30,620** |
| Stocks | 1,576 | 2,614 | 1,171 | 1,502 | 389 | 184 |
| Debtors | 6,833 | 13,144 | 12,242 | 38,649 | 8,561 | 17,116 |
| Cash & cash equivalents | 28,207 | 37,843 | 6,618 | 30,233 | 6,287 | 10,507 |
| Other | 4,534 | 7,744 | 764 | 8,444 | 8,214 | 2,813 |
| **Current Liabilities** | **(5,570)** | **(10,164)** | **(32,400)** | **(91,663)** | **(29,745)** | **(110,223)** |
| Creditors | (4,351) | (4,972) | (11,641) | (29,640) | (11,393) | (61,243) |
| Tax and social security | 0 | (41) | (66) | (123) | (417) | (159) |
| Short term borrowings | (33) | (13) | (18,575) | (57,750) | (14,981) | (48,821) |
| Lease liabilities | (324) | (955) | (1,219) | (1,025) | (1,301) | 0 |
| Other | (862) | (4,183) | (899) | (3,125) | (1,653) | 0 |
| **Long Term Liabilities** | **(8,173)** | **(6,839)** | **(4,644)** | **(23,053)** | **(13,267)** | **(11,002)** |
| Long term borrowings | 0 | 0 | 0 | 0 | 0 | 0 |
| Lease liabilities | (5,867) | (3,925) | (2,783) | (1,359) | (411) | (3,602) |
| Other long term liabilities | (2,306) | (2,914) | (1,861) | (21,694) | (12,856) | (7,400) |
| **Net Assets** | **96,544** | **135,109** | **142,217** | **152,790** | **189,806** | **160,687** |
| Minority interests | (169) | (1,704) | (1,404) | (2,709) | (2,584) | (4,337) |
| **Shareholders equity** | **96,375** | **133,405** | **140,813** | **150,081** | **187,222** | **156,350** |
| **CASH FLOW** | | | | | | |
| Op Cash Flow before WC and tax | 27,632 | 65,038 | 19,725 | 87,249 | 41,017 | 37,137 |
| Working capital | 13,991 | (6,505) | 10,565 | (11,108) | 48,322 | 11,614 |
| Exceptionals & other | 533 | 350 | 512 | 3,566 | 1,298 | 0 |
| Tax | (1,547) | (4,838) | 1,018 | (8,601) | (1,117) | (4,511) |
| **Operating cash flow** | **40,609** | **54,045** | **31,820** | **71,106** | **89,520** | **44,240** |
| Capex | (2,597) | (4,761) | (4,434) | (3,152) | (4,715) | 0 |
| Capitalised development costs | (19,864) | (39,648) | (75,740) | (79,842) | (63,494) | (86,354) |
| Acquisitions/disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| Equity financing | 29,124 | 0 | 0 | 0 | 9,931 | 0 |
| Change in borrowing | (24,018) | (20) | 18,562 | 39,051 | (41,640) | 37,857 |
| Dividends | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | (1,690) | 33 | (1,264) | (3,616) | (13,620) | 0 |
| Net Cash Flow | 21,564 | 9,649 | (31,056) | 23,547 | (24,018) | (4,257) |
| **Opening net debt/(cash)** | **18,295** | **(21,983)** | **(32,950)** | **15,959** | **29,901** | **10,406** |
| FX | (16) | (14) | (87) | 68 | 72 | 0 |
| Other non-cash movements | 18,730 | 1,332 | (17,684) | (37,557) | 43,441 | 0 |
| **Closing net debt/(cash)** | **(21,983)** | **(32,950)** | **15,877** | **29,901** | **10,406** | **14,663** |
| **Closing net debt/(cash) ex financial leases** | **(28,174)** | **(37,830)** | **11,875** | **27,517** | **8,694** | **11,061** |

Source: Edison Investment Research, Company data

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