
[Transcript of the investor's conference regarding financial results for H1 2023](#)

Krzysztof Kwiatek (CEO):

Good morning to everyone. Welcome to Creepy Jar S.A.'s performance conference for the first half of the year 2023 (H1). On the company's side, as always, it's Grzegorz Piekart, board member, and Krzysztof Kwiatek, chairman of the board. Grzegorz will present the business and financial side to you in the first part, while I will give you a closer look at the development side later on. Welcome.

Grzegorz Piekart (Management Board Member):

Good morning. So, what shaped our activities and results in H1 this year? Primarily the expansions we made to Green Hell. In January we released the Building Update, which was positively received by the players, and the sales were very good. Everything went according to plan. Later, in April, we released Animal Husbandry on consoles. Console players have also been very eagerly awaiting further expansions, so we were happy to be able to deliver their next release. We also released Storage & Transportation onto PC in August, but that was after the period we're talking about now. It was also very well received, so we're also very happy. Of course, most of the development work for it was done in the first half year. We are continuing work on Chimera. As you know we did a reveal of it H1. But Krzysiek will tell you about the development progress later on. All our efforts and work culminated in the following results: we had 19.9 million zlotys in sales revenue, which is nearly 29% less than at the corresponding time last year. In terms of financial performance, EBITDA was 11.9 million, or almost 40% less than last year. Net profit was 12.8 million zlotys, which is 31% less than last year. In terms of cash, or short-term financial assets, we had close to 100 million zlotys at the end of the first half of the year, which is more than 13 million more than at the beginning of the year. Expenses and game development costs have also increased significantly compared to last year. We'll talk more about game development later, but we consider that increase to be a very good sign. We are spending more on development and we can clearly see the positive effect that has on our products.

Krzysztof Kwiatek:

One moment please, we seem to be experiencing technical difficulties.

Grzegorz Piekart:

Ok, as I was saying. At the end of June, we employed 59 people, which is 9 more than we had at the end of Q1. That ties in with what I said earlier – our development and administrative teams have grown. At this scale, it's impossible not to develop administrative teams, but our new specialists are contributing to a higher quality and faster development, which we're very happy about. In terms of sales on key platforms, we sold more than 500 thousand copies gross in H1. Close to 400 thousand on PC/Steam and 136 thousand on consoles. In May we passed the 4.5 million sales milestone. And as you can see on this chart, we're making great strides towards the 5 million sales milestone. In terms of corporate highlights, we paid a record dividend for last year, close to 28 million zlotys in total, or 40 zlotys per share. We also approved a new incentive programme. Its terms are already publicly known, but it is a similar programme to the previous one i.e., it's also a three-year programme with 37 thousand shares, but in the performance-linked tranche the target has been increased by 50% i.e., to 90 million in three years' time. We have not recognised the costs of the programme in the results of H1 because all the formalities in its regard have not been completed, in particular the board's approvals indicating eligible participants and the signing of participation agreements. We assume that we will have settled this process by the end of the year, also this cost will certainly be recognised in the annual report for 2023.

Going into greater detail in terms of our results. As I said, close to 20 million from sales, which is noticeably less than last year. The main factor, of course, is that we did not have any significant launches during this period. We didn't release onto any new platforms, which as a rule are the moments where we generate the highest revenue. Last year, in the corresponding period, we had our VR debut, which then had a very positive impact on sales. Additionally, we saw a decline in Green Hell's sales at the turn of Q1 and Q2. We attribute this to the fact that the game is in fact getting older. We are after all talking about a game that just has been on sale for 5 years, and as we've said many times, there will come a time when sales won't be able to continue growing infinitely. We've been expecting that drop-off, and it has now happened. We are of course taking steps to counteract this effect. Most importantly, we're continuously adding expansions, and we see their positive effect on sales. We're also working to increase its visibility in stores, we're making more discounts, and bigger ones too. For the first time ever, during H1 Green Hell had a 40% discount on Steam and on console platforms. On balance the effect it has



had is positive, but we'll see how it continues to progress in the long run. As of today, we can't confidently say. We're keeping a close eye on it. We're still able to offer more discounts, if necessary, but we'll see what the future holds. Going into even greater detail of our results and costs in particular: while operating costs were admittedly lower than last year, this is due to two factors. On the one hand, the costs of things such as third-party services themselves have increased, which was particularly noticeable during the reveal of Chimera, where we incurred quite significant marketing costs. On the other hand, as I mentioned, we haven't recognised the incentive programme, which after putting those two items together has resulted in costs that are not quite comparable to last year. But those were one-off topics that led to that result. As a result, and combined with the fall in sales, we have seen a fall in profitability at virtually all levels. Which is in some ways encouraging as net profitability is still at a similar level to last year. And we'll of course keep working to maintain profitability at a high level, or at the very least to keep it from declining further. In terms of the balance sheet, there weren't any significant changes here. As a result of our continued work on Chimera and the activation of development expenses, our long-term payments have increased. In addition, we have a deferred tax asset recognised there. Our current assets are predominantly cash, and as a consequence, dividend payments in future periods will be lower. So those were the most important things i.e., liquid funds, deposits, and possibly short-term financial investments. Regarding the passive side of our balance sheet, there was a significant change in equity as a consequence of the dividend payout resolution, which reduced our equity by 28 million, while at the same time, there was a significant dividend liability, which we have shown in short-term obligations. But this too is a one-off situation. We assume that subsequent balance sheets will be clear of these items. As far as cash flow goes, then we're still generating cash. And despite the decrease in sales, we're still maintaining a positive pattern, where de facto all net profit translates almost one-to-one into operating revenue, which makes us very happy. We're not talking about profit on paper, but real, cold hard cash that goes into our bank account. Substantial amounts have appeared in investment activities, as we have acquisitions of short-term securities and the opening of deposits as well as the repayments of these types of objects i.e., money coming back to us. And in addition to all the acquisitions of tangibles and intangibles, and equipment i.e., our de facto investment, we have the production of Chimera, plus the fixed assets we have acquired along the way. There was also a one-off in financing activities i.e., proceeds from the emission related to the payout of the old incentive programme, which came to about 2.8 million zlotys. But as I said, it was a one-off position. There shouldn't be any more items like that in subsequent periods. So, that was the end of the financial part. I will pass the floor to Krzysztof, and he will talk a bit about what is happening with our developments.

Krzysztof Kwiatek:

Thank you, Grzegorz. Before I start, I just wanted to make sure that we're all good? We're streaming on a few different mediums, and we had a little bit of a problem. OK, we're good. So, the development of Chimera, our plans and progress: to start off with, we have some good news – in August we reached a milestone dedicated to the player's progression and world exploration. And for us, that milestone is a big success. We now have a good chunk of the game. I'd say a good several dozen hours of gameplay. Everybody in the team is playing the game and we're all feeling good about it. This is good, because it's much easier to develop a game when everything starts to click together, and you get the core gameplay loop working so far ahead of the scheduled release. That's not something we had when we were developing Green Hell, but maybe that comparison is unfair as at this point when developing Green Hell, we only had a dozen or so people working on it. Now our team is much larger and much more efficient. But we're very happy that in the months to come we already have a good part of the game ready. We entered a new development phase for Chimera in 2023. What does that mean? Well, in 2022 our work was more experimental, and our goal was a build that would consist of a wide variety of game mechanics that were going to be the foundation of Chimera. But at that point, we weren't trying to get the different mechanics to cooperate too much. But then at the turn of 2022 and 2023, the state of the game we had built gave us the answers to many of the questions that we had had about the way that we wanted the game to develop. Since then, we know exactly how we want to progress and what Chimera's end product will be. Our next goal is early access, and as a result, we've changed how we'll be approaching the development of new milestones. Our latest approach is that each successive milestone should consist of two major features which we want to develop to a highly advanced level of playability. After having done three, maybe four milestones like this, we want to have gone through the whole gameplay loop early on and have a very playable game. The next step after completing those milestones will be polishing off what we have in preparation for the Early Access build. It's going to be a job on many levels at the same time, as we'll be working on playability, we'll be fine-tuning the graphics, and the balance in the mechanics. All those things will add up to the high-quality early access product that we're looking for. But, to give you a closer view of our planned milestones: the August milestone that I already mentioned was



dedicated to the player's progression and exploration. The next one that we're working on is atomisation and combat. Through atomisation, we want to give the player more ways of developing their infrastructure, their bases and exploration. And of course, with combat, we want to deliver fights with enemies on a high and satisfying level. The last milestone that we have planned will be dedicated to mega machines and variable environmental conditions i.e., the next two big features of our game. And as I mentioned, after completing those milestones, we think that we'll have a really cool game on our hands, and then it'll be time for the qualitative fine-tuning. That's all as far as the development and our next plans for Chimera for now. Now to briefly tell you about Chimera's marketing. We want the majority of the marketing to be focused on showing gameplay footage. We are convinced that this is the best way to attract players and get them interested in the game. So that's our plan. In the meantime, of course, we are developing our marketing team. We are adding talent in preparation for the intense promotional period when we will be able to show the first gameplay footage. Obviously, we don't plan on remaining entirely inactive in promoting the game until we can release gameplay footage. Very soon we will start releasing some footage from our game that will show some behind the scenes of how Chimera is being made, but as I mentioned, these will only be additions. Gameplay is what we would like to base our marketing on, just like we did with Green Hell, only this time much more intensively. Looking at where we are in development at the moment, we're hoping to start seeing it happen sooner than we did with Green Hell, when we had those first gameplay materials quite late. And that's where I would end the Chimera topic. Moving on to the next screen, which is the development of Green Hell. We are, of course, continuing our existing strategy of developing this game and giving free expansions to players. We've already released the Storage & Transportation update for PC this year, where we gave players additional options for transferring, collecting and storing the materials needed to build a base and to survive. We are currently working on the Combat Update. The Combat Update will add a new mode related to the combat in the game. We would also like to improve the behaviour of AI enemies and add some buildings that will be related to the defence of their base. Our next idea for the moment, which of course is not the final Green Hell update, is the planned New Animals update where we will add new pets to the game. This update will not change the gameplay very much, nor will it bring many mechanics, but we know from experience that players are very happy when they get gifts such as new pets in the game. Hence, every now and then, we try to add such an update. As for consoles, we already have Animal Husbandry and at this point, we are approaching the release of the Building Update. And all the while, the decision of if and for how long we're going to support Green Hell on the old generation of consoles hangs in the air. Possibly after the release of the Building Update, it'll be time to stop working on the old consoles and only release new content on the latest generation. That's all as far as the development part related to Chimera and Green Hell is concerned. Now we'll have the Q&A section. We also invite you to an investor chat today at 1 p.m.

Grzegorz Piekart:

First question:

Q: How many people are currently working on Chimera?

Grzegorz Piekart:

Off the top of my head, I don't have that number, and it's also somewhat fluid, in the sense that our largest testing team moves seamlessly between projects. From the purely developmental side, excluding QA, it's probably around 35 or 40 people, that's the scale we're talking about. That's probably the number.

Q: Have all of the costs related to the production of the Storage & Transportation expansion been included in the Q2 2023 results, or will any part be charged to Q3?

Grzegorz Piekart:

As a rule, when it comes to PC expansions, these costs are settled on an ongoing basis. Month by month, as the costs arise. So, there will be more costs related to the release of this expansion in July and August as well. However, as we have said, we're going in the direction of smaller expansions, with no storyline. They take us less time to develop and consequently are cheaper which is why they are not that significant, and these monthly costs are really relatively small.

Q: Over the course of Q3, the company expanded its team by about 7 people. How many of them are development people? Are there plans to expand the team further?



Grzegorz Piekart:

Again, I don't have the figure in my head, but it's about half and half. Most were development, maybe two administrative people. Probably two to five, but I wouldn't bet my life on that number. That's more or less the ratio we're talking about. We still have open recruitments. And more people will be joining us in October, too.

Krzysztof Kwiatek:

However, the intensity of our hiring has decreased, due to the fact that we already have the core team. We also feel confident with both the development of Chimera and the continued development of Green Hell. Of course, over the next milestones, we're noticing not so much as gaps, but simply spaces that could be filled with someone else, so that the development can go faster on all fronts.

Q: Good morning, I would like to ask how Green Hell's sales have been doing in recent months. Do you see an improvement compared to Q1?

Grzegorz Piekart:

I don't know if this is what the question was about because Q1 was still a great quarter. We had 12 million in revenue in Q1. Sales declined only at the end of Q1 and the beginning of Q2, so rather it was Q2, which we have now reported within this half-year, which was the worst period. Assuming that was the question, I would answer yes. The action we have taken, which is to increase the level of discounts, is having a positive impact on sales. Current sales are better than in that worst period, where we were hit by the decline. However, quite frankly, we will never return to last year's sales levels. We are assuming that last year's record year was the peak for Green Hell at this time, thanks to the launch of the new platform, as well as the introduction of many optimization measures, in terms of discount levels, and we don't expect to return to it. The question is how close we will manage to keep to it in the future.

Q: How much of the third-party services involved marketing?

Grzegorz Piekart:

As a rough estimate, about a million zlotys of the expenses included in the first half of the year was Chimera's marketing.

Q: Chimera's development expenditures more than doubled over Q2. What was the reason for this? Should we expect lower expenditures in subsequent quarters?

Grzegorz Piekart:

Here there was indeed a big jump, which is naturally a derivative of the increased team. It definitely had an impact on these higher expenditures, while we also had to incur one-time payments related to technology, which will no longer be there in subsequent quarters, so we assume that this is not a normal level in the long term. Rather, it will be something between what it was in Q1 and Q2. That's a bit of a derivative of the previous question. If we were counting Q2 alone, we would actually get to those 17 very quickly, whereas there, the one-time payment inflated it a bit. We assume that, despite everything, we should still make it around 17. Maybe at the beginning of the year, after these upcoming milestones, we will possibly do some sort of revision. But that's what we've been saying from the very beginning, too. Whether it will be 17 or 20, it doesn't change anything from our perspective. After the dividend payment, we have more than 70 million. We are not afraid of spending a few more million to deliver a product of a quality that will satisfy us, and that we think will satisfy the players. We don't have the kind of limitations that often arises in our industry. We remember it ourselves from the days of Green Hell, when we actually had to release a game because we were running out of money. Today we do have the money to above all focus on quality. And from this point of view, it's crucial that we make a good game.

Q: How can we understand the milestones regarding world exploration and progression? I am talking about mechanics here, if possible, please elaborate.

Krzysztof Kwiatek:

In terms of player progression, it's about how the player is drawn into the world, into building a base and developing it. How he unlocks more buildings and structures that he can create. It's about how it's related to exploration, what he has to acquire in the world to be able to unlock certain methods, structures and mechanics.



For the first milestone, we chose what we think is the most important part i.e., the progression of life. By life I mean the development of the player's base, their whole infrastructure. Getting new resources and exploring the world have to work well together. And those are the two mechanics that already have a couple dozen hours of playability.

Q: What kind of response did you get from the gaming community on Chimera after the first presentation of the game?

Krzysztof Kwiatek:

Maybe Grzegorz and I can answer that together. The response was generally positive, however, in my opinion, everyone is waiting for the essence of the game i.e., the gameplay. We announced that the Creepy Jar team is working on a new project, but without showing any gameplay. Eventually, we'll want to show as much gameplay as possible, hours even. We might even do something similar to what we once did with Green Hell, where the first footage was almost half an hour of Green Hell gameplay. Then that is something that will actually allow the gaming community to respond to Chimera. For now, we have a nice teaser and nice key art, all of which is important, but for players, it's still just a project on paper for now.

Grzegorz Piekart:

At the end of the day, the clue is in the name: it was a reveal and a teaser. It's only a teaser of what we're talking about. On the other hand, we are aware that gamers these days want to see gameplay, and that's what we're focusing on now, so that we can actually show them some very cool things. So that as many people as possible can actually get familiar with it before the release, to understand what we are doing and make them want to buy the game.

Krzysztof Kwiatek:

And this is something that suits us very well, we too don't think that using cinematic trailers to sell games is a good way for us to go, especially since the fact that we want to show this gameplay as soon as possible also drives us internally to push certain topics faster and more efficiently.

Q: Have you already determined the scope of Chimera's early access?

Krzysztof Kwiatek:

Yes, we have, and that scope is in the milestones I talked about. At the moment there are 6 main features and mechanics that will make up Chimera's gameplay loop. Of course, during development, we will look at how it's going. You always have to be flexible and be willing to either add something or sometimes even decide to take something away.

Q: Do you plan to use third-party companies to assist with future marketing content for Chimera?

Grzegorz Piekart:

To some small extent, yes, but the things we have planned are things we'll want to do internally, as much as possible. As Krzysiek already mentioned, we are hiring for marketing positions as well. We would like to add the skills we need to the team so that we can progress sensibly, the way we would like to. With Green Hell, we managed to outsource in such a way that allowed us to properly showcase the game, and we had a partner who actually knew how to do it in such a way. For various reasons, we no longer work with them. However, we assume that someone on the inside who knows the game very well, understands its goal and will be able to make better marketing materials.

Krzysztof Kwiatek:

And with more intensity. As I mentioned, when we started the Green Hell promotional campaign, we de facto had one 20-minute promo piece from the game, and later the first trailer came out. We did it partly in-house and partly outsourced. We noticed that the development of this type of material is always time-consuming. We decided to move those competencies here to us, in-house.



Q: At the current stage of Chimera's production, do you feel comfortable with the early access release of this game next year?

Krzysztof:

At the moment, we can't see any risks. We're trying to go milestone by milestone and focus on making sure that each milestone comes out as well as possible because we know that we want to limit our buffer for mistakes and experimentation. We had time for that last year. We know what we're trying to do and we're doing our best to deliver that every milestone. On the other hand, given that it's still about a year away, it's a little too far to tell. Just because we don't see a threat now doesn't mean it won't appear in a while. That's usually how it is, the closer we get to the release, the more risks appear. Hence, it is rare for game development studios to know a year in advance that they will definitely be late next year and by how many months. These delays come out a few months before the release, when it is clear that the project does not yet meet the expectations and standards of the producer.

Q: Have you analysed how Unity's potential price list changes might affect Creepy Jar's business and what the potential scale of the impact on results might be?

Grzegorz Piekart:

Yes we did, of course. As we know, these changes are still just hypothetical. I understand that after the wave of very negative feedback from developers, Unity is still rethinking its proposal. We don't expect them to take things very far, so it's more likely that there will be some sort of limitation on the amount they charge off the top. From our perspective, although we take a negative view of all this, in the sense that you probably shouldn't change the rules while the game is running, so we do take a negative view of what Unity has done, but from the point of view of our business model and the fact that we have premium games, still sold at fairly still significant prices, it doesn't matter much and won't have a significant impact on our results. We are talking about costs of the order of 1% of revenue, in terms of our revenues today. This is a very painful situation for all free-to-play developers, where indeed paying customers are few and far between. The biggest fee at Unity today is 20 cents, according to their price list. And with a game that we still sell for more than \$10, this is a negligible percentage.

Q: Will the cost of the 2023-25 incentive program already be recognized in Q3 results? What quarterly amount might this be?

Grzegorz Piekart:

Given that today is the 22nd of September, I don't think we'll recognize it in this quarter yet, because we don't have all the paperwork finalized. We assume that it will only be in the annual report, so we will recognize it in the fourth quarter. As for the figures, the program is evaluated when you enter into participation agreements, according to the standard that we use for valuation, so we will know the exact amount then. Looking at the latest quotes, we estimate that the total cost of this program will probably be somewhat similar to the previous program. So, 6 or 7 million annually is what we're talking about, but these are preliminary estimates. The final pricing will come in the annual report.

Q: Have there been any games on the market recently that are similar in genre to Chimera?

Grzegorz Piekart:

I personally don't think so. There are others with a sci-fi setting..

Krzysztof Kwiatek:

But there will always be a sci-fi setting.

Grzegorz Piekart:

But not in games which are centred around base-building and exploration. Of course, Starfield is a new and big game, but it's entirely different, it's an RPG.

Krzysztof Kwiatek:

It's impossible to compare those two games, in any way.



Grzegorz Piekart:

Of the smaller games, it's as we've always said: Satisfactory, Astroneer, Planet Crafter. Those games are out there and selling reasonably well.

Krzysztof Kwiatek:

But those are quite old games. Planet Crafter came out along the way.

Grzegorz Piekart:

Yes, it's a bit newer, but in general, I don't think we've seen anything that we could point to and say that they're doing the same thing as us.

Q: Do you have many ideas for further DLCs for Green Hell already in sight? Or based on what you see from competitors' games, you have the key topics like building already covered.

Krzysztof Kwiatek:

We think we do. Green Hell will never be a game based solely on building. But this mechanic has already been greatly developed, even to a stage where we can build structures on trees and connect them, we can also remove certain objects from the ground, which have always hindered us. Building used to be heavily limited but at the moment, as far as building is concerned, we don't have any further ideas. Maybe something will come up, we'll see. We've always kept an eye on forums, but as Green Hell progresses, we're paying ever more attention to what the players are writing about. In the beginning, we had a lot of our own ideas for expansions, but now that we've implemented them, we're looking at what the players are writing about. And it doesn't look like the further development of building is a priority for the players.

Q: Are you thinking of starting pre-production of your next game next year, or would that be too soon?

Krzysztof Kwiatek:

Well, it's obvious that our next game will be Green Hell 2. But I don't think we are thinking about the pre-production just yet. The most important thing for us next year is to secure Chimera and that's what we'll be focused on. However, pre-production is quite a strong word, because pre-production is not like two or three people sitting in a corner and pre-producing. For pre-production to make sense, we would have to dedicate a team of at least 10 people to it. Those 10 people, however, would have to be taken away from Chimera, which isn't something we would want. This doesn't mean that we're not thinking about Green Hell 2. But we are thinking about when it would be the best time to start planning and then pre-production.

Q: Are you already thinking about the development of Chimera after early access and the full-fledged release? Does the company plan on paid expansions for this game?

Krzysztof Kwiatek:

At this stage of development, we already know what we won't be able to do and what we will have to push back. It's very similar to what we did with Green Hell, but maybe a little more consciously this time since there are more of us, we've created more ideas, we know what's going to be in early access, and we already know what's going to be released in the major expansions after early access. As for paid expansions, Grzegorz?

Grzegorz Piekart:

We're still following a strategy that doesn't involve us doing that. We think that the model we are using with free expansions combined with special offers is profitable enough for us. There are two aspects to it. Players really appreciate it and that's something that we're banking on. And secondly, paid expansions are problematic from the technical side. In games that are based on co-op mechanics, when some players have the expansions and others don't - solving that is not a simple thing from a development perspective. We don't want to complicate development itself in this regard. We don't think we're losing anything from the financial side. We would have to completely uproot the way we commercialize the game if we had paid expansions. We have experience in what we're doing. And we think that there are many things we can do better and more efficiently to maximize our revenues in the model in which we operate, and that's the direction we'd like to go.



Q: Is the company planning any more marketing activity for Chimera this year?

Krzysztof Kwiatek:

As I mentioned when talking about our marketing plans. We certainly don't plan to show any gameplay because the end of the year is fast approaching, we're already at the end of September, so only October, November and December are left. We wouldn't be able to produce any gameplay materials by then that we would be satisfied with and that would show more scope. Showing gameplay is something that will start happening after the new year. We are, however, going to release some content. It'll be mainly related to Chimera's production more from behind the scenes, as an interesting morsel of sorts for people who are starting to watch this project.

Q: Are you satisfied with the progress of the work on Chimera? Is the work progressing according to schedule?

Krzysztof Kwiatek:

Yes, we are satisfied, and as I also mentioned during the earlier presentation, we have a nice build that all of us in the company think is a success. We have a piece of the game that can already be played with pleasure. Is the work progressing according to schedule? Yes, but of course this schedule is also quite flexible. We're planning on completing three or four milestones, which will bring Chimera to the right level of playability. We've completed the first one which was a success. We're approaching the second one, and we're trying to make sure that each of these milestones needs as few tweaks to it as possible, and that we see a significant change in quality from each one. So, so far everything is going well.

Q: How much time does one milestone need? Do you assume that each milestone should take a similar amount of time, or can they differ significantly?

Krzysztof Kwiatek:

It's always the result of planning. When creating a milestone, there are then a few days of planning among all the teams, where subsequent tasks are taken from the backlog and individual people assess what they'll be able to do and how much time they'll need. Based on that, we create the scope of the milestone and what we will be able to do. Each milestone will usually vary in the amount of time required. Will it be significant? It certainly won't be the case that one milestone takes two months and the next six. After all, we are trying to keep things moving forward steadily, without waiting for too long. The benefit of working on relatively short milestones, is each one has a premise and a goal, and in three months we can verify where we are, rather than doing that in six months. Something can always go wrong along the way, that's quite normal. And it's much better to know after three months and spend another month getting it right, than to do something for six months and then find that it's not working. Then everything is delayed.

Q: Can we expect a Rimworld-level survival difficulty from Chimera, but in a first-person POV? Putting it differently, how difficult will survival in the game world be in terms of mechanics? More or less advanced than in Green Hell?

Krzysztof Kwiatek:

In general, our plan is that it's supposed to be more arcade-like than in Green Hell, where the main feature of the game was that it's supposed to be a difficult survival, unlike other games that were on the market at the time.

Grzegorz Piekart:

I always joked that the main mechanic of Green Hell is dying.

Krzysztof Kwiatek:

Yes, exactly. We don't want that, instead we want the player to be able to play this game in peace, for days, weeks and months. During that time and especially at the beginning of the game, they can develop their survival skills to survive, but we also assume that the further the player goes, the more the focus will be on the industrialization of our planet, on creating a base and infrastructure. It's going to be a bit of a mix, but with far less emphasis than it was with Green Hell, because that's what Green Hell was about.



Q: And what more do the players want to see in Green Hell?

Krzysztof Kwiatek:

They would definitely like to get improvements related to fighting. The combat and the AI behaviour. Improvements related to the way AIs behave when attacking, and how they behave when we meet them in the forest, when on patrol, when it comes to attacking a base, when it comes to destroying a base, and so on. This is a thread that has been showing up for some time, and until now we haven't focused on it as much as we are now. I'm specifically referring to AI behaviour here because we've already had updates that added new enemies and some functionalities, whereas we'll be modifying AI behaviour now.

Grzegorz Piekart:

That and the things we mentioned and already do i.e., new pets are always a topic of interest to players as well as decorations for buildings. Not the building aspect itself, which was mentioned earlier, but just to be able to put some decorative elements in the base. Lighting up the base, which we also have unresolved at the moment. There are certainly some things that players would like to see. On the other hand, as we have said a couple of times, this is a huge game. There aren't any mechanics left that will change the base game.

Krzysztof Kwiatek:

Unless we added firearms.

Grzegorz Piekart:

Well, yes, but then we'd have to flip the game on its head. Of course, we are still attracting new players, but it's not like we are shifting the genre. This game is still a survival game, and that's going to change, and players buy this game because it's a survival game, not a base-builder or anything else. That's what other games are for. We are still primarily selling that survival element.

Krzysztof Kwiatek:

We are, however, looking at what players are talking about and planning the second part with those comments in mind.

Grzegorz Piekart:

Yes, of course.

Q: In terms of infrastructure development from a player's perspective, can we expect an experience similar to Factorio, only in a less complicated approach?

Krzysztof Kwiatek:

I would say that we are somewhere between games like Satisfactory and Astroneer, and maybe also from the side of Astroneer is Subnautica, which means it won't be as complicated as Satisfactory, but it won't be as simple as Astroneer either.

Q: Chimera has had more than three months of silence since the teaser release, and yet you declared that the marketing after the teaser will be more intense. Has anything changed in the marketing strategy?

Krzysztof Kwiatek:

Yes and no. As we mentioned before, we want to base the marketing campaign on gameplay, and that hasn't changed. But we know that we don't have any of that gameplay to show right now. We know that we still have to wait for the development work to be more advanced. Then we will be where we want to be in terms of marketing. We will be able to show the game and encourage players with footage of how the game is played. "See for yourself what our mechanics are like straight from the game, not on CGIs or screenshots." Meanwhile, as far as these three months of silence are concerned, it's related to our working to further develop our marketing team, to add talent to it, because we have plans to come out with some marketing efforts along the way. That's going to happen soon. But we want to prepare our team more for such more intensive work.



Q: How have you found working with Unreal 5?

Krzysztof Kwiatek:

This is quite a difficult question. I think that the bulk of these experiences are had by the development team, which is switching from Unity to Unreal. We are, however, trying to hire people who are proficient in Unreal. The experience has been positive enough that we are unlikely to change the engine back to Unity in the future. It's quite likely that Green Hell 2 will also be done on Unreal.

Q: When are you planning on releasing the first gameplay? We're already talking about a half-hour of gameplay.

Krzysztof Kwiatek:

I think we still have to go through at least one milestone, if not two, to know that we can show some longer shots of the game. I would add that to show gameplay, the game has to be visually polished as well. So, we need to think and decide how best to do all this. The visual will only just be polished off a month before the game is released, and of course, we don't want to wait that long. I expect we'll start thinking about what we can start showing after the second milestone, and maybe we'll redirect some of our development work to refine the visual side, of the mechanics we'll want to show, and then we'll show some of the gameplay.

Grzegorz Piekart:

It's not, however, been decided yet that we will show a half-hour of gameplay.

Krzysztof Kwiatek:

Yes, that's what we did with Green Hell.

Grzegorz Piekart:

It remains to be seen. We will choose the best way to present this game to players. Be it in the form of a gameplay trailer or in a longer form, as was the case with Green Hell.

Krzysztof Kwiatek:

I think that in general, if we start showing gameplay fairly early, then they will be shorter clips, because that's what we will be able to create. And the closer we get to the release, the more possible a half-hour gameplay release will be. Since we're already able to play Chimera and it's quite fun, then I think that after we complete the next two milestones and once, we further refine the performance and graphics elements, then we will be able to show longer and longer clips of Chimera. But, as Grzegorz mentioned, it is not yet decided whether we will ever show such a long piece. Perhaps we will show shorter clips, but with a lot of mechanics, and showing longer gameplay will be done, for example, by influencers who will get the build into their hands, if there is such a build.

Q: The incremental cost of third-party services is 2 million zlotys quarter-on-quarter. How much of that will be recurring in subsequent quarters?

Grzegorz Piekart:

As I mentioned, half of that is just the marketing. I assume that probably the other half can be recurring, but it remains to be seen.

Krzysztof Kwiatek:

Well, that was the last question, so thank you all for your presence. Thank you for being with us and listening to our presentation. We look forward to our next meeting.

Grzegorz Piekart:

Thank you all.

