



SOLIDCLOUDS

AGM April 2025



KOSNING FUNDARSTJÓRA

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



DAGSKRÁ FUNDARINS

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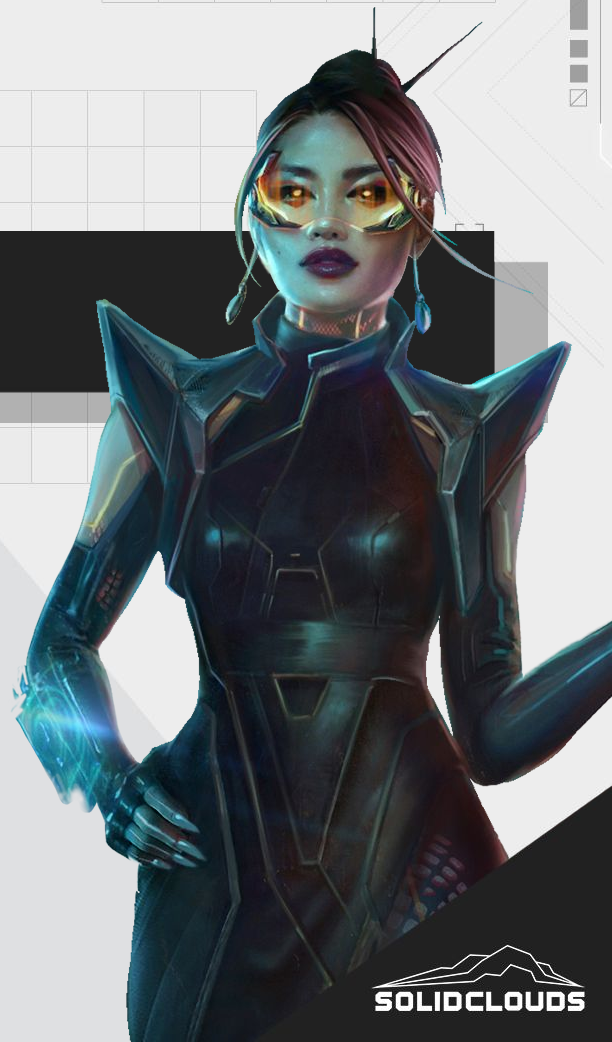
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1. Skýrsla stjórnar um hag félagsins og rekstur þess á liðnu starfsári
2. Ársreikningur félagsins fyrir liðið starfsár lagður fram ásamt athugasemdum endurskoðenda þess til samþykktar
3. Ákvörðun um meðferð hagnaðar eða taps félagsins á síðastliðnu 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 a. Tillaga stjórnar um að hækka heimild stjórnar til að mæta skuldbindingum samkvæmt kaupréttarsamningum við starfsmenn og verktaka
 - 8.1 b. Tillaga stjórnar um breytingu á 1. mgr. 17. gr. samþykktar félagsins
- 8.2. Kynning á frampróun nýjasta leik félagsins, Starborne Frontiers



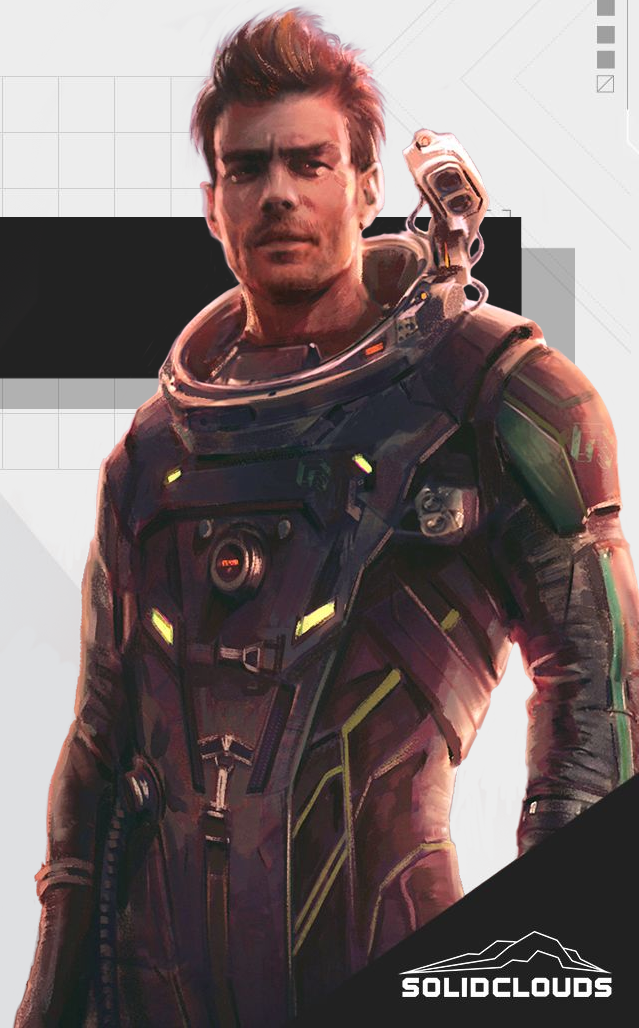
I. SKÝRSLA STJÓRNAR

Eggert Árni Gíslason , stjórnarformaður Solid Clouds, flytur skýrslu um rekstur og starfsemi félagsins síðastliðið rekstrarár.



2. ÁRSREIKNINGUR FÉLAGSINS

Stefán Þór Björnsson , kynnir ársreikning félagsins.



INCOME STATEMENT

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Income statement, thous. Kr.	2024	2023
Operating revenues	99,207	22,697
Platform fees	-17,176	-2,230
Operating income	82,030	20,468
Salaries and related expenditures	-19,925	-15,619
Development cost	-27,911	-4,604
Advertisement cost	-134,245	-33,854
Other operating costs	-32,787	-19,401
Operating expenses	-214,869	-73,478
Operating loss before depreciation and financial inc. and expenses	-132,839	-53,011
Depreciation of development costs and right-of use assets	-114,620	-93,246
Operating loss before financial income and expenses and income tax	-247,459	-146,257
Financial income and expenses	2,732	7,632
Operating loss before income tax	-244,727	-138,626
Income tax	-159,736	55,549
Net loss for the year	-404,462	-83,077

Financial performance

- Total game revenue amounted to ISK 99.2 million, with net revenue after platform fees totaling ISK 82.0 million.
- In 2024, Solid Clouds received ISK 131.3 million in grants, which are offset against capitalized R&D costs.
- The Company spent ISK 134.2 million on advertising in 2024. Revenues generated from these ads amounted to ISK 99.2 million in 2024, with additional revenues of approximately ISK 88 million expected over the coming years.
- Total operating expenses for the year were ISK 595.3 million, of which ISK 380.4 million were capitalized and ISK 214.9 million were recognized as expenses. Salaries and salary-related expenses were the largest cost item, amounting to approximately ISK 267.1 million.
- Depreciation of development costs and right-of use assets was ISK 114.6 million, mainly relates to capitalized development costs.
- Due to uncertainty regarding the realization of a portion of the deferred tax asset, it has been conservatively adjusted by ISK 159.7 million, pending future profitability,
- Operating loss was ISK 247.7 million, and net loss for the year was ISK 404.5 million.

BALANCE SHEET

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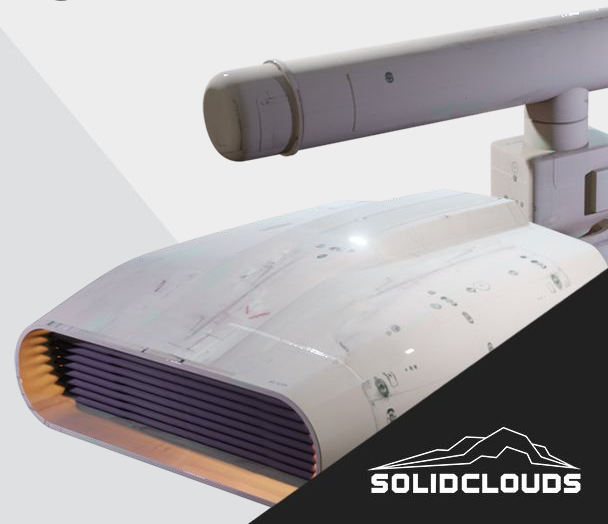
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- Total assets amounted to ISK 1,174.7 million.
- Development costs related to games and the technology framework amounted to ISK 1,134.8 million, consisting of previously capitalized costs and new capitalized costs of ISK 380.4 million for the year, less grants received of ISK 131.3 million and depreciation of ISK 109.5 million for 2024.
- Cash and cash equivalent amounted to ISK 14.0 million.
- Solid Clouds issued a convertible bond of ISK 175 million in January 2025 and has engaged Íslandsbanki to assist with a financial raise.
- The Company expects to receive about ISK 135.7 million in R&D tax credits in 2025 for the 2024 operating year.
- Shareholder's equity totaled ISK 1,072.8 million, resulting in an equity ratio of 91%.
- Loans from related parties amounted to ISK 43.3 million and were repaid at the beginning of 2025.
- Other payables amounted to about ISK 40.3 million and are mainly related to unpaid salaries and related expense as well as accrued vacation.

Assets, thous kr	2024	2023
Development cost	1,134,825	995,148
Right-of use assets	4,741	4,472
Income tax assets	0	159,736
Non-current assets	1,139,567	1,159,356
Receivables	16,871	8,535
Other receivables	4,200	5,799
Cash and cash equivalents	14,035	44,003
Current assets	35,106	58,337
Total assets	1,174,672	1,217,693
Equity and liabilities, thous kr.	2024	2023
Total stockholders equity	1,072,783	1,175,126
Lease liabilities	4,767	4,901
Bond loans from related parties	43,333	0
Accounts payable	13,500	6,557
Other payables	40,289	31,109
Current liabilities	101,889	42,567
Total liabilities	101,889	42,567
Total equity and liabilities	1,174,672	1,217,693

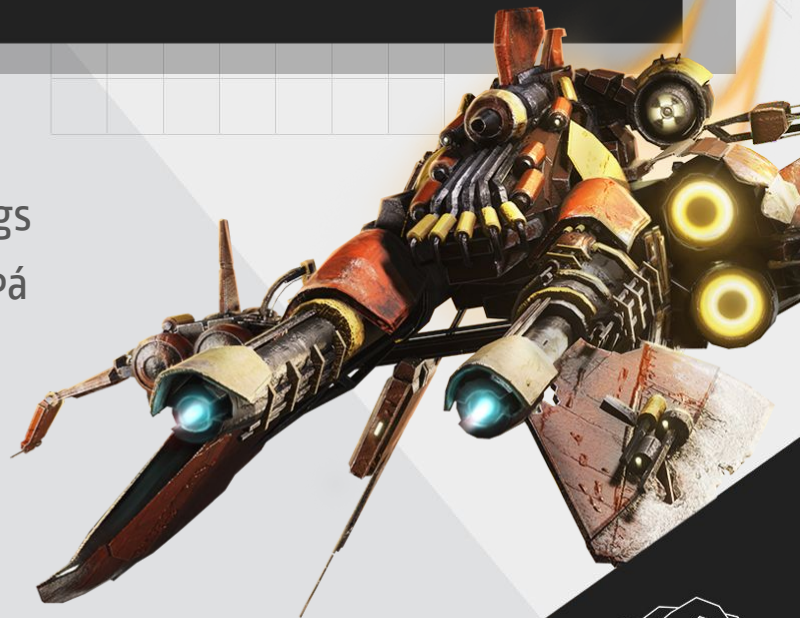
2. ÁRSREIKNINGUR FÉLAGSINS TIL STAÐFESTINGAR

Stjórn Solid Clouds hf. leggur til við aðalfund félagsins að ársreikningur fyrir árið 2024 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 2024. Þá leggur stjórn félagsins til að **ekki verði greiddur arður** til hluthafa vegna síðastliðins rekstrarárs.



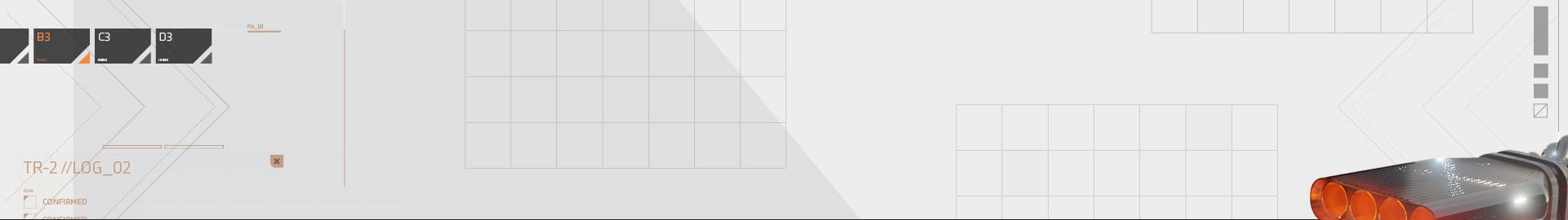
4. KOSNING STJÓRNAR OG VARAMANNA Í STJÓRN FÉLAGSINS

Eftirtaldir aðilar hafa boðið sig fram til stjórnar:

Andrea Olsen	kt. 121280-2999
Áslaug Eva Björnsdóttir	kt. 200285-3019
Bergþóra Halldórsdóttir	kt. 091083-3539
Davíð Gunnarsson	kt. 240780-5939
Eggert Árni Gíslason	kt. 240761-2119
Skúli Skúlason	kt. 160865-3189

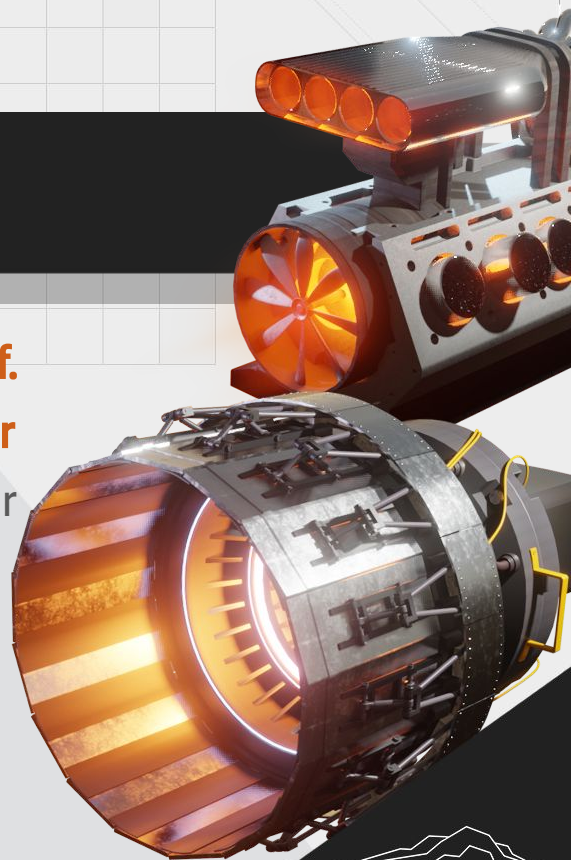
Eftirtaldir aðilar hafa boðið sig fram sem varamenn:

Björn Ingi Pálsson	kt. 160590-2389
Ingólfur Vignir Ævarsson	kt. 081178-3999
Ólafur Andri Ragnarsson	kt. 211066-4829



5. KJÖR ENDURSKOÐANDA FÉLAGSINS

Stjórn Solid Clouds hf. leggur til við aðalfund félagsins að **KPMG ehf.** verði kjörið endurskoðandi félagsins til næsta árs. **Hlynur Sigurðsson**, löggiltur endurskoðandi, verði ábyrgðarmaður endurskoðunar.



6. ÁKVÖRÐUN UM ÞÓKNUN STJÓRNARMANNA FÉLAGSINS

Stjórn Solid Clouds hf. leggur til við aðalfund félagsins að stjórnarlaun á mánuði fyrir kjörtímabilið 2025 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 að hækka heimild stjórnar til að mæta skuldbindingum samkvæmt kaupréttarsamningum við starfsmenn og verktaka
- 8.2 Tillaga stjórnar um breytingu á 1. mgr. 17. gr. samþykktu félagsins
- 8.3 Kynning á framþróun á nýjasta leik félagsins, Starborne Frontiers

8.1 A. BREYTING Á 3. MGR. 4.GR. SAMÞYKKTA FÉLAGSINS

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Stjórn Solid Clouds hf. leggur til neðangreindar breytingar á 3. mgr. 4. gr. samþykktu félagsins. Ákvæðið mælir fyrir um heimild til handa stjórn til að hækka hlutfé til að efna skuldbindingar samkvæmt kaupréttarsamningum við starfsmenn og verktaka.

Verði tillagan samþykkt mun 3. mgr. 4. gr. eftirleiðis hljóða svo [nýr/breyttur texti er undirstrikaður]:

„Stjórn félagsins er heimilt að ákveða hækkun hlutfjár um allt að kr. 38.314.000 að nafnverði með útgáfu nýrra hluta, í einu lagi eða í áföngum. Heimild þessa má einungis nota í tengslum við efndir kaupréttarsamninga við starfsmenn og verktaka félagsins. Hluthafar hafa ekki forgangsrétt til áskriftar að hlutum sem gefnir eru út samkvæmt heimild þessari. Hinir nýju hlutir skulu veita réttindi í félaginu frá þeim degi sem þeir eru afhentir starfsmanni eða verktaka skv. skilmálum kaupréttarsamnings. Heimildin fellur niður þann 25. maí 2027, að því leyti sem hún er þá ónýtt. Stjórn félagsins er heimilt að breyta samþykktum þessum í samræmi við það sem leiðir af hlutfjárhækkun. Stjórn félagsins er heimilt að hækka hlutfé félagsins í áföngum um allt að 9.187.500 hluti að nafnverði með útgáfu nýrra hluta. Hluthafar njóta ekki forgangs til nýrra hluta sem eru gefnir út samkvæmt heimild þessari. Heimild þessa má einungis nota í tengslum við efndir samninga sem gerðir hafa verið og gerðir verða við ráðgjafa félagsins. Kaupgengi hlutanna og söluskilmálar skulu vera samkvæmt þeim samningum sem félagið hefur gert eða mun gera við hlutaðeigandi ráðgjafa. Stjórn félagsins er heimilt að ákveða að rétthafar greiði fyrir hina nýju hluti að hluta eða öllu leyti með öðrum verðmætum en reiðufé og skal fara um slíkt eftir ákvæðum laga nr. 2/1995 um hlutfélög. Heimild þessi gildir í tvö ár frá 14. febrúar 2024, en fellur niður við það tímamark að því leyti sem hún er ónýtt. Stjórn félagsins er heimilt að breyta samþykktum þessum í samræmi við það sem leiðir af hlutfjárhækkun.“

8.1 B. BREYTING Á 17. GR. SAMÞYKKTA FÉLAGSINS

Stjórn Solid Clouds hf. leggur til eftirfarandi breytingar á 1. mgr. 17. gr. samþykktar er mælir fyrir um þau mál sem taka skal fyrir á aðalfundi (breyttur texti er yfirstrikaður):

„Á aðalfundi skulu tekin fyrir þessi mál:

1. Stjórn félagsins skal skýra hluthöfum frá hag félagsins og rekstri þess á liðnu starfsári.
2. Ársreikningur félagsins fyrir liðið starfsár skal lagður fram ásamt athugasemdum endurskoðenda félagsins til samþykktar.
3. Stjórn félagsins skal kjörin.
4. Tekin skal ákvörðun um hvernig fara skal með hagnað eða tap og um arð.
5. Endurskoðendur skulu kjörnir.
6. Ákvörðun skal tekin um greiðslur til stjórnar- ~~og endurskoðenda~~ fyrir störf þeirra á starfsárinu.
7. Tillaga stjórnar um starfskjarastefnu félagsins.
8. Umræður og atkvæðagreiðslur um önnur málefni sem löglega eru upp borin.”



8.3 KYNNING Á FRAMPRÓUN STARBORNE FRONTIERS

Stefán Gunnarsson , forstjóri Solid Clouds, kynnir frampróun Starborne Frontiers

FROM LAUNCH TO GROWTH

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The April 2024 **launch of Starborne Frontiers is going well** . The game is now available on the Google (Android), Apple (iOS), PC and Steam platforms. Starborne Frontiers has been well received, averaging 4.5+ stars across all target markets on both Google Play and Apple App Store. The game was also **nominated as the best small screen game** for the **Nordic Game Awards** in 2024.

The game has received attention from both Apple and Google—the kind of recognition typically only reserved for top-tier games (2%). **Starborne Frontiers** has already been promoted on the **mobile stores** , and it is anticipated that these promotions will become a regular occurrence.

Starborne Frontiers is a cross-platform *Hero collector* and live service game that evolves with regular expansions and content updates to keep players engaged. Many well-maintained *Hero collector* games achieve long-term success.

The Key Performance Indicators (KPIs) of the game have strengthened from the launch of **Starborne Frontiers** . Our key metric is **Return on Ad Spend (ROAS)** , measuring revenue per advertising dollar and indicating profitability and scalability for Starborne Frontiers. As the game evolves with new content, ROAS improves, supporting sustainable growth. The main opportunity is scaling marketing spend while maintaining strong ROAS returns.



PAST YEAR'S DEVELOPMENT PROGRESS

We have been rapidly expanding our content offering with consistent **weekly patches** and **monthly Live Ops releases**. Additionally, we have launched **two Major Expansions** that introduced entirely new features that meaningfully increase player progression. With these updates, we've gone from offering several weeks of meaningful progression to providing **over a year's worth of engaging content**.

A further core pillar of our development has been **enhancing our community**, as players who join our community are much more likely to stick around for years. These efforts have been immensely successful, with **over 3.8 Million PvP battles fought**.

Social Play Enhancements

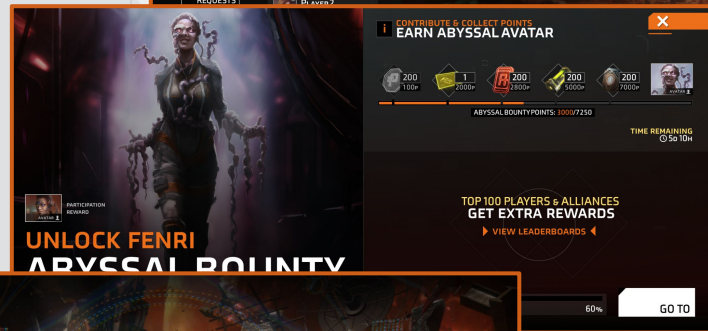
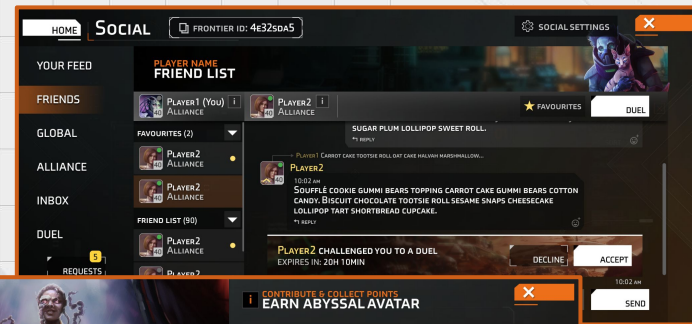
- Friends & Chat System
- PvP Duelling System
- Greatly enhanced PvP Arena Systems

Community Driven Events

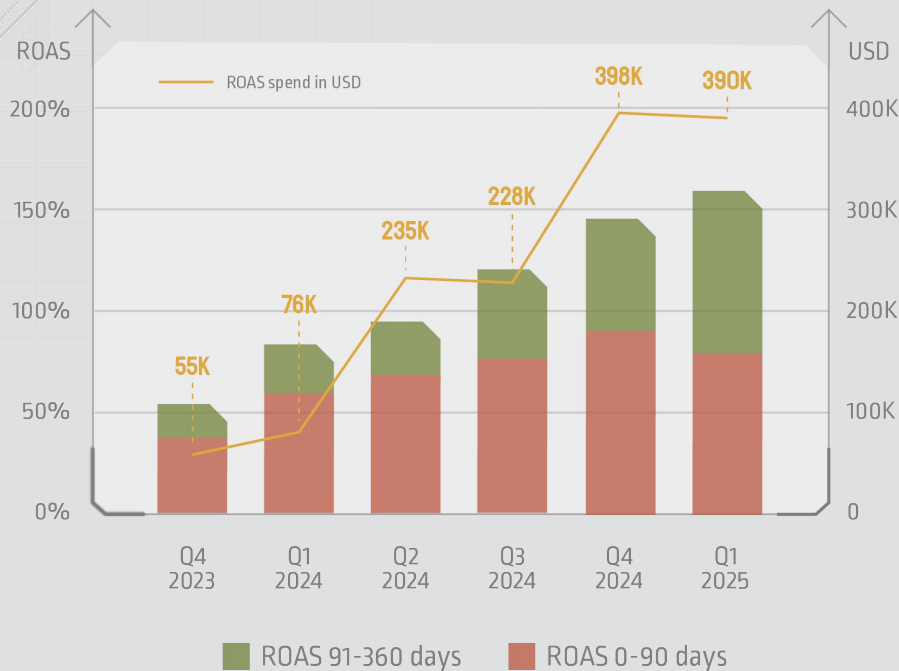
- Global Boss Events
- 4x Seasonal Events w/ Leaderboards
- Arcade System w/ Leaderboards

New Game Modes & More..

- Faction Operations
- Crafting System & Dispatch
- 28x New Epic & Legendary Units
- Campaign Incursions
- Static Abyss & New Storylines
- .. and much much more!



ROAS TRENDS



Return on Ad Spend (ROAS) has consistently increased each quarter in 2024, even as the marketing budget was scaled significantly. Solid Clouds projects reaching **77% ROAS within 90 days** and around **157% within 12 months** for players entering in Q1 2025.

As marketing efforts ramp up in 2025, the company will need to **enter new platforms and markets**, which may impact short term ROAS.

Ongoing optimization and development present robust long-term growth prospects, with sustained improvements potentially delivering **400–500% long-term ROAS returns** over several years.

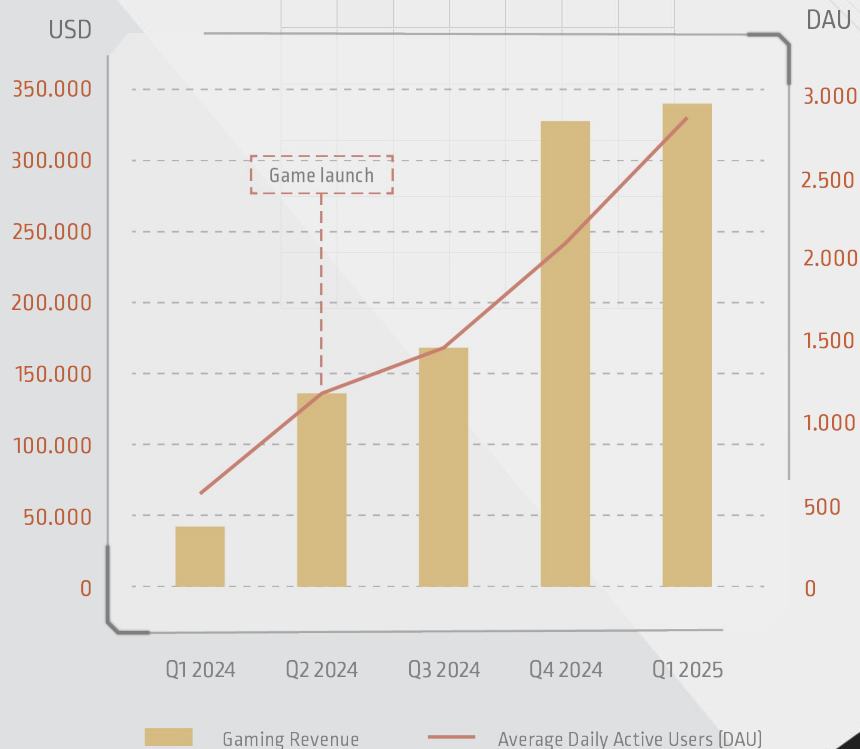
The primary objective is to maximize **absolute ROAS in USD**, rather than focusing on percentage-based metrics.

REVENUE AND DAILY ACTIVE USERS

Growth Since Launch : Since launching **Starborne Frontiers** in April 2024, there has been increases in revenue and average Daily Active Users (DAU) as the KPI'S have strengthened and the marketing budget has expanded.

Monthly Active Users (MAU) grew from **5,446** in January 2024 to **24,651** in March 2025.

Solid Clouds has focused its marketing efforts on acquiring **high-value players in key Western markets** like the U.S. The company is now scaling up by expanding into new markets and marketing channels to drive further growth.

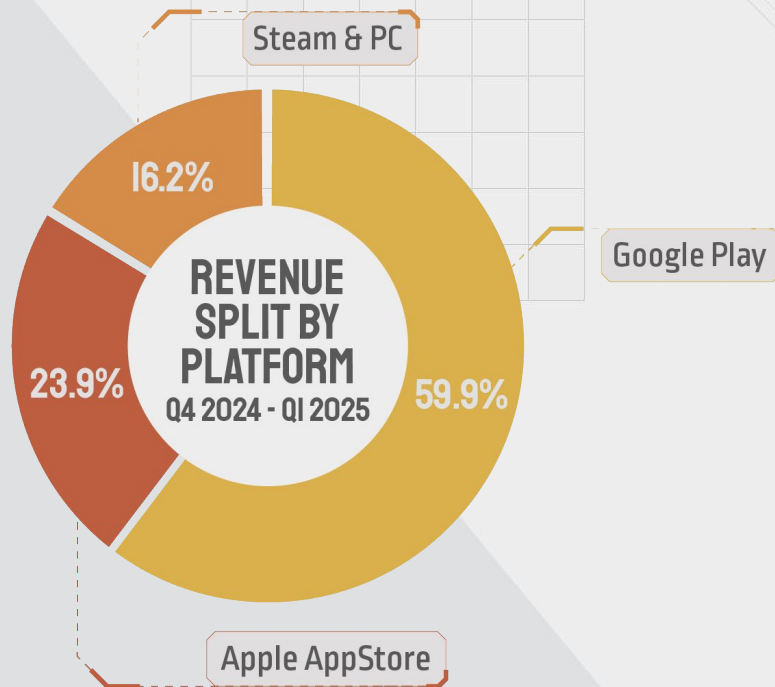


REVENUE BY PLATFORM

Starborne Frontiers launched on **Steam** in mid-October 2024.

From November 2024 to March 2025, the majority of revenue came from **Android devices** on Google Play.

Expanding across **multiple platforms** allows Solid Clouds to optimize ad rates and increase visibility through platform-specific features.



GEOGRAPHIC REVENUE - FROM 2024

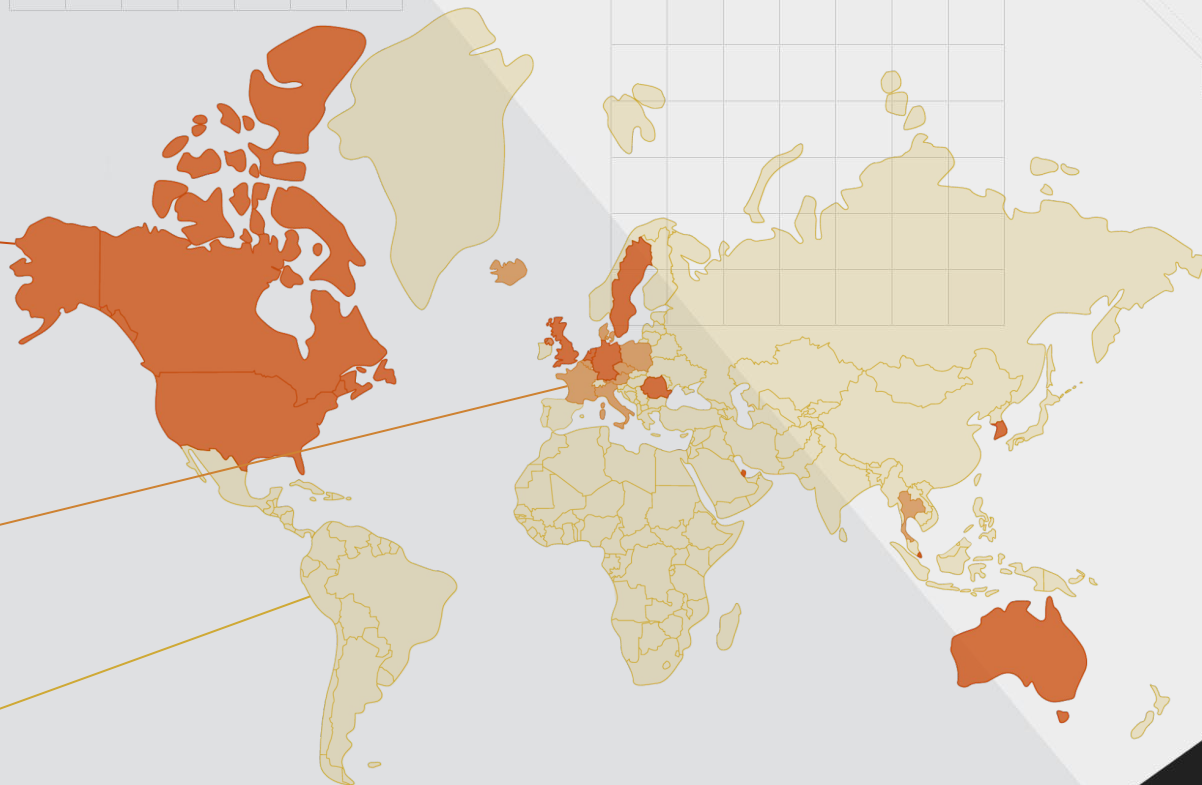
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United States	48.83%
Germany	10.54%
United Kingdom	10.25%
Canada	3.98%
Australia	3.90%
Sweden	1.50%
South Korea	1.39%
Romania	1.33%
Netherlands	1.24%
Singapore	1.14%

France	1.11%
Iceland	0.93%
Italy	0.73%
Poland	0.70%
Qatar	0.67%
Belgium	0.60%
Czechia	0.55%
Austria	0.54%
Denmark	0.53%
Thailand	0.52%

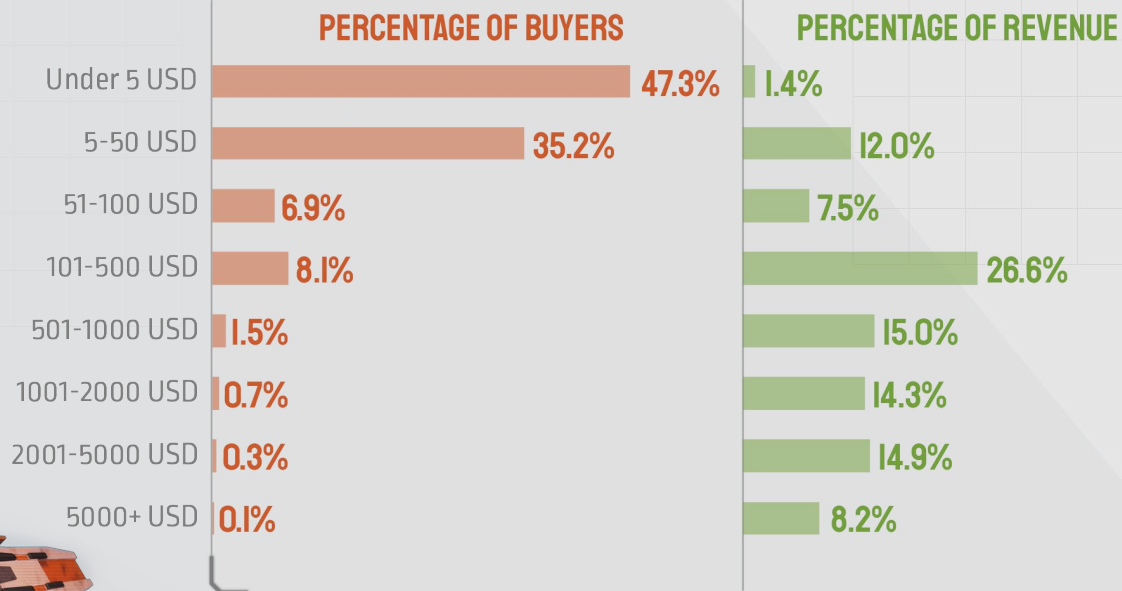
Other countries 9.01%



PLAYER REVENUE DISTRIBUTION

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14.2K paying users from April 2024 to March 2025



MARKETING GROWTH STRATEGY 2025

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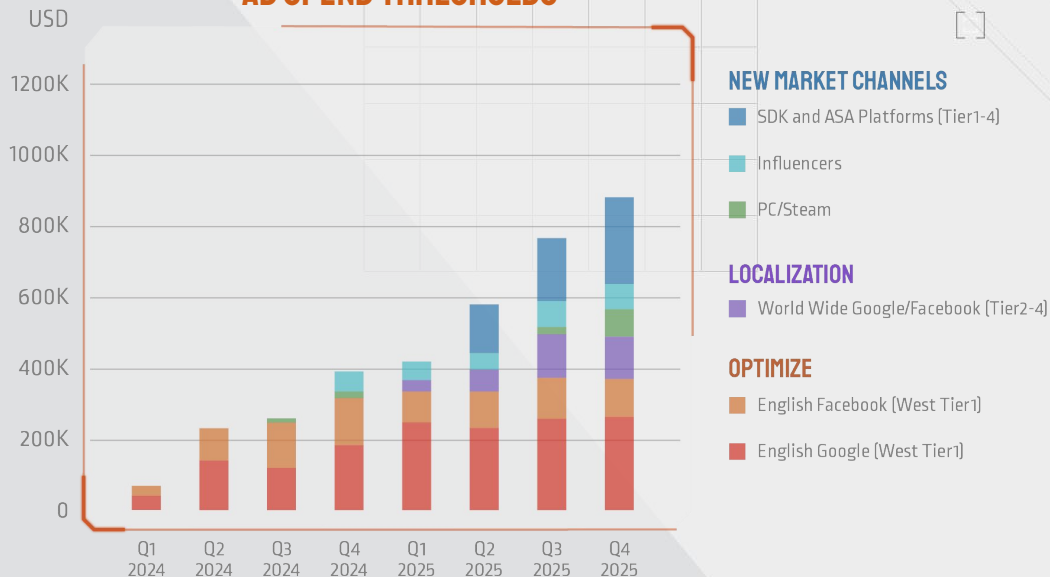
In 2024, **Solid Clouds** focused on top-tier **English-speaking markets** via **Google Ads and Meta**, achieving strong **ROAS results**. The key challenge is **scaling marketing spend** while maintaining a **profitable ROAS**.

In 2025, **Solid Clouds** will **increase ad spend** while sustaining ROAS by:

- **NEW MARKETING CHANNELS**
 - ▶ SDK platforms (Applovin, Mintegral, Ironsource etc.), Apple Search Ads (ASA), influencers, and Steam promotions.
- **LOCALIZATION**
 - ▶ Translating the game to enter new markets.
- **OPTIMIZE TO SUPPORT HIGHER AD SPEND:**
 - a. Refining **gameplay** and introducing **new content**.
 - b. Enhancing **marketing** with **higher-quality creative materials**.

For **Q1 2025**, the marketing ceiling was at **\$390K per quarter**, with a target to scale up to around **\$900k per quarter by Q4 2025** through **new marketing channels, localization and optimization**.

AD SPEND THRESHOLDS



LOCALIZATION ENTERING OPEN TESTING

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German Localization

We have been focused on making the game more accessible worldwide, with localization as a key part of that effort. Our team has developed a system to support multiple languages and ensure a smooth experience for players across different regions.

The first live test of this system is now rolling out with German language support. This marks the start of a broader rollout, with more languages to be added over time as we continue to grow our global audience.



FEATURING

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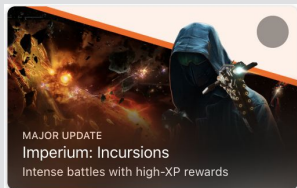
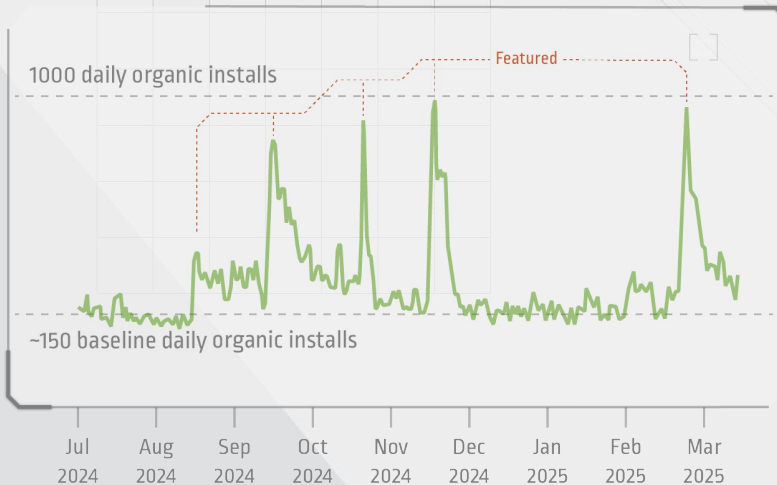
As a **premium Google Play partner**, Solid Clouds has **consistently submitted feature requests** for major updates and in-game events resulting in regular featuring of the game.

Since the April 2024 pitch, **Apple** has granted **three global (ex-US) features**.

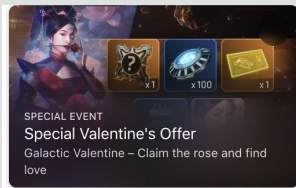
Overall, Google and Apple features have **boosted organic installs by up to 5x**, adding approximately **25,000 new players**.

Going forward, the plan is also to engage the platforms' **local editorial teams** to pursue **regional and localized featuring opportunities**.

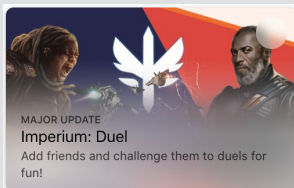
Solid Clouds is also coordinating with the **Nordic Conference for a Steam feature** tied to the **Nordic Game Awards** in May, and with IGI for a **'Made in Iceland' feature** in July.



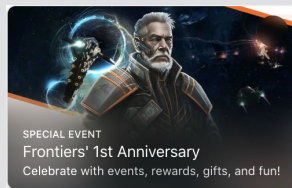
Feb 18, 12:00 PM—Mar 19, 12:00 AM



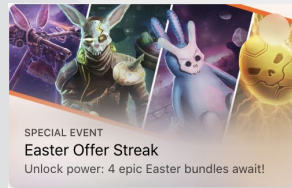
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Feb 18, 12:00 PM—Mar 19, 12:00 AM



Apr 2, 12:00 AM—Apr 30, 12:00 AM



Apr 14, 12:00 PM—Apr 30, 12:00 PM

ROADMAP 2025

Q1 IMPERIUM – DUELS

- PVP focused socially oriented end game content.
- Early game social onboarding update.

Q2 VOIDBRINGERS

- Player versus Environment (PVE) for Mid/End-Game.
- Equipment Calibrations.

Q3 DOMINION

- Global boss events.
- Community-driven progression.

Q4 CHAMPIONS

- Alliance Vs Alliance (PVP)
- Community Events.

Solid Clouds has aligned its roadmap this year to maximize **promotion opportunities** by bundling features into expansions.

Starborne Frontiers will have **eight updates** annually— four content expansion and four seasonal updates—providing multiple chances to pitch for promotions on the Apple, Google, and Steam platforms.

Each expansion and seasonal update also provides an **opportunity to retarget lapsed players** to revisit the game.



GROWING CORE COMMUNITY

TR-2//LOG_02

CONFIRMED
CONFIRMED
EMPTY

Discord Member Growth

- Discord members. Started with 850 members in February 2024, reaching 6,527 members as of 28th April 2025.

Key Milestone: Commanders Conclave Events

- By the final Conclave (Live meetings on Discord) of 2024, there were 90 participants, reflecting **800%** growth in event engagement during the year.

Engagement Drivers

- Increased focus on community-building initiatives, including themed events and diverse voice channel activities.
- Strong correlation observed between revenue and general engagement levels on Discord.

Goals for 2025

- Capitalize on the momentum of Commanders Conclave to drive consistent engagement.
- Leverage growing community size to expand into **community made content** and exclusive content for the community such as **Duel tournaments**.
- Look further into correlation between Community events and revenue.

