



BUSINESS STRATEGY



2025-2027



Dear Sir/Madam,

On behalf of the Management Board of VARSAV Game Studios S.A., I am pleased to present to you the updated business strategy of the Studio for the years 2025–2027. This document summarizes our achievements to date as well as the key directions for development in the coming years. I firmly believe that implementing this strategy will further strengthen VARSAV Game Studios' position in the video game market and maximize the Company's value for our Shareholders.

Our past experiences and successes achieved through premium games featuring animal protagonists highlight the potential for further growth in this segment. The sales performance of *Bee Simulator* and the overwhelmingly positive reception of *BARKOUR*'s announcement have confirmed the market potential of this direction. Our goal for the coming years is not only to continue on this path but also to expand into new areas—including the mobile gaming market and animated films based on our IP.

One of the key aspects of the strategy is the optimization of the production process through increased use of tools and systems historically developed by the studio, as well as their continued enhancement, supported by the ethical use of AI. This includes advancements in animation through the development of the *QUADRIMA* system, created in 2023, as well as AI-assisted game testing. Furthermore, we aim to produce games and animated films simultaneously, which will improve efficiency and strengthen the recognition of our brands across different yet complementary markets. Another significant pillar of our new strategy is the gradual transition towards a self-publishing model, allowing us greater control over the publishing and marketing processes while securing better commercial terms in potential publishing partnerships.

Our strategy also includes a more selective approach to external investments. We intend to focus on developing our own projects and maximizing the potential of our existing subsidiaries and owned IP, enabling us to effectively monetize our productions and build long-term value for our Shareholders.

I am convinced that our new business strategy will enable VARSAV Game Studios to achieve dynamic growth and further solidify its position in the video game market.

Regards,
Łukasz Rosiński
CEO

BUSINESS STRATEGY FOR 2025-2027**1. In-House Premium Games Development**

- At least one indie premium game (PC, consoles) release every two years, with a strong focus on mechanics, replayability, and elements that enable long-term franchise growth.
- Concentration on projects featuring unique animal protagonists, developed by the in-house development team.
- The inspiration behind this approach is the growing trend among Millennials and Gen Z of postponing kids-family life in favor of pet-family life. Globally, around 35% of console gamers own dogs, translating to a potential market of approximately 219 million players. Creating games with strong animal protagonists connects players' passion for gaming with their attachment to pets, fostering potential deeper emotional engagement with our titles.

2. Seeking For Partnerships In Mobile Gaming Market

- Seeking strategic partners to adapt existing IPs (BARKOUR, Project ARIA) for mobile platforms.
- Independently or collaboratively developing new mobile projects based on the Company's IPs to increase their global reach and commercial potential.

3. IP Development Through Animated Movies

- Initiating collaborations with film studios to develop full-length animations based on the studio's games – **Project ARIA, BARKOUR, Giants Uprising**.
- Developing and implementing an innovative production pipeline enabling the simultaneous development of games and animated films using shared or adapted graphical assets, locations, and scripts.
- Significantly reducing time and optimizing costs for concurrent game and film production using Unreal Engine 5.
- Expanding the commercial potential of the Company's IPs by leveraging them across complementary media.

4. Building Competitive Advantage Through R&D and AI Integration

- Continuing AI-supported R&D efforts in animation systems, based on the QUADRIMA framework.
- Expanding AI applications in game production, including automation of game testing and optimization processes.
- Ethical and production-driven AI utilization, ensuring practical application to enhance production efficiency.

5. Minimizing Investments in External Entities

- Prioritizing the commercialization of projects developed within the Company's group by supporting their business and marketing strategies.
- Reducing investments in new external entities to focus on scaling and developing existing projects.

6. Publishing Strategy: Self-Publishing or Late-Stage Publishing Partnerships

- Gradually transitioning to a self-publishing model, allowing for greater independence, full creative realization, and revenue maximization.
- Developing in-house marketing and distribution capabilities to ensure greater control over the publishing process and long-term sales strategies.
- Engaging with publishers only in the later stages of production to secure above-market collaboration terms and minimize external influence on the creative vision.

LONG-TERM VISION

The Company aims to establish **VARSAV Game Studios** as a recognized developer of premium games featuring animal protagonists and to expand these IPs into mobile games and animated films. By developing projects across multiple media, the Studio will enhance the commercialization potential of its IPs and build brand recognition on a global scale.

Through a combination of innovative game development, cross-media expansion, and strategic self-publishing efforts, **VARSAV Game Studios** will strengthen its market position while maximizing long-term value for shareholders.



BEES SIMULATOR

SUMMARY OF THE COMMERCIALIZATION OF THE STUDIO'S FIRST "ANIMAL" GAME

Key Financial Results (2019-2024)

- Total net revenue from the game: €6.0 million
- Revenue for VARSAV Game Studios from the game: €1.7 million
- Production costs: €1.0 million
- Game revenue in 2023: 1 million PLN (Studio's share: 50%)

Sales Performance

- Estimated number of copies sold:
 - 300,000 during the key commercialization period (without major price discounts)
 - 400,000 – 700,000 during sales and continued distribution
- Available in subscription services (PS+ Extra, Amazon Luna/Prime) – additional monetization opportunities

Reach & Popularity

- Over 35 million views of game-related content on YouTube during launch
- Strong brand position – unique theme and high recognition

Future Development Plans

- **Bee Simulator: The Hive (2025)** – an enhanced version of the game:
 - Improved visuals
 - New mechanics: resource collection and hive customization
 - Further commercialization of the IP

Bee Simulator is a well-recognized and profitable brand with solid financial performance and strong potential for further monetization. The planned release of Bee Simulator: The Hive in 2025 presents new opportunities for increasing the IP's value and further commercializing the game.

DOG AS OUR NEXT ANIMAL PROTAGONIST

PROJECT ARIA



In 2020, the company began pre-production on its first game featuring a dog as the main protagonist. The key character in the game is Ruby, a military K9 dog who must rely on all of her senses to survive in the harsh, war-torn environment of South America. The gameplay in Project ARIA focuses heavily on narrative and environmental interactions.

In 2022, due to the high production costs associated with a narrative-driven game and financial crisis in game development industry, further development on Project ARIA was put on hold. Instead, the company shifted focus toward **Project CHASE**, which was developed based on the groundwork laid by **Project ARIA**.

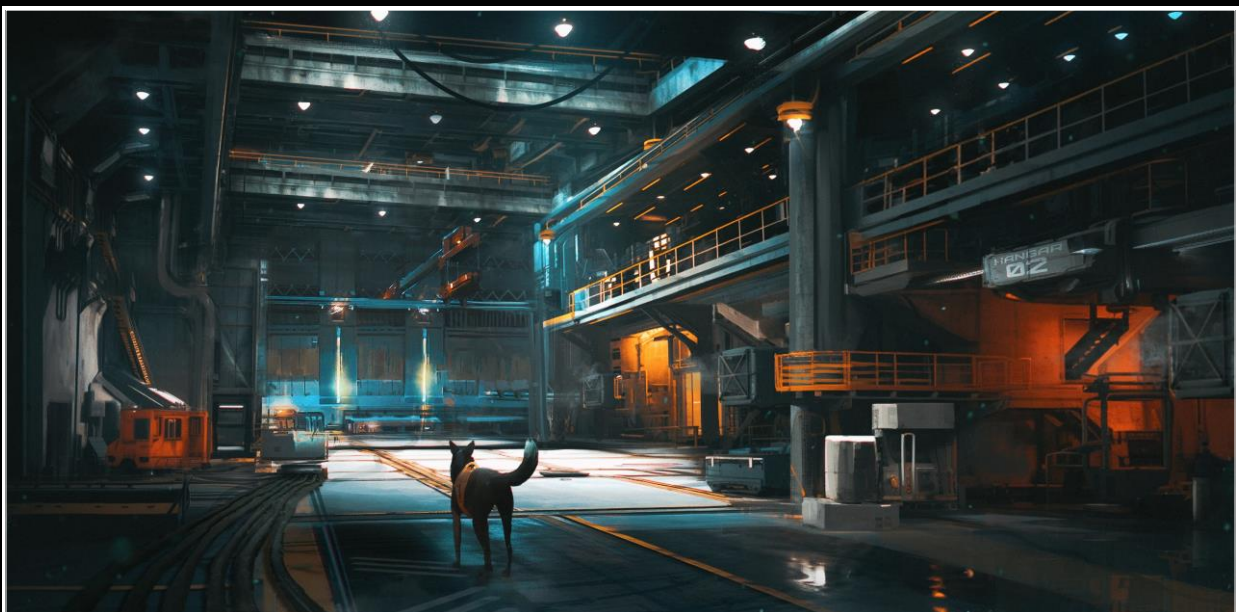
The company plans to resume development on **Project ARIA** once it achieves greater financial flexibility following the releases of its own projects (Bee Simulator: The Hive, BARKOUR) and those of its subsidiary **Mooneaters S.A.** (**Everdream Valley VR** and **Everdream Valley 2**, aka **Everdream Village**), all of which are scheduled for 2025.

PROJECT CHASE – BARKOUR GAME




As a result of the experience gained during the pre-production of **Project ARIA**, the studio began work on **Project CHASE**, which was ultimately announced in 2024 as **BARKOUR**. The main difference between Project ARIA and BARKOUR lies in their approach to gameplay: ARIA focuses on narrative and survival, while BARKOUR emphasizes dynamic action and gameplay mechanics.


BARKOUR is a fast-paced action game with stealth and parkour elements, where players take on the role of THUNDER, a special agent dog and a member of a secret organization fighting against the forces of evil. The game is set in a world full of spy intrigue, humour, and spectacular missions, inspired by classic action movies.








CORE GAMEPLAY FEATURES

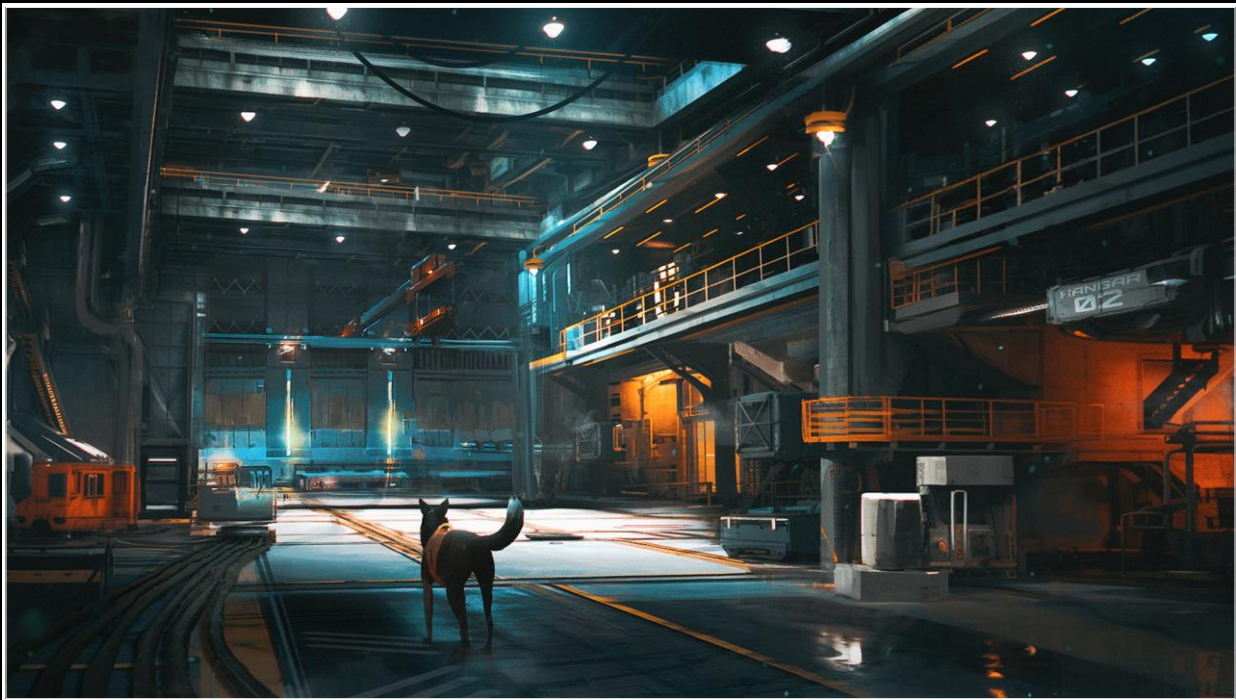
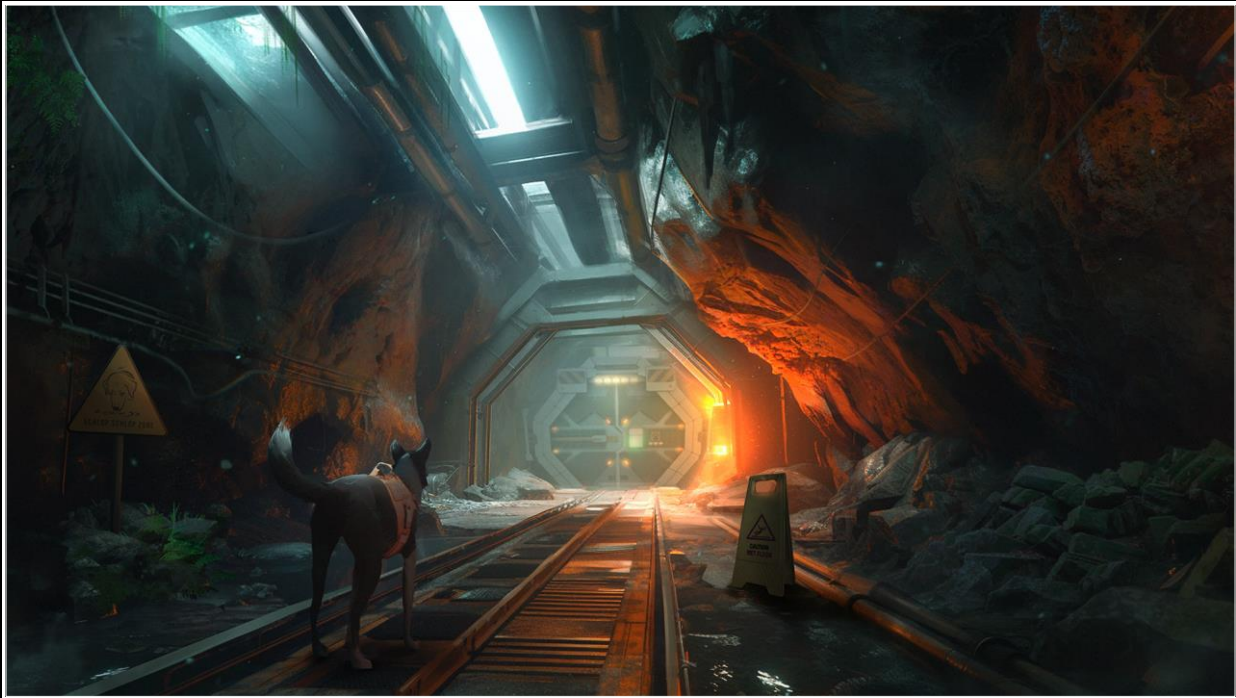
 **Dog-style parkour** – THUNDER moves with incredible agility, leaping across rooftops, sliding under obstacles, and interacting with the environment in ways that highlight his animal instincts.

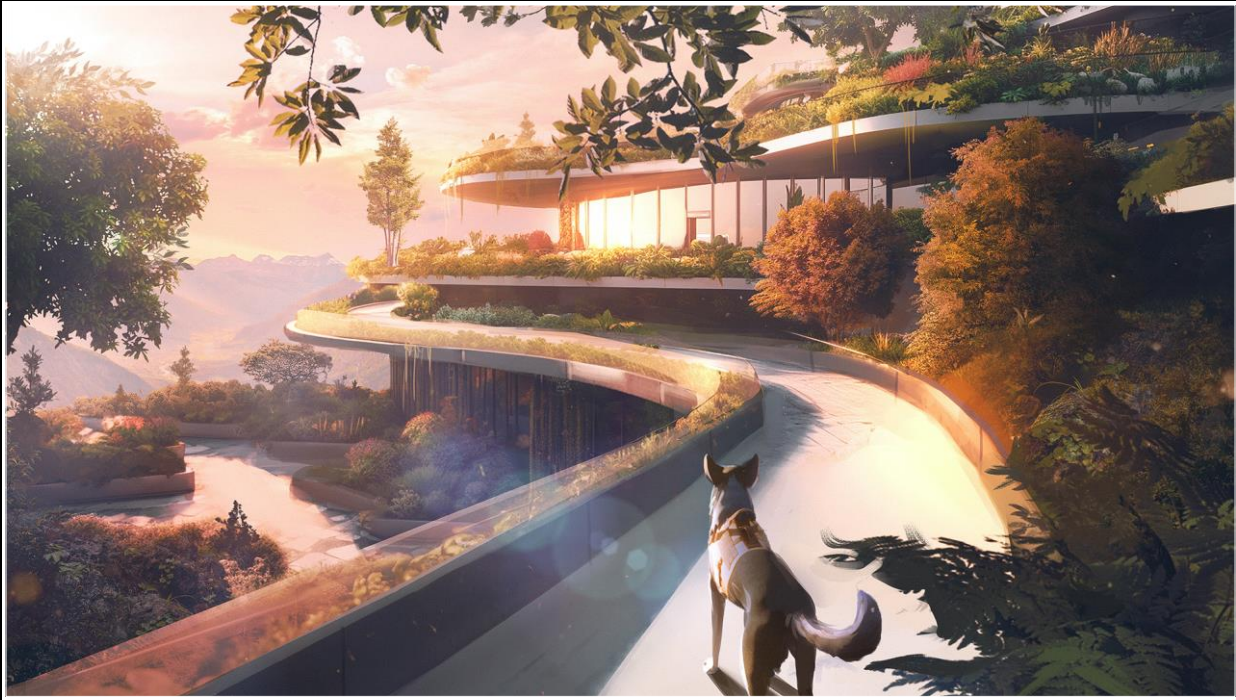
 **Stealth and action** – Players can choose how to complete missions: sneak behind enemies like a true secret agent, take them down silently, or engage in full combat using weapons and gadgets.

 **Gadgets straight from a tactical dog vest** – THUNDER is equipped with specialized gear inspired by modern military dog accessories.

 **Diverse locations** – From a villain's secret base hidden in a gothic castle, to a thrilling amusement park filled with dangers, and a labyrinth of greenhouses and gardens – each location offers unique challenges and exploration opportunities.

 **Canine humour** – BARKOUR isn't just about action—it's packed with humour. Despite his professional agent persona, THUNDER is still a dog – sometimes he chases his own tail, sometimes he flops on his back, waiting for belly rubs.





COMEBACK TO THE WORLD OF BEES

BEE SIMULATOR 2



The first part of Bee Simulator was designed and developed based on the experience and skillset of the studio's team back from 2017-2019. Drawing from reviews by journalists and feedback from players, our development team began working on a Bee Simulator 2 prototype in 2022.

The design and mechanics of Bee Simulator 2 also incorporate insights gained from the studio's subsequent projects, Giants Uprising and BARKOUR. As a result, the sequel will introduce more modern core mechanics, including resource gathering, large-scale hive-like structure building, and world restoration, where players work to rebuild an environment damaged by human activity.





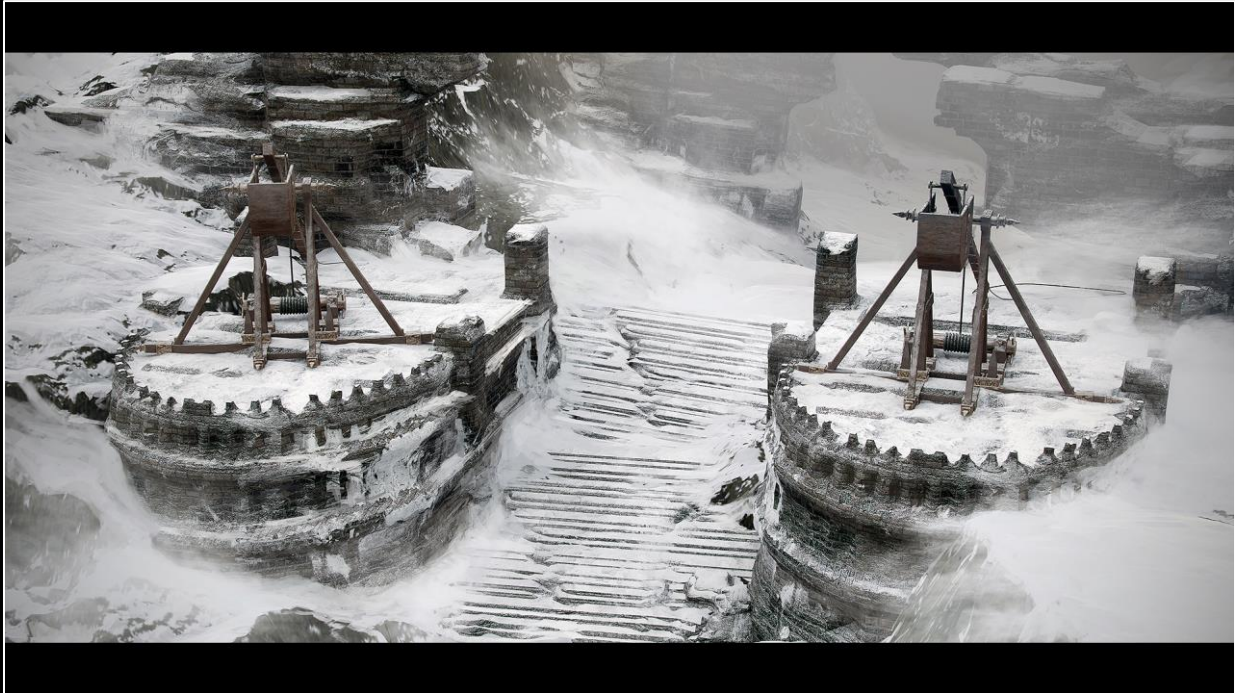
UNFINISHED TALES

As a studio, we have a debt to repay—to our players and to ourselves. This debt consists of unfinished game projects that we have believed in from the very beginning and continue to believe in today. Due to financial challenges faced by the studio between 2021 and 2023, as well as the ongoing instability in the industry, we were unable to complete two highly advanced projects—**Giants Uprising** and **The Path of Calydra**.

We have not forgotten our unfinished tales. In a positive scenario following this year's planned releases, we anticipate having the necessary resources to return to both of these projects in 2026 or 2027, with the support of external partners and a rationalized budget. Stronger in financial stability and experience—qualities we lacked during **Giants Uprising**—and with the technical expertise that previously stood in the way of **The Path of Calydra's**, we aim to finally bring these titles to life.

GIANTS UPRISING







THE PATH OF CALYDRA





Matheus New Model

