



SOLIDCLOUDS

AGM April 2024

KOSNING FUNDARSTJÓRA

Tillaga stjórnar er að **Daði Bjarnason**, lögmaður, verði skipaður fundarstjóri.



DAGSKRÁ FUNDARINS

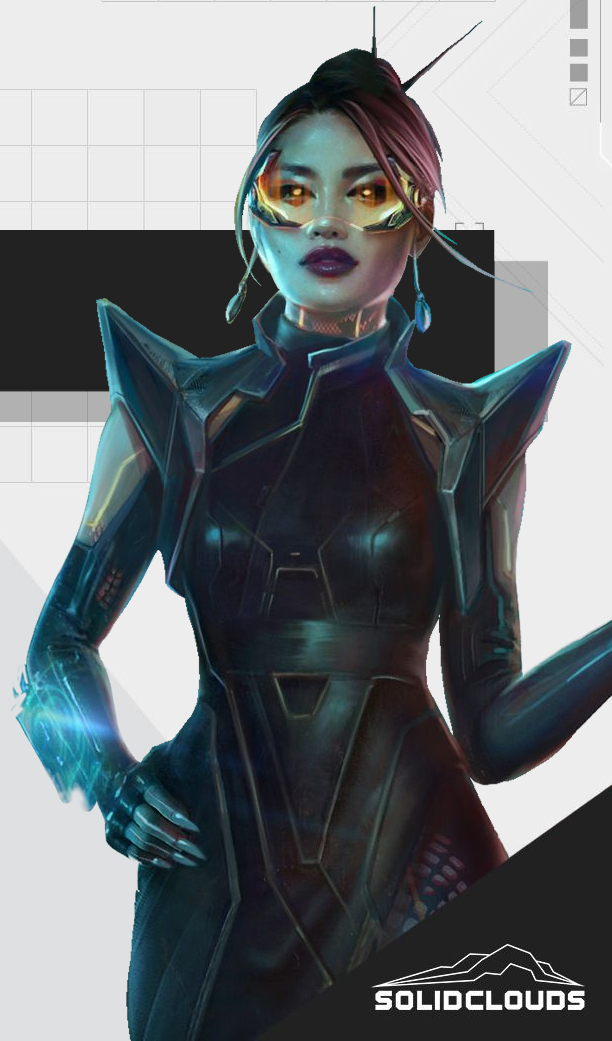
TR-2 // LÖG_02

CONFIRMED
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1. Skýrsla stjórnar um hag félagsins og rekstur þess á liðnu starfsári
2. Ársreikningur félagsins fyrir liðið starfsár lagður fram ásamt athugasemdum endurskoðenda þess til samþykktar
3. Ákvörðun um meðferð hagnaðar eða taps félagsins á síðastliðnu rekstrarári og ákvörðun um arðgreiðslur
4. Kosning stjórnar og varamanna í stjórn félagsins
5. Kjör endurskoðanda félagsins
6. Ákvörðun um þóknun stjórnarmanna félagsins
7. Starfskjarastefna félagsins lögð fram til samþykktar
8. Umræður og atkvæðagreiðslur um önnur málefni sem löglega eru upp borin
 - 8.1 Tillaga stjórnar um breytingu á 8. gr. samþykkt félagsins
 - 8.2 Tillaga stjórnar um að félagið fái heimild til að kaupa eigin hluti
 - 8.3 Kynning á framþróun nýjasta leik félagsins, Starborne Frontiers

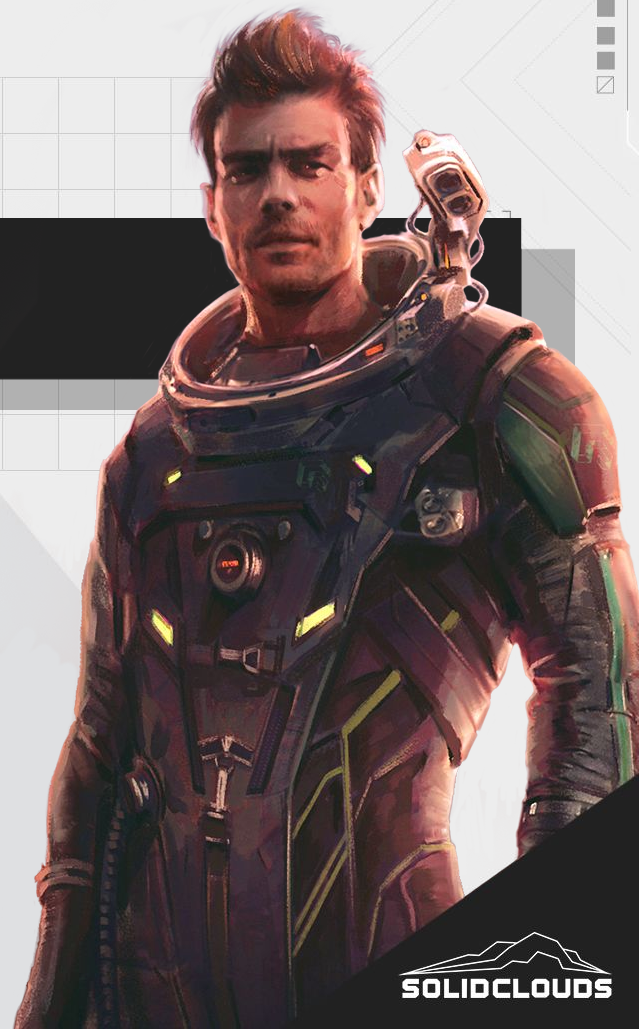
I. SKÝRSLA STJÓRNAR

Sigurlína Ingvarsdóttir, stjórnarformaður Solid Clouds, flytur skýrslu um rekstur og starfsemi félagsins síðastliðið rekstrarár.



2. ÁRSREIKNINGUR FÉLAGSINS

Stefán Þór Björnsson, kynnrir ársreikning félagsins.



INCOME STATEMENT

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 EMPTY

ASSETS, THOUS KR	2023	2022
Development costs	995,253	861,253
Right-of-use assets	4,472	10,706
Income tax assets	159,736	104,187
Non-current assets	1,159,356	976,145
Receivables	8,535	4,710
Other receivables	5,799	7,223
Cash and cash equivalents	44,003	310,118
Current assets	58,337	322,050
Total assets	1,217,693	1,298,195
EQUITY AND LIABILITIES, THOUS KR	2023	2022
Total stockholders equity	1,175,127	1,256,177
Lease liabilities	0	4,901
Non-current liabilities	4,900	4,901
Lease liabilities	4,900	6,768
Accounts payable	6,556	4,161
Other payables	31,109	26,189
Current liabilities	42,566	37,117
Total liabilities	42,566	42,018
Total equity and liabilities	1,217,693	1,298,195

Financial performance

- Solid Clouds operating income reflects the Company's continuing production of the Company's upcoming game, Frontiers.
- The Company capitalizes development costs (R&D) and therefore they are not recognized as expenses in the income statement. Grants received are netted against capitalized R&D expenses.
- Solid Clouds expects to receive about ISK 132.7 million in R&D tax credits in November 2024 for the 2023 operating year.
- Total revenue were ISK 159,1 million and thereof ISK 138,6 million in grants and R&D tax credits which were capitalized with in development cost (R&D).
- Game revenue is up because of early soft launch of Starborne Frontiers.
- Total operating expenses for the year were ISK 434,2 million and thereof ISK 360,7 were capitalized and ISK 73,5 million were recognized as expense. Salaries and salary related expense is the most significant item of expenditure amount to around ISK 261,1 million
- Net loss for the year amounted to ISK 83,1 million.

BALANCE SHEET

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 EMPTY

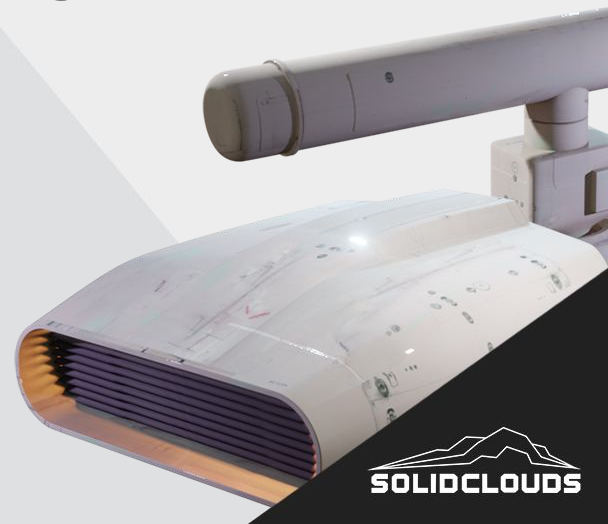
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- Equity ratio of 97%
- Total assets amounted to ISK 1.217,7 million.
- Development cost were ISK 995,3 million, representing the capitalized cost of producing the technology framework and associated game development.
- Income tax assets related to tax loss carry forward from previous years which are expected to be utilized against future revenues.
- Cash and cash equivalent amounted to ISK 44 million.
- Shareholder's equity totaled ISK 1.175,1 million, resulting in an equity ratio of 97%.
- Other payables amounted to about ISK 31,1 million and are mainly related to unpaid salaries and related expense as well as accrued vacation.
- No interest-bearing debt except lease liabilities related to the rent of office space.



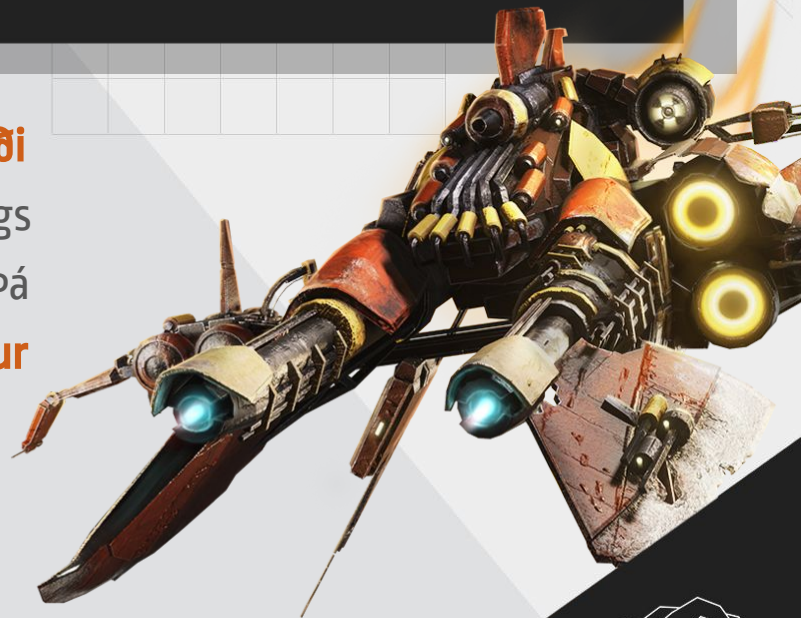
2. ÁRSREIKNINGUR FÉLAGSINS TIL STAÐFESTINGAR

Stjórn Solid Clouds hf. leggur til við aðalfund félagsins að ársreikningur fyrir árið 2023 verði samþykktur.



3. MEÐFERÐ HAGNAÐAR, TAPS OG ÁKVÖRÐUN UM ARÐGREIÐSLUR

Stjórn Solid Clouds hf. leggur til að **tap félagsins verði fært til næsta árs** og vísar að öðru leyti til ársreiknings um breytingar á eigin fé félagsins á árinu 2023. Þá leggur stjórn félagsins til að **ekki verði greiddur arður** til hluthafa vegna síðastliðins rekstrarárs.



4. KOSNING STJÓRNAR OG VARAMANNA Í STJÓRN FÉLAGSINS

Eftirtaldir aðilar buðu sig fram til stjórnar:

Eggert Árni Gíslason	kt. 240761-2119
Svanhvít Friðriksdóttir	kt. 191078-5359
Davíð Gunnarsson	kt. 240780-5939
Andrea Olsen	kt. 121280-2999
Skúli Skúlason	kt. 160865-3189

Eftirtaldir aðilar buðu sig fram til varastjórnar:

Guðmundur Ingi Jónsson	kt. 031071-4379
Ólafur Andri Ragnarsson	kt. 211066-4829
Ingólfur Vignir Ævarsson	kt. 081178-3999



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CONFIRMED

5. KJÖR ENDURSKOÐANDA FÉLAGSINS

Stjórn Solid Clouds hf. leggur til við aðalfund félagsins að **Deloitte ehf.** verði endurkjörið sem endurskoðandi félagsins til næsta árs.



6. ÁKVÖRÐUN UM ÞÓKNUN STJÓRNARMANNA FÉLAGSINS

Stjórn Solid Clouds hf. leggur til við aðalfund félagsins að stjórnarlaun á mánuði fyrir kjörtímabilið 2024 verði eftirfarandi:

- Formaður stjórnar 200.000 kr.
- Varaformaður stjórnar 150.000 kr.
- Aðrir aðalmenn 100.000 kr.
- Varamenn 50.000 kr.



7. STARFSKJARASTEFNA FÉLAGSINS LÖGÐ FRAM TIL SAMÞYKKTAR

Stjórn Solid Clouds hf. leggur til við aðalfund félagsins að framlögð **starfskjarastefna** verði samþykkt.





8. UMRÆÐUR OG ATKVÆÐAGREIÐSLUR UM ÖNNUR MÁLEFNI SEM LÖGLEGA ERU UPP BORIN

- 8.1 Tillaga stjórnar um breytingu á 8. gr. samþykka félagsins
- 8.2 Tillaga stjórnar um að félagið fái heimild til að kaupa eigin hluti
- 8.3 Kynning á framþróun á nýjasta leik félagsins, Starborne Frontiers

8.1 BREYTING Á 8. GR. SAMÞYKKTNA FÉLAGSINS

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Stjórn Solid Clouds hf. leggur til breytingu í formi viðbótar við 8. gr. samþykktanna sem felur í sér að ítarlegri reglur gildi um kaup á eigin hlutum. Verði tillagan samþykkt mun 8. gr. eftirleiðis skiptast í þrjár málsgreinar og hljóða svo (nýr texti er undirstrikaður):

„Félagið má eigi veita lán út á hluti sína.

Félaginu er heimilt að kaupa og eiga eigin hluti að því marki sem lög heimila. Verði heimild til kaupa og eignarhalds á eigin hlutum veitt af hluthafafundi, skal hennar getið í sérstökum viðauka við samþykktir þessar og skal viðaukinn vera hluti samþykktanna þann tíma sem heimildin er í gildi.

Óheimilt er að neyta atkvæðisréttar fyrir þá hluti sem félagið á sjálft.“

8.2 HEIMILD TIL AÐ KAUPA EIGIN HLUTI

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CONFIRMED
 CONFIRMED
 EMPTY

Stjórn Solid Clouds hf. leggur til eftirfarandi tillögu:

“Aðalfundur 30. apríl 2024 veitir stjórn heimild á grundvelli 55. gr. laga nr. 2/1995 um hlutafélög, til að kaupa allt að 10.000.000 eigin hluti. Heimild þessa skal nýta í þeim tilgangi að setja upp formlega endurkaupaáætlun eða til að gera hluthöfum almennt tilboð um kaup á eigin bréfum, enda sé jafnræðis hluthafa gætt við boð um þátttöku í slíkum viðskiptum. Heildar kaupverð endurkaupanna skal ekki vera hærra en 20.000.000 krónur en hæsta leyfilega endurgjald fyrir hvern hlut skal miða við síðustu óháðu viðskipti eða hæsta fyrirliggjandi óháða kauptilboð, hvort sem reynist hærra. Heimildin gildir til 8. október 2025.”

Fáist tillagan samþykkt þá er lagt til að eftirfarandi verði viðauki nr. 1 við samþykktir Solid Clouds hf, sbr. 2. mgr. 8. gr. samþykktu félagsins (að því gefnu að tillaga í dagskrárliði 8.1 verði samþykkt):

“Viðauki 1 við samþykktir Solid Clouds hf.: Aðalfundur Solid Clouds hf. haldinn 30. apríl 2024 samþykkir að veita stjórn félagsins heimild, á grundvelli 55. gr. laga um hlutafélög, nr. 2/1995, til að kaupa fyrir hönd félagsins eigin hluti, þannig að félagið eigi samanlagt allt að 10.000.000 eigin hluti. Heimild þessi skal nýtt í þeim tilgangi að setja upp formlega endurkaupaáætlun eða til að gera hluthöfum almennt tilboð um kaup félagsins á eigin bréfum, enda sé jafnræðis hluthafa gætt við boð um þátttöku í slíkum viðskiptum. Heildar kaupverð endurkaupa skal ekki vera hærra en 20.000.000 krónur en hæsta leyfilega endurgjald fyrir hvern hlut skal miða við síðustu óháðu viðskipti eða hæsta fyrirliggjandi óháða kauptilboðið, hvort sem reynist hærra. Heimildin gildir til 8. október 2025.”



8.3 KYNNING Á FRAMPRÓUN STARBORNE FRONTIERS

Stefán Gunnarsson, forstjóri Solid Clouds, kynnir frampróun Starborne Frontiers

NECESSARY COMPONENTS FOR A SUCCESSFUL GAME

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 EMPTY

Mobile Mid Core Game

1. Strong technical foundation.
2. Robust Game and monetization loops that keep players playing and spending.
3. The right ads for the right audience.
4. Quality Artwork and ingame animations.
5. Healthy social systems for long term retention (Discord, Ingame Social system and Influencers).

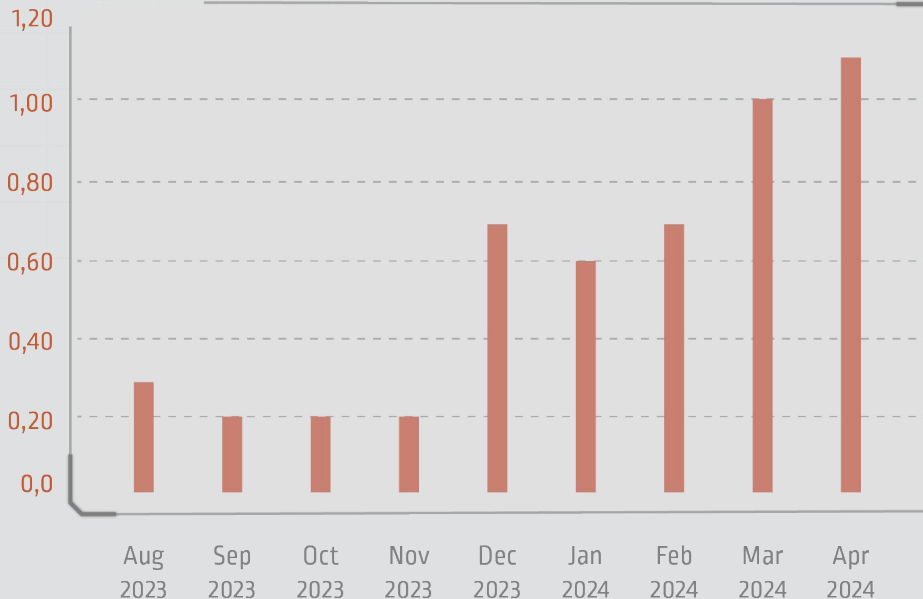


AVERAGE REVENUE PER DAILY ACTIVE USER

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- CONFIRMED
- CONFIRMED
- EMPTY

ARPPDAU



USD



LIVE OPERATIONS - SEASONAL EVENTS

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 CONFIRMED
 EMPTY



There have been two major Live Operation events in Frontiers. Last Christmas featured the boss **Stan the Slayer**, and the **Clutcher** boss appeared during Easter.

Alongside these boss challenges, there were **limited in-game offers** including extra boss keys and other goodies.

We plan to host special events monthly, encompassing bosses, fusion events, arcades, and more.

Recruitment Events are a central element of our Live Operations schedule. During these events, players either have an increased chance to acquire a specific hero when recruiting or receive an additional hero after a certain number of pulls.

The screenshot shows a recruitment event for the hero Isha. The interface includes a top navigation bar with 'RECRUITMENT' and a close button. Below this, there are five colored buttons representing different hero types, each with a '0' count. A timer indicates '10H 45MIN LEFT'. The main text reads: 'RECRUITMENT EVENT! SPECIALIST BEACONS SPENT DURING THIS EVENT GUARANTEE THE LEGENDARY UNIT ISHA AFTER 150 PULLS.' A progress bar shows '100 / 150'. On the left, a sidebar lists 'RECRUIT EVENT', 'RECRUIT', 'FUSION', and 'FRAGMENTS'. The central image features the hero Isha, a bearded man with a glowing blue visor. Below the image, it says 'GUARANTEED ISHA LEGENDARY ANTIMATTER'. At the bottom right, there are two buttons: 'RECRUIT X10' (costing 10 blue beacons) and 'RECRUIT' (costing 1 blue beacon). A small icon of Isha with a purple shield and a star is also visible.

We frequently seize these events as opportunities to introduce new heroes. While active, the recruitment events also feature limited-time in-game store offers that are popular with our players.

The **Battle Pass** is currently the **top-selling offer** in Frontiers. It resets at the start of each month and rewards players with a specific Legendary hero after reaching certain activity milestones.

BATTLE PASS

SEASON 4
SEASON OF SUBTERFUGE

1000/2000

90 DAYS REMAINING

FREE

PREMIUM

00+

WEEKLY GAIN RESETS IN X DAYS

1000/2000

PANGUAN
LEGENDARY

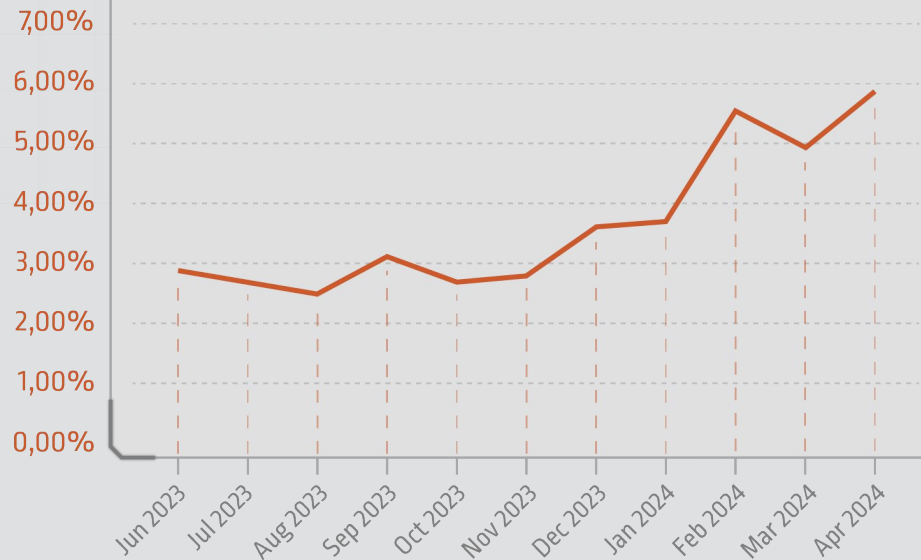
BUY BATTLE PASS

Offering great value, the Battle Pass not only appeals to players but also **boosts player retention**, which is crucial for the game's longevity.

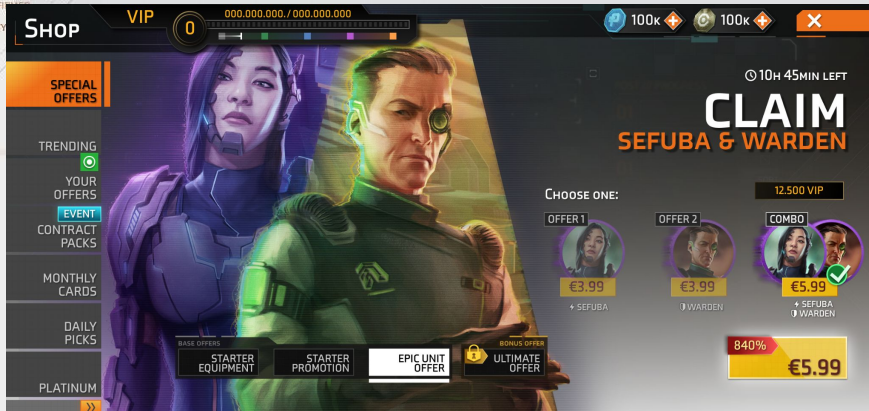
DAILY PLAYER CONVERSION

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- CONFIRMED
- CONFIRMED
- EMPTY



HEROES ARE THE MAIN ATTRACTION



We have observed around **8%** (Q1 2024) **conversion rate** of new players making purchases within the game (first-time player conversion).

Half of these conversions occur within the **first 20 minutes** of gameplay, reflecting the **high quality of the Frontiers game**, as players are still largely unfamiliar with it at this stage.

New Heroes are the most popular offer among first-time buyers.

B3

C3

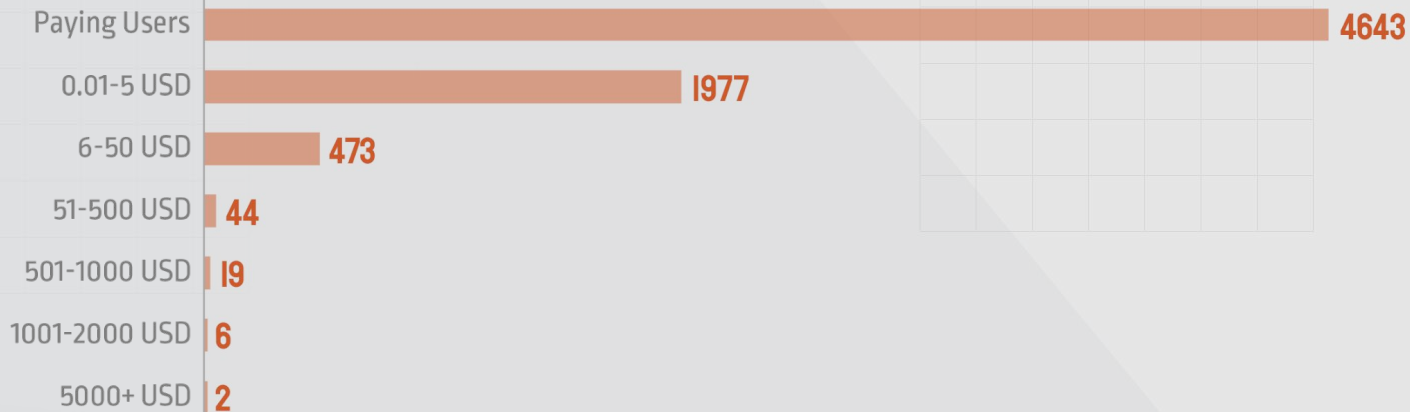
D3

PALM

PLAYER REVENUE DISTRIBUTION

TR-2//LOG_02

- CONFIRMED
- CONFIRMED
- EMPTY



B3

C3

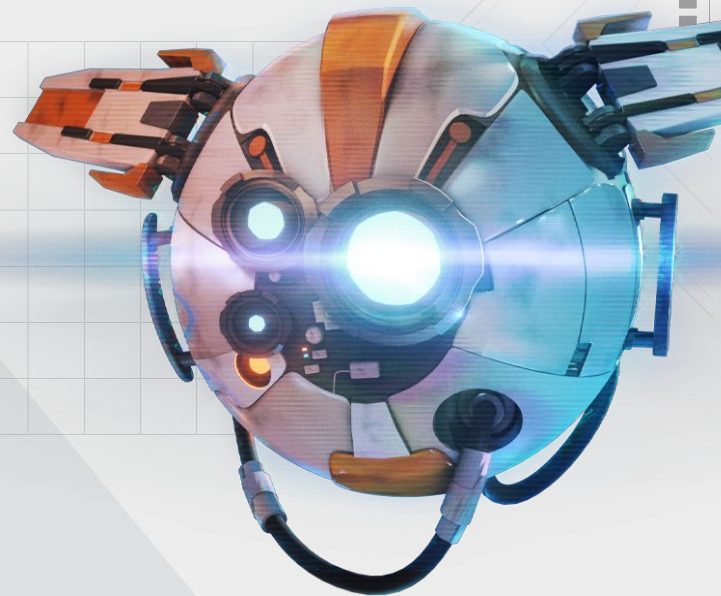
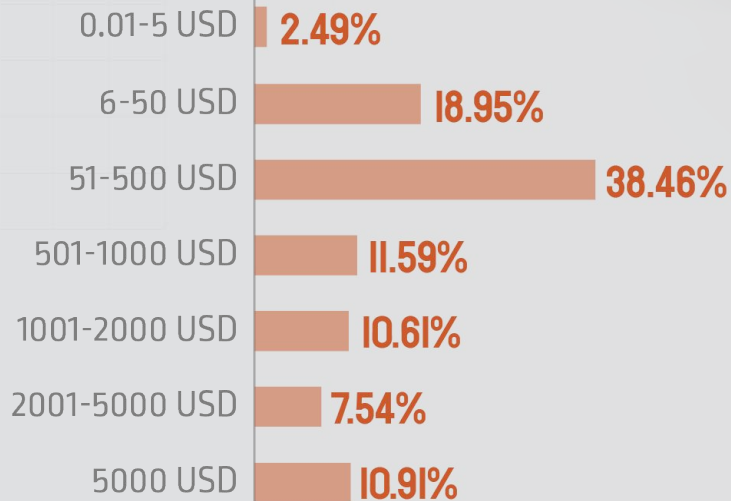
D3

PALM

PLAYER REVENUE DISTRIBUTION

TR-2//LOG_02

- CONFIRMED
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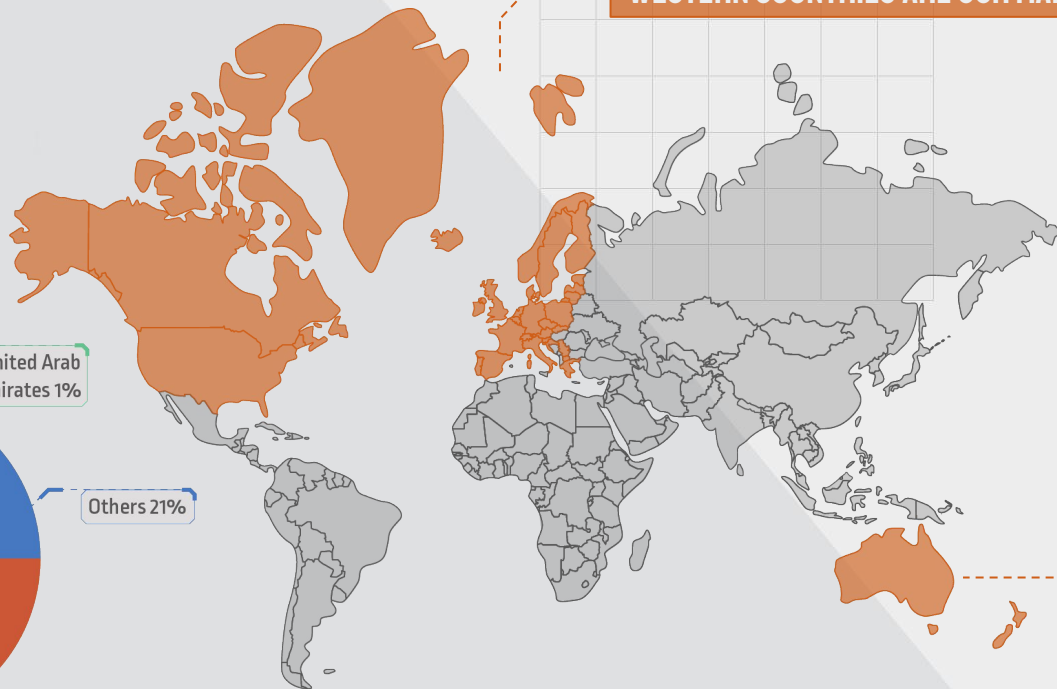
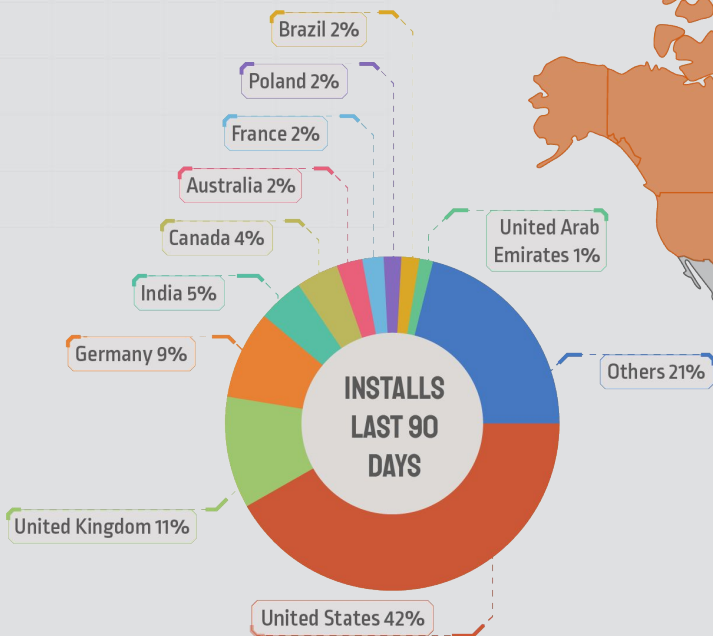


TARGET MARKET

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- EMPTY

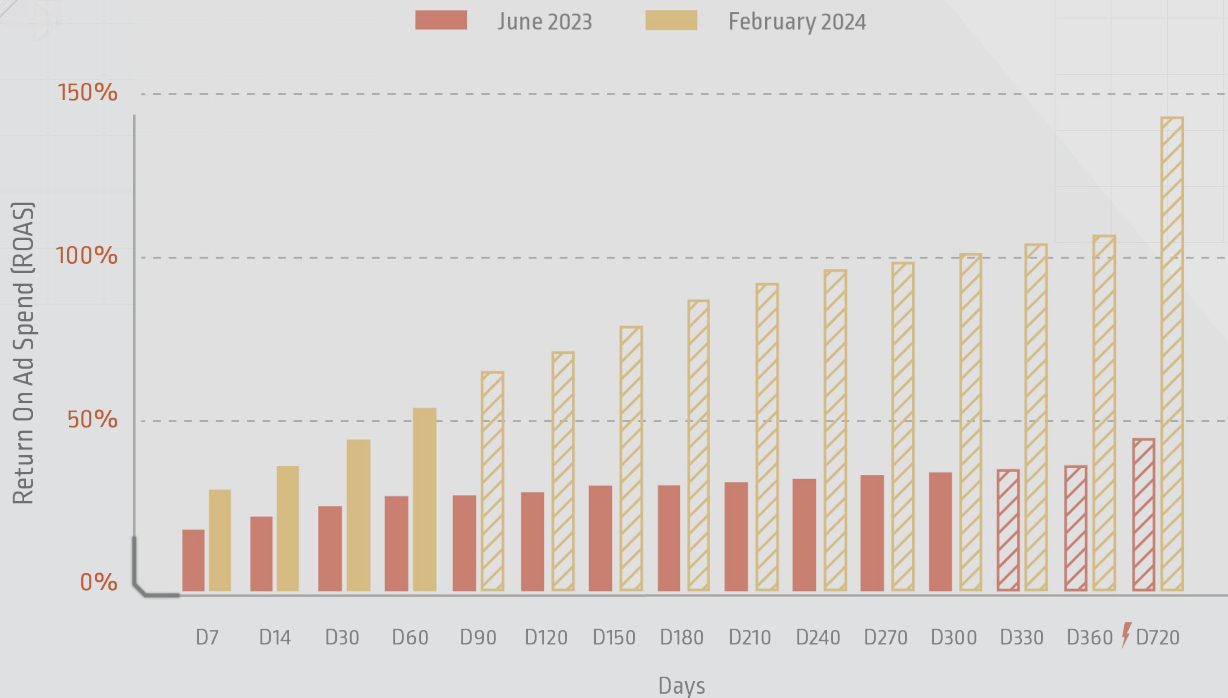
WESTERN COUNTRIES ARE OUR MAIN TARGET



CURRENT FRONTIER ROAS PROJECTIONS

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The ROAS curve for Frontier has **steadily improved** over the last year, thanks to continuous development and we have already **exceeded our goals for D7 ROAS**.

Significant enhancements have been made to user experience and player onboarding, and **live operations** have been active since December 2023.

Our community is thriving, with generally positive feedback from both older and new users.

LOGIN REWARDS WITH BIG MILESTONE CARROTS

TR-2//LOG_02

- CONFIRMED
- CONFIRMED
- EMPTY

MISSIONS

MAIN MISSION

01 ✓ 02 ✓ 03 ✓ **R1** 100 05 100 06 60k 07 60k 08 100 09 100 10 100

DAILY

11 15k 12 13 60k **R1** 14 100 15 100 16 15k 17 100 18 19 60k 20 15k

WEEKLY

21 22 75 23 75 24 25 60k 26 15k 27 28 75 29 75 30

MONTHLY

LOGIN REWARDS

🕒 30 DAYS 🕒 60 DAYS 🕒 90 DAYS

- Progressing the **narrative** deeper into the game
- Enhancing **goal setting** past the early game
- Optimizing **player progression monetization**

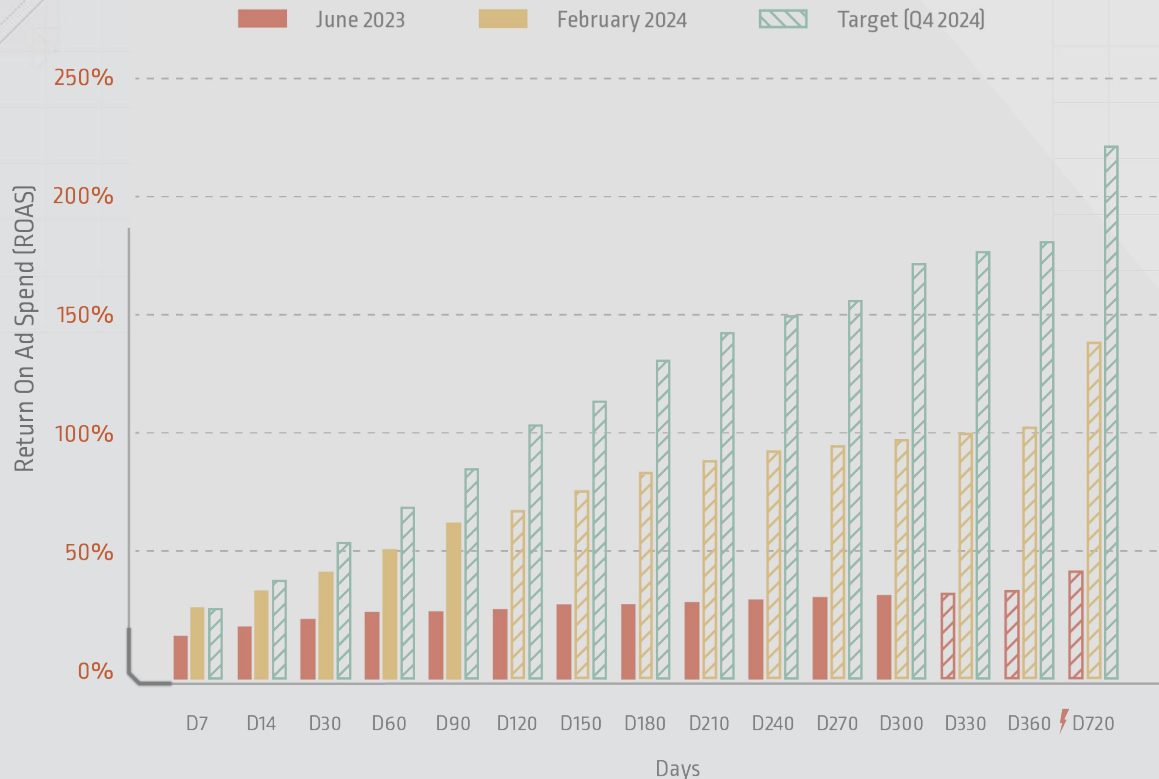
These initiatives aim to boost the following:

- **Long-term retention**
- An Average Revenue Per Daily Active User (ARPDau) **above \$1**
- Attain a 360-Day Return on Ad Spend (ROAS) exceeding **180%**

TARGET ROAS GOALS

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To achieve our **target goals**, we will address the following items: **Optimizing** mid to end-game pacing, **goal setting**, and the **in-game store**.

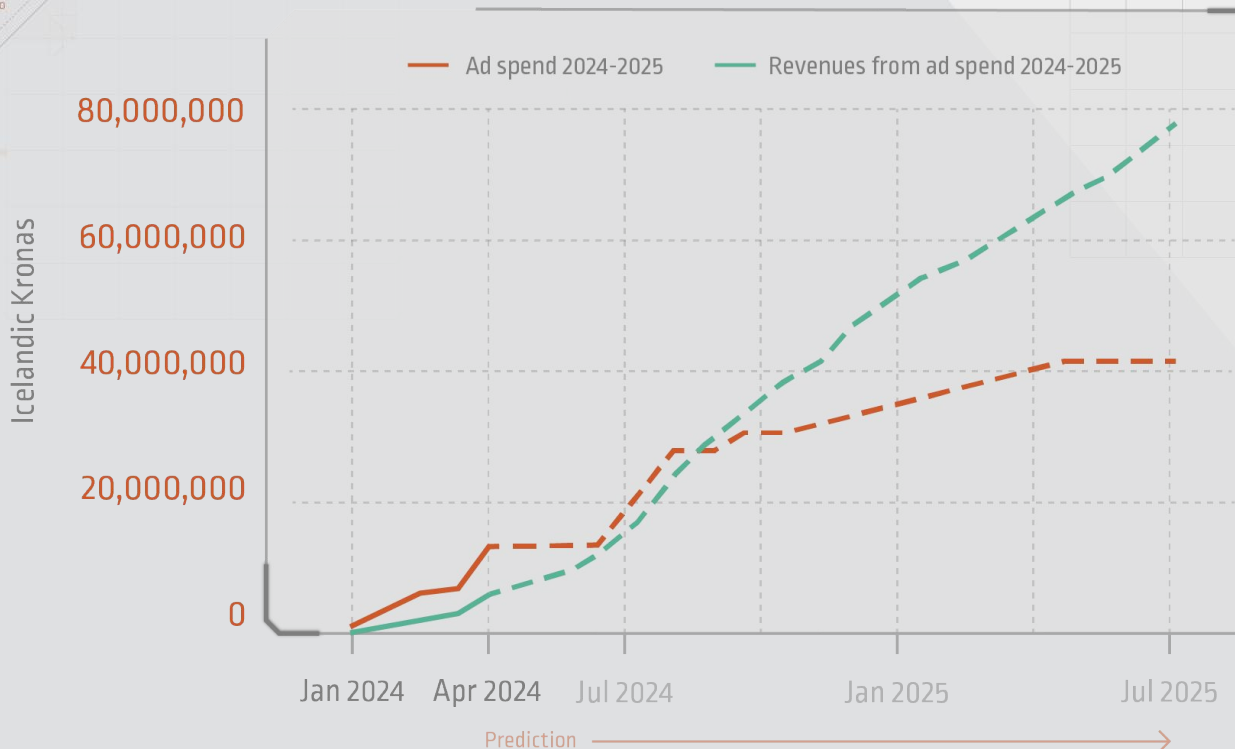
We will support **cross-platform play** (PC, Android, and iOS). We plan to strengthen the **social system** and expand our **internet presence** through influencers and online content.

Additional **end game content** will be introduced once mid to end-game pacing and goal setting are optimized, enhancing the long tail of the ROAS curve.

REVENUE VS AD SPEND

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- CONFIRMED
- CONFIRMED
- EMPTY



This chart reflects gradual improvements from the **current projected ROAS** curve to our **target ROAS** goals, while accounting for constraints in the marketing budget due to limited funding.

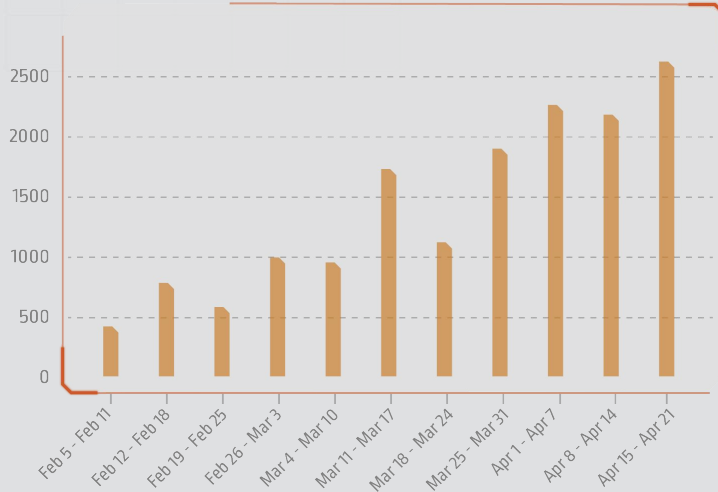
Not included in this chart are revenues from players who joined the game in 2023 and potential revenues from the PC Steam version of Frontiers..

COMMUNITY - DISCORD

The total number of messages sent shows a **marked increase**, especially noticeable from early March to early April, indicating a **surge in community activity and engagement**.

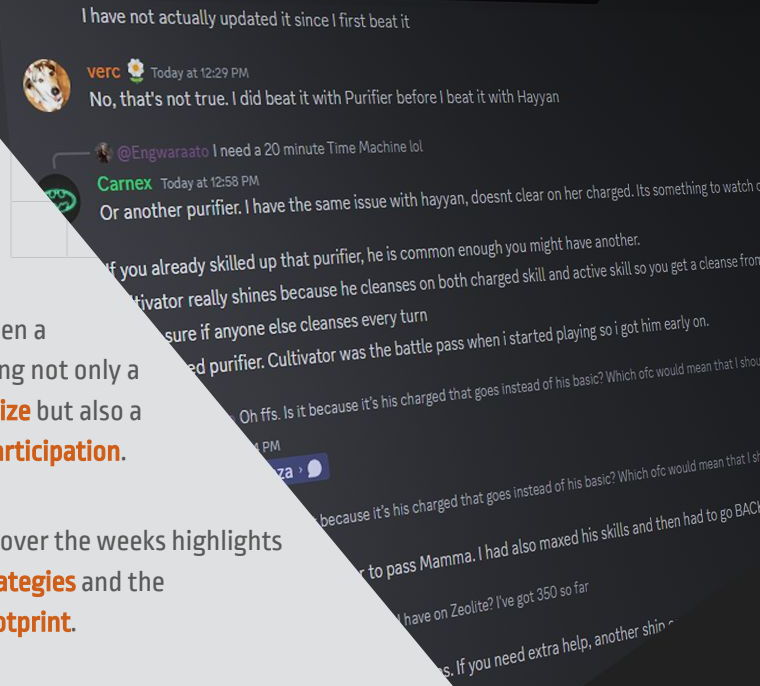
DAILY AVERAGE OF MESSAGES

Calculated weekly



The average messages per communicator have also seen a **significant uptick**, suggesting not only a **growth in the community size** but also a **higher level of individual participation**.

The consistency of growth over the weeks highlights **successful engagement strategies** and the **community's expanding footprint**.



PC VERSION

The PC client of Frontiers has entered external testing and will be accessible to all in the coming weeks. Our objective with the PC client is to broaden accessibility and enhance customer acquisition efforts, while also reducing dependency on third-party vendors like Apple and Google.

There is a consensus among us developers and external testers who have tested the PC client that the game truly excels on a larger screen, and we are very optimistic about its forthcoming success.

FRONTIERS PC VERSION RELEASE SCHEDULE

INTERNAL TESTING
Completed

RELEASE TO COMMUNITY
In progress

SELF PUBLISHING
to our web domains and commencing
direct marketing efforts

May 2024

STEAM VERSION RELEASE
2nd half of 2024





www.solidclouds.com