

A vertical decorative graphic on the left side of the slide. It features a woman's face in profile, looking forward, with a futuristic, glowing blue and purple background. The graphic is partially obscured by a white diagonal line.

# Capital Markets Day

## Next Games 2020

A vertical decorative graphic on the left side of the slide. It features a woman's face in profile, looking forward, with a futuristic, glowing blue and purple background. The graphic is partially obscured by a white diagonal line.

Teemu Huuhtanen, CEO

---

25.11.2020

# ***NEW MANAGEMENT TEAM***



# New Management Team



**Teemu Huuhtanen**  
Chief Executive Officer



**Matias Ärje**  
Chief Technology Officer



**Joonas Laakso**  
Chief People and Culture  
Officer



**Yiannis Alexopoulos**  
Chief Growth Officer



**Kalle Hiitola**  
Head of New Games



**Annina Salvén**  
Chief Financial Officer



**Saara Bergström**  
Chief Marketing Officer

# Today's program

## **BUILDING PERFORMANCE – POISED FOR GROWTH**

Teemu Huuhtanen, CEO

## **SCALING A MOBILE GAME**

Annina Salvén, CFO

## **USER ACQUISITION STRATEGY: THE IP ADVANTAGE**

Yiannis Alexopoulos, CGO

## **STRANGER THINGS: AMBITIONS, CHALLENGES & STRATEGIES**

Steve McLaughlin, Senior Game Designer

**BREAK 10 minutes**

## **DATA – WHY IT'S GREAT, AND HOW WE USE IT**

James Corbishley, Business Intelligence Director

## **NEXT GAMES TECHNOLOGY: THE INVISIBLE EDGE**

Matias Ärje, CTO

## **BUILDING & MEASURING CULTURE**

Joonas Laakso, CPCO

## **CLOSING WORDS**

Teemu Huuhtanen, CEO



# ***BUILDING PERFORMANCE POISED FOR GROWTH***

Teemu Huuhtanen

CEO



***WHERE IS  
NEXT GAMES  
NOW***



# Recap H1/20

- Both Walking Dead games performed as expected, with ARPDau records
- Publishing profitability improved, it almost doubled
- We reached EBITDA positive and positive operating cash flow
- Stranger Things production continued as planned





# Updated Outlook 2020

The trend from H1/20 has continued:

- We are expecting **revenues** between 26–28 million
- **Publishing Profitability** to almost double, expected at > 20% of revenues
- **R&D** will remain proportional to last year, at 17–19% of revenues  
**Admin** will remain similar to last year at 3–3.5 million
- Next Games will be **EBITDA positive for 2020**
- **Stranger Things** will be available in December 2020 in app stores in selected markets



# ***NEXT GAMES IN THE MARKET***



# Mobile Games is the biggest and fastest growing segment

Mobile games market  
**remains bigger than**  
movies and  
music combined

Source: Newzoo Global Games Market Report 2020

## GLOBAL GAMES MARKET

2020 → 2023 estimated  
**\$159.3 billion** **\$200.8 billion**  
(+9.3% YoY)

## GLOBAL MOBILE GAMES MARKET

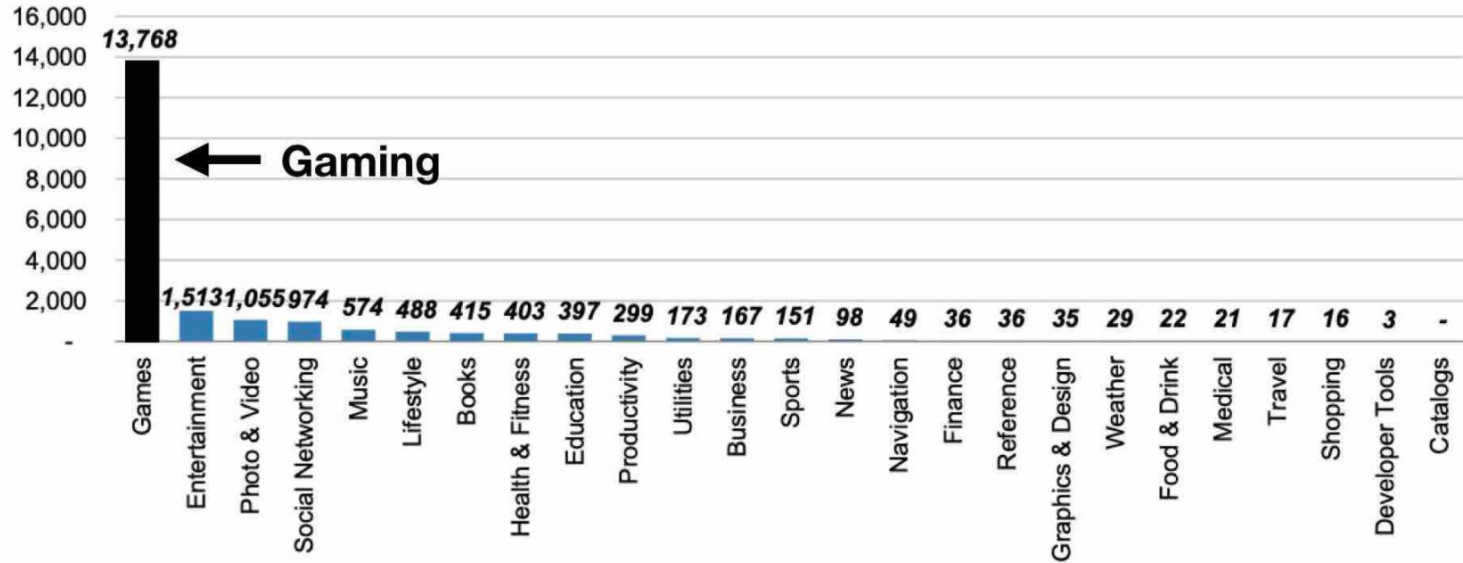
2020 → 2023 estimated  
**\$77.2 billion** **\$102.8 billion**  
(+13.3% YoY)

## MOBILE PLAYERS GLOBALLY

2020  
**2.6 billion people**  
1/3 of all people on the planet!

# Gaming dominates App Store Revenues

Largest App Store App Categories (By T12M Net Revenue; \$M)



# IP based games are strong in charts and console IPs are moving to mobile

## Revenue Charts 2020

- Game of Thrones: Conquest \*New
- Pokémon Go! \*since 2016
- Marvel Contest of Champion \*since 2015
- Marvel Strike Force \* since 2018
- Star Wars: Galaxy of Heroes \* since 2015
- Star Trek: Fleet Command \*New
- Kim Kardashian: Hollywood \* since 2015
- Wizard of Oz: Casino Slots \*New

These IP games not just rise to the lists, they dominate them for **years**.

**IP fans** are loyal consumers.

## Console IP is moving to Mobile

- Fortnite
- Call of Duty: Mobile
- Mario Kart Tour
- Final Fantasy XV: A new Empire

Source: Sensortower 2015–2020



# Next Games is a top publisher in our segments

Genres

Select All	
Clear All	
<input type="checkbox"/> Hypercasual	(1,524) ▶
<input type="checkbox"/> Puzzle	(1,072) ▶
<input type="checkbox"/> Arcade	(883) ▶
<input type="checkbox"/> Simulation	(807) ▶
<input type="checkbox"/> Lifestyle	(490) ▶
<input checked="" type="checkbox"/> Geolocation AR	(24) ▶
<input checked="" type="checkbox"/> RPG	(627) ▶
<input type="checkbox"/> Strategy	(415) ▶
<input type="checkbox"/> Shooter	(312) ▶
<input type="checkbox"/> Sports	(274) ▶
<input type="checkbox"/> Racing	(154) ▶
<input type="checkbox"/> Casino	(343) ▶

UNITED STATES OCTOBER 2020

## Geolocation AR

#1 Niantic  
#2 Ludia  
**#3 Next Games**

## Turn-based RPG

#1 Sony  
#2 Scopely  
#3 Ludia  
...  
**#6 Next Games**

Source: Sensortower 2015–2020



# ***WHERE NEXT GAMES IS GOING***



# Our IPO promise

- 1. The Walking Dead franchise** and products **will remain strong**  
**Delivery:** No Man's Land revenue over EUR 115 million, 5 years old - revenue still stable. Our World revenue EUR 42 million in revenues, only 2 years old
- 2. We will continue to sign major partners and licenses, while partners remain strategic**  
**Delivery:** Partnerships with AMC, Netflix, Alcon, Lionsgate, Universal studios and more. AMC invested additional capital since IPO
- 3. Delivering growth, through new games**  
We are now targeting to future growth





# Mid-term financial targets

**We will aim for EUR 250 million  
annual revenue**

**We want to achieve  
EBITDA > 23%  
EBIT > 18%**

In 2020 we have shown how profitable our publishing operations can be – and by continuing investing in R&D, we believe profitable growth will follow

# ***HOW WE GET THERE***



# Strategic focus areas

- 1. STRENGTHENING STRATEGIC PARTNERSHIPS**
- 2. ACTIVE BRAND PORTFOLIO MANAGEMENT**
- 3. IMPROVING EFFICIENCY THROUGH UNIFIED INFRASTRUCTURE**
- 4. PLAYERS FIRST IN GAME DEVELOPMENT**





# ***1. STRONG STRATEGIC PARTNERSHIPS***

# ***NETFLIX***

---

# ***VIDEO***

---



A graphic for the mission statement featuring a dark, textured background with a glowing pink and purple light beam. On the left, a stylized eye is visible.

## Mission

Next Games defines the way franchise entertainment transforms into highly engaging mobile games played together with friends and fellow fans.

# ***NEXT GAMES IS UNIQUE***

We are an **independent** developer and publisher, with the **skill** to build successful licensed games and a strategic **commitment** to build lasting partnerships

A graphic for the vision statement featuring a portrait of a woman with a headband, overlaid on a map of the United States with city names like Lincoln, Wilkes, and Jefferson.

## Vision

To join forces with license holders to build top grossing games and become the most sought after partner for IP owners

## Values

- Courage
- Caring
- Curiosity



## ***2. ACTIVE BRAND PORTFOLIO***



# The Walking Dead Franchise

## EUR 160 million

### THE WALKING DEAD: NO MAN'S LAND

EUR > **115** million in revenues  
TOP 10 Turn based RPG in the  
Western markets  
**Small team**, great profitability with  
EBITDA over 35%

### THE WALKING DEAD: OUR WORLD

EUR > **42** million in revenues  
TOP 5 Location based game in the  
Western markets  
**Large team**, continued development  
over 2020

Poised for maturity in 2021 and team  
scaled to No Man's Lands level

# Blade Runner

Significant update with social features to be released in December 2020

Opening main markets Q1 2021

Live Operations and scaling will be tailored to market potential based on test results

This is another Turn Based-RPG to our portfolio, with focus on USA



# Stranger Things Mobile Game

- Available in December the App Store and Google Play Store in selected markets
- Scaling will commence, and increase over time as more content is added, and monetization is optimized over the incoming months
- There is a large team on Stranger Things, one that will remain as we start revenue scaling
- We are entering a new genre: **Puzzle RPG**, building on our strengths in monetizing on collection



# ***New Games***

In addition we have **three projects, with three different and new license holders in the works.**

All projects are in different stages both in terms of license negotiation and development stages.

# Framework for game life-cycle management

## Growth

Games that have a bigger team and are supported company wide and majority of the UA investments are here.

## Live Ops + team

These games have a small team developing the game further and doing mostly live-operation. These games are fairly stable in revenue or declining slowly.

Games that are in various phases of development. Usually with larger teams behind them.

These are games that currently are not developed further and are not supported by UA.

## Games being developed

## Catalogue

Growth

Live Ops + team

Stranger things is going to be our major growth product for 2021 with big support



**Stranger Things**

Games being developed

Catalogue

Growth

Live Ops + team

Blade Runner is directly moving to a live operations team phase as we enter main markets in Q1 in 2021.

**Blade  
Runner**



Games being developed

Catalogue



Growth

Live Ops + team

**TWD: OW**



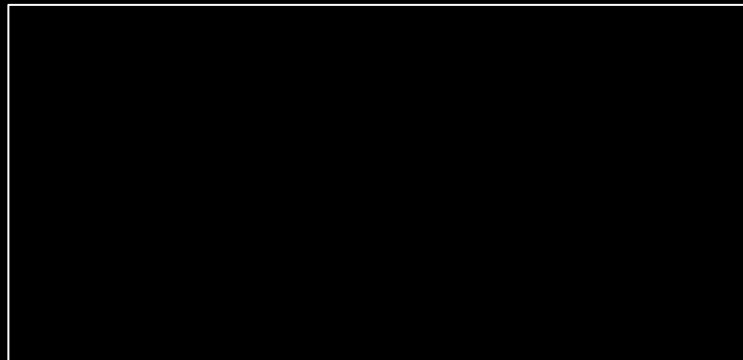
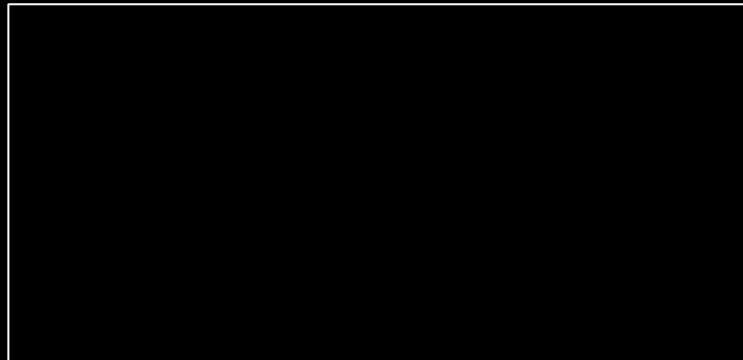
Improvements might lead to some scaling again for Our World.

Our World will during 2021 move to the same phase as NML with a smaller team as the product matures.

Games being developed

Catalogue

Growth



Games being developed

Live Ops + team



Catalogue

# PORTFOLIO IN 2021

Growth



Live Ops + team



Games being developed

Catalogue



### ***3. NEW GAMES ON UNIFIED INFRASTRUCTURE***

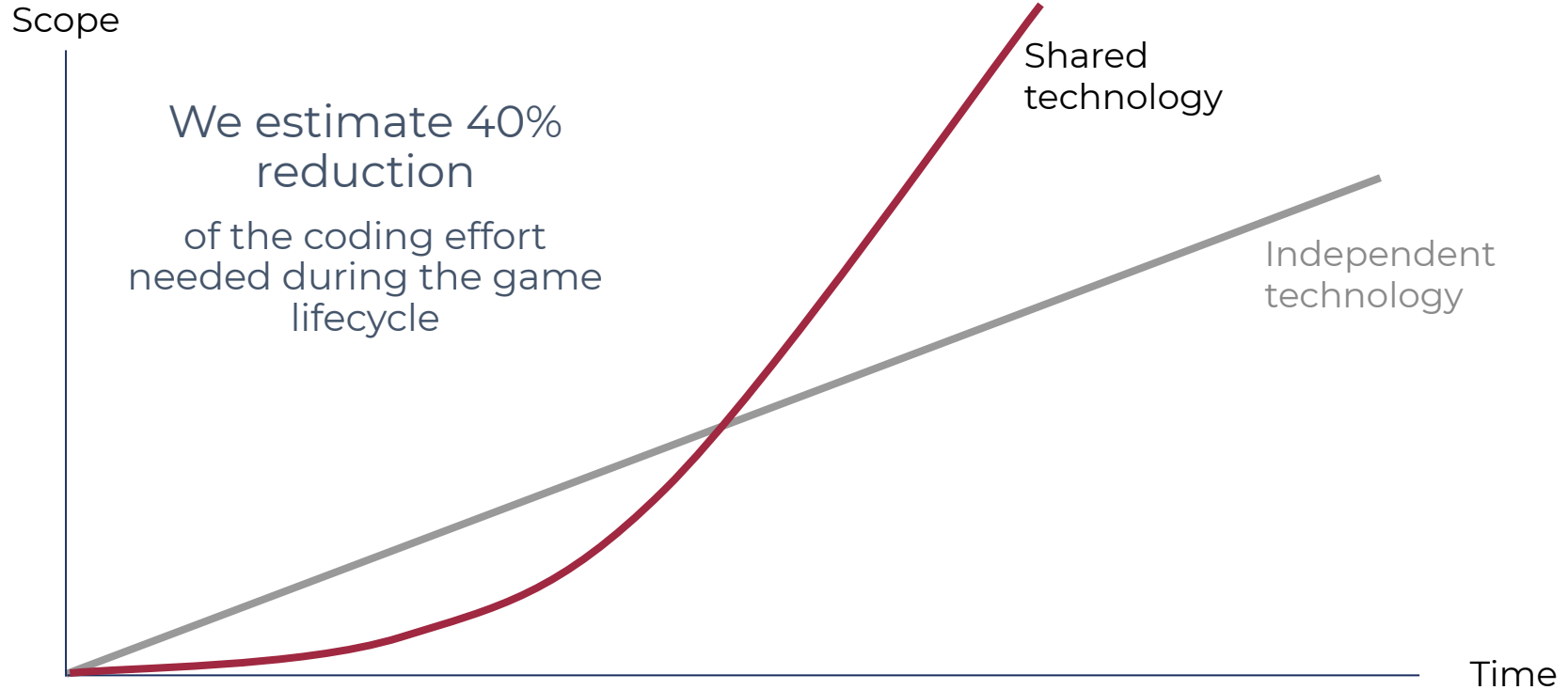
# Unified Infrastructure

Shared services between games, such as analytics, technical solutions, reusable components, and more.

These shared services enable responding to the content creation challenge in the market with a development cycle that is as fast as possible.



# Development of multiple games





## ***4. PLAYERS FIRST IN GAME DEVELOPMENT***

# Players and IP fans together first in Game development

Next Games wants to be best in understanding our games audiences and creating the games staying true to the original IPs.

- **Steve** is going to talk about how we approach IP development
- **James** is going to talk about how data helps us
- **Yiannis** is going to talk about capturing the organic audience
- **Annina** is going to talk about numbers and how this turns to profitability

We also keep investing and focusing on in our Player experience, including communities and player support, to keep the dialogue ongoing with players as our game teams communicate with players on upcoming updates among other things.

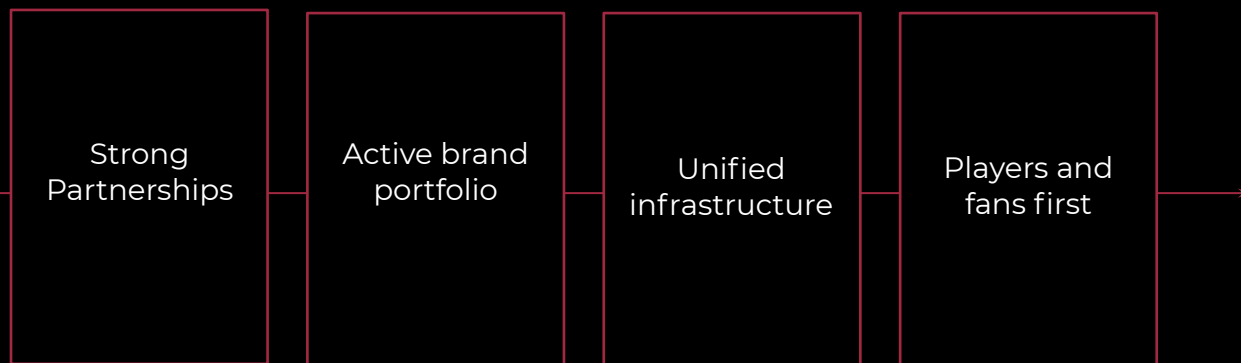
**A game matching fan and gamer audience = A great game = Great business**





# ***SUMMARY***

# Solid foundation to build on to reach targets



## MID-TERM FINANCIAL TARGETS

- Yearly revenues of EUR 250M
- EBITDA > 23%
- EBIT > 18%



A vertical decorative graphic on the left side of the slide. It features a woman's face in profile, looking forward, with a futuristic, glowing blue and purple background. The image is partially obscured by a white diagonal line.

# Scaling a mobile game

A vertical decorative graphic on the left side of the slide. It features a woman's face in profile, looking forward, with a futuristic, glowing blue and purple background. The image is partially obscured by a white diagonal line.

Annina Salvén, CFO

---

1. How is profitability impacted

2. How is cash impacted



# Publishing Profitability at Scale

## Publishing Profitability

	TARGET					
Revenues (M)	30,0 €	60,0 €	90,0 €	120,0 €	200,0 €	250,0 €
Gross Profit	16,8 €	33,6 €	50,4 €	67,2 €	112,0 €	140,0 €
	56 %	56 %	56 %	56 %	56 %	56 %
S&M*	- 9,9 €	- 25,8 €	- 36,0 €	- 45,6 €	- 70,0 €	- 82,5 €
	-33 %	-43 %	-40 %	-38 %	-35 %	-33 %
Publishing Profitability	€ 6,9	€ 7,8	€ 14,4	€ 21,6	€ 42,0	€ 57,5
	23 %	13 %	16 %	18 %	21 %	23 %

This table is a representation of how costs move in proportion to scaled revenues. It is not a representation of yearly targets





# Sales & Marketing Scales Proportionally

	TARGET					
Revenues (M)	30,0 €	60,0 €	90,0 €	120,0 €	200,0 €	250,0 €
Gross Profit	16,8 €	33,6 €	50,4 €	67,2 €	112,0 €	140,0 €
	56 %	56 %	56 %	56 %	56 %	56 %
S&M*	- 9,9 € -	25,8 € -	36,0 € -	45,6 € -	70,0 € -	82,5 €
	-33 %	-43 %	-40 %	-38 %	-35 %	-33 %
R&D	- 5,0 € -	5,0 € -	5,5 € -	5,5 € -	6,0 € -	7,0 €
	-17 %	-8 %	-6 %	-5 %	-3 %	-3 %
Admin	- 4,0 € -	4,2 € -	4,2 € -	4,5 € -	4,5 € -	4,8 €
	-13 %	-7 %	-5 %	-4 %	-2 %	-2 %
EBIT	- 2,1 € -	1,4 €	4,7 €	11,6 €	31,5 €	45,7 €
	-7,0 %	-2,3 %	5,2 %	9,7 %	15,8 %	18,3 %

This table is a representation of how costs move in proportion to scaled revenues. It is not a representation of yearly targets





# ***WHAT DO WE NEED TO SCALE?***

And how is cash flow impacted?



# What is LTV – and when is it paid?

**LTV = Lifetime value, is the value you expect a player to bring in (on average) over a period of time (of your choosing)**

- 365 days is a common number
- Some use as high as a 5-year period
- Some as low as a 90-day period

The longer you define your lifetime, the higher the risk and the more capital you tend to need in scaling

# What is LTV?



As it is a multiplication, endless combinations yield the same result.

- Higher retention & lower arpdau
- Higher arpdau and lower retention

There are also some mathematical optimal curves & min / max

# Same same but different

D1 35%		D1 55%
D7 17%		D7 25%
D30 8%	=	D30 14%
Arpdau \$0.9		Arpdau \$0.6
LTV \$16 d360		LTV \$16 d360

From a mathematical perspective, games do not have retention or monetization “problems” they only have a relationship to each other that is either strong enough or not, to scale a game. You have to offset retention with arpdau and vice versa.

In practice there are optimal max/min, genre specific requirements, platform, geo, traffic sources and more.

# What is CPI and eCPI?

- For purpose of simplification, with CPI we mean the cost (on average and over time) for players to see your ad, click on it, and download it
- Let's say we pay \$100 show an ad to 1000 people, 2% click on it and 50% of those download it (10 people). Our CPI is  $100/10 = \$10$
- Let's say in addition to these 10 people we get 5 more people who found the game due to the IP (we never paid to show an ad)
- Our cost just went down, our eCPI (effective CPI) is  $\$100/15 = \$6.7$  (-33%)

For us to scale – our eCPI < LTV

# ***HOW DO WE SCALE?***





# ***AGGRESSIVE***

OUR WORLD

- Capital upfront
- Scale up high revenues within days
- Hold position or increase position
- Buy out the market
- Use organic uplift for more aggressive bidding





# ***CONSERVATIVE***

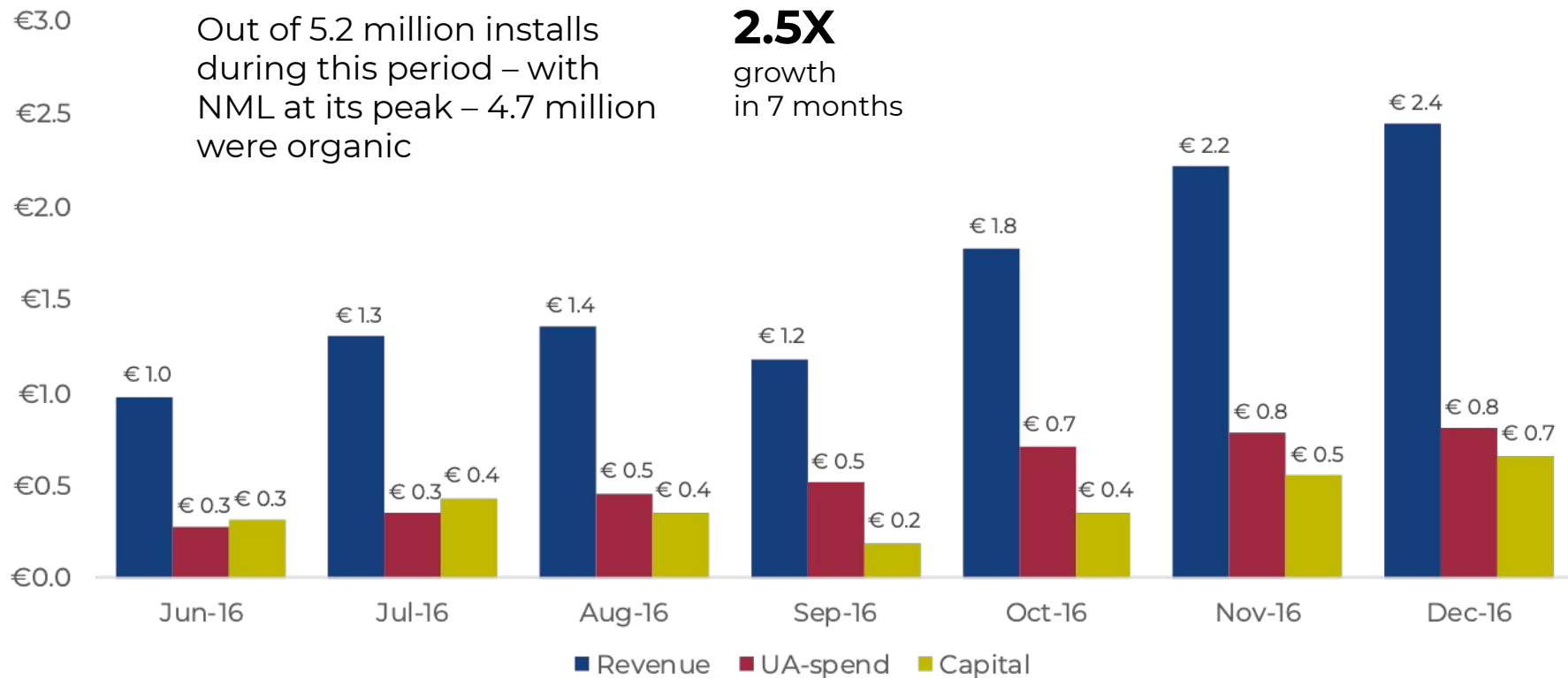
NO MAN'S LAND



- Almost no capital upfront
- Scale up over months
- Pull back UA investment to bank capital
- Use organic uplift to bank capital



# No Man's Land in 2016





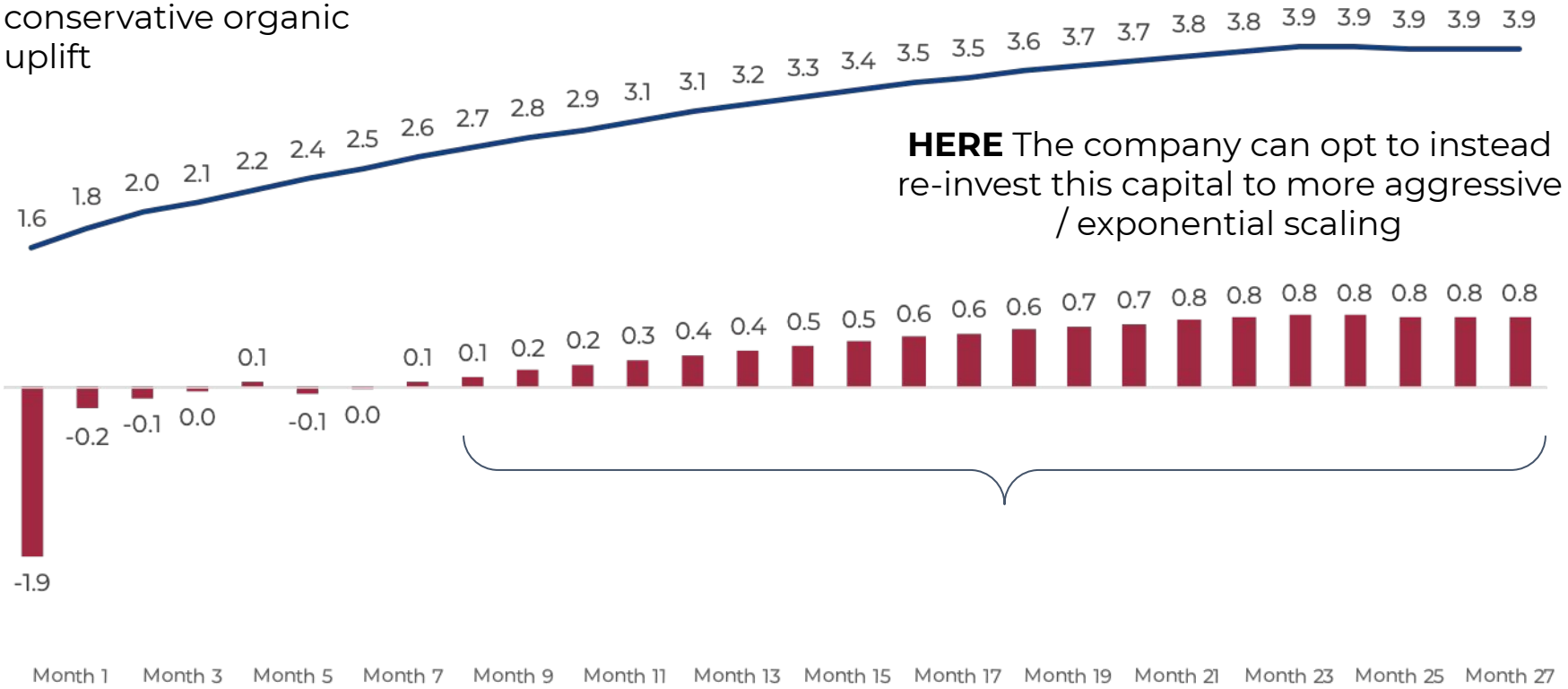
# ***MODERATE***

Stranger Things

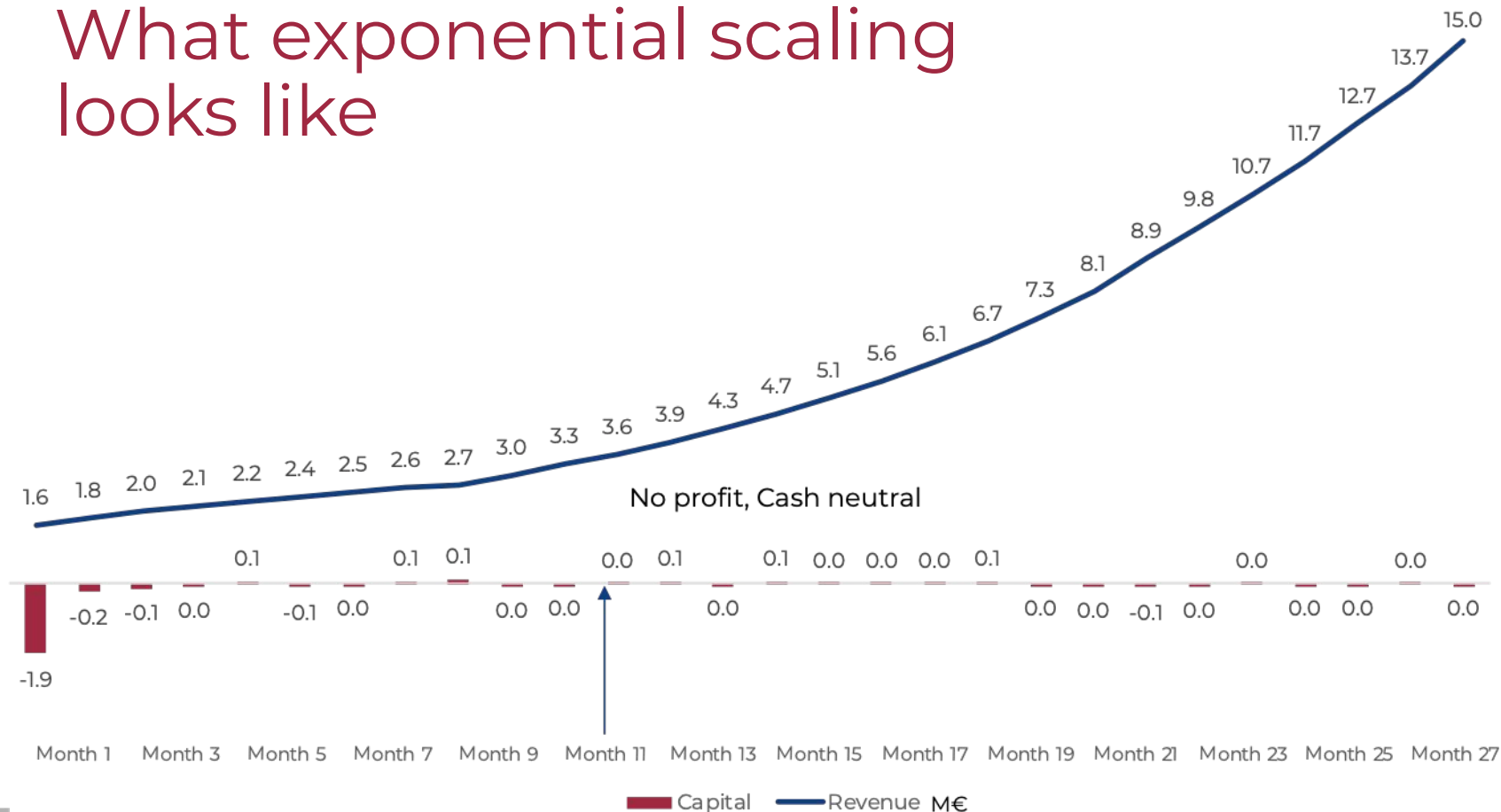
- Conservative capital upfront
- Scale up over months
- Use organic uplift to eventually speed up scaling when DAU is generating stable cash flow

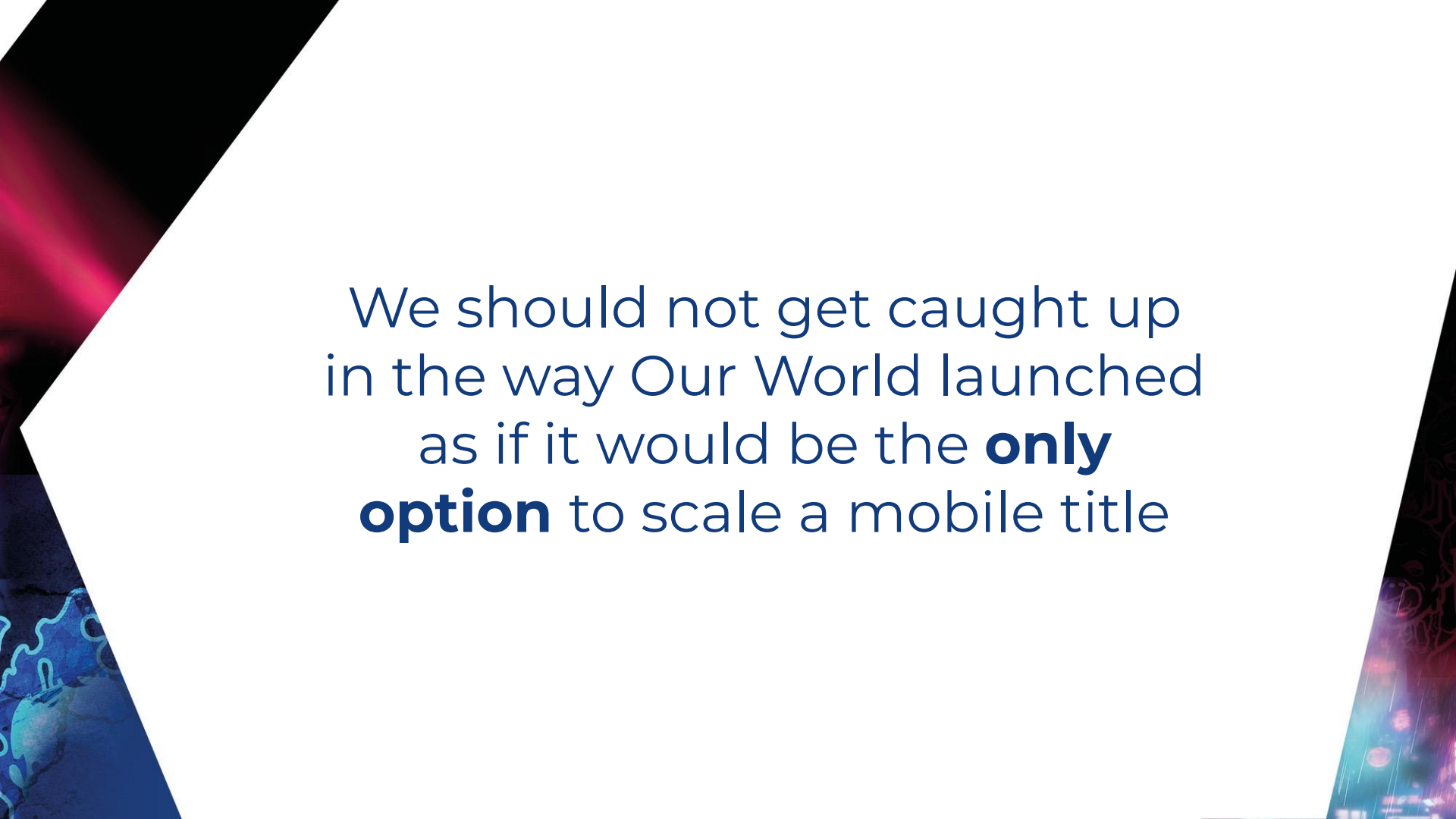


This model assumes conservative organic uplift



# What exponential scaling looks like





We should not get caught up  
in the way Our World launched  
as if it would be the **only**  
**option** to scale a mobile title

The slide features a white central area with text. On the left, there is a black triangular shape with a red and pink light flare. On the right, there is a black triangular shape with a blue and purple light flare. The text is centered in the white area.

This company has successfully  
scaled NML to a +100 million title  
with around EUR 3 million in  
cash



# ***THANK YOU***

Nextgames.com | @nxtgms | facebook.com/nxtgms





# User Acquisition Strategy: The IP advantage



Yiannis Alexopoulos, CGO

---

# Organic acquisition shaping our UA strategy

## The role of organic installs in mobile games marketing:

- A 'standalone' acquisition source (with dependencies)
- A crucial factor within the broader paid User Acquisition environment.



**Shaping  
our UA  
strategy**

## Next Games strategy, vision and mission

- A competitive advantage:  
Working with popular IPs

# Our approach to the Organic side

- What Organic is not → An uplift or a bonus
  - With its impact being minimized and its contribution underwhelming when seen as such
- What Organic is → An actual acquisition source
  - User Acquisition is both paid AND organic
  - With the Organic side being equally or even more important as it could also amplify the paid side
    - A source that could significantly reduce acquisition costs and contribute to scaling when strategized thoroughly for

# Organic Uplift: Not always the same – Example 1

US Google Play 2019 Sep-Nov	Before (weekly avg)	Increased visibility due to generic featuring	After (weekly avg)
Store Visitors	15,347	<b>162,730</b>	13,039
Store Organic Installs	2,042	<b>11,716</b>	1,521
Store CVR	13.3 %	<b>7.2 %</b>	11.6 %
ARPU 28d	\$1.96	<b>\$0.98</b>	\$2.12
Retention 28d	9.76%	<b>4.05%</b>	10.43%



Featuring contributes well to **increasing our visibility** and consequently new installs as our store metrics are dropping but keeping competitive.

However the **user quality dropped** while some of the metrics do not seem to recover fully right after.

## Organic Uplift: Not always the same – Example 2

US iOS 2019 May-July	Before (weekly avg)	Increased visibility due to increased paid	After (weekly avg)
Store Visitors	26,890	<b>30,920</b>	36,380
Store Organic Installs	5,090	<b>5,540</b>	5,160
Store CVR	19%	<b>18%</b>	14%
ARPU 28d	\$1.65	<b>\$2.19</b>	\$2.14
Retention 28d	8.8%	<b>9.6%</b>	9.7%



Small increase in paid UA contributes to a small **increase in visibility** and consequently in new installs as our store metrics are keeping competitive.

At the same time, the **user quality increased**. Increased visibility and user quality continues higher in the following weeks.

## Organic Uplift: Not always the same – Example 3

US iOS Featuring comparison	Generic Apr 2019	Generic May-Jun 2019	Game play related Oct 2019	TWD related Sept-Oct 2020
Store Impressions	2,050,000	468,100	138,400	126,500
CTR	<b>3.2%</b>	<b>3.9%</b>	<b>9.2%</b>	<b>12.3%</b>
Store visitors	65,130	18,300	12,760	15,610
Store CVR	12.1%	15.3%	15.1%	10%
Store Organic Installs	7,880	2,800	1,920	1,560
ARPU 28d	<b>\$1.51</b>	<b>\$1.52</b>	<b>\$2.36</b>	<b>\$3.86</b>
Retention 28d	<b>7.1%</b>	<b>9.2%</b>	<b>13.7%</b>	<b>12.7%</b>

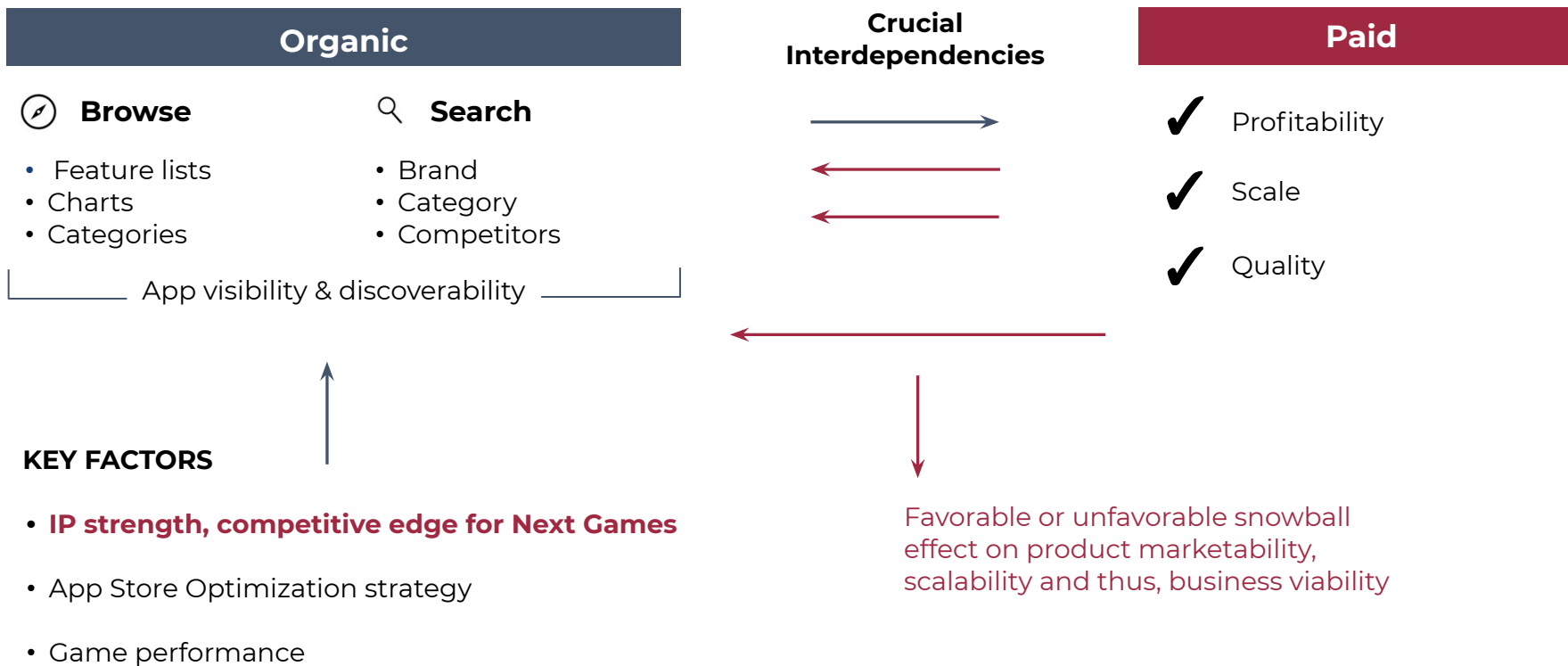


**Generic featuring** contributing into **increased visibility but proportionally lower store visitors** due to lower CTRs.

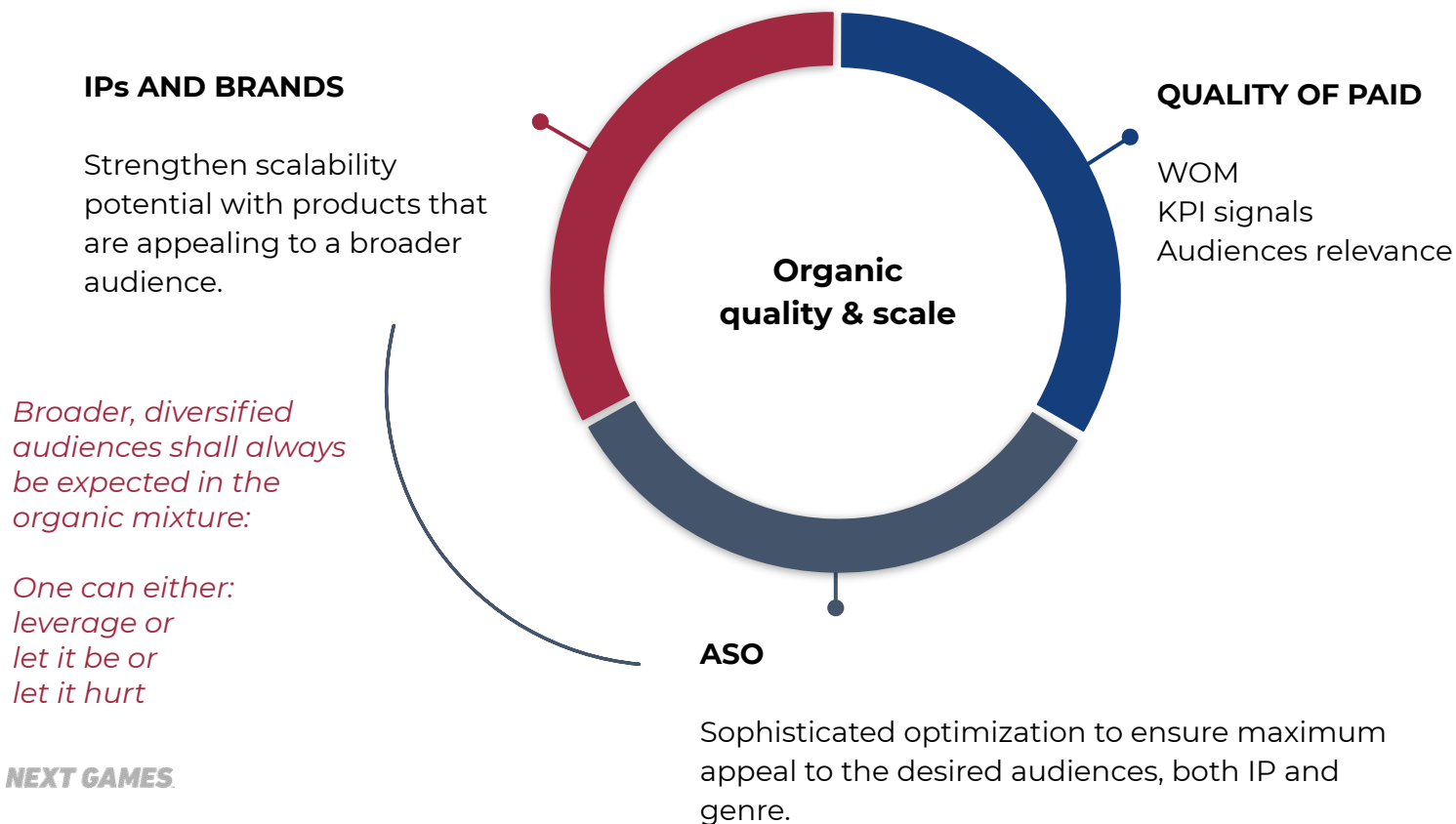
However, **the more relevant visibility results in superior user quality.**



# Sources of User Acquisition: Interdependencies



# Organic acquisition: Quality matters



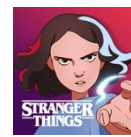
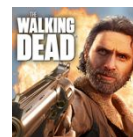
# Touch Points for Audiences

Audience potential without an IP

Audience potential with an IP

Touch Point for audiences	Audience potential without an IP		Audience potential with an IP	
	Broader Fanbase Core Players	Non-Core/ No Players	Non-fanbase Core Players	Non-Core/ No Players
<b>Appeal</b> to a positively predisposed audience	<b>Core audience</b>	<b>Very likely interest</b>	Depends on game	
<b>Credibility</b> Recognizable brand elements boosting marketing KPIs	<b>Best quality at lower vs competition costs</b>	<b>Expanding user base at low costs</b>	<b>Getting attention</b>	
<b>Opportunity</b> to touch upon new audiences		<b>Potential new players</b>	<b>Potential to expand brand</b>	

IP Impact



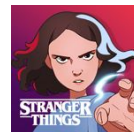
# IDFA Depreciation on iOS: Initial expectations

- Relevant audiences precise targeting to be weakened
  - ROI efficiency for paid UA to be decreased
- Volatile period until the new norm is established



## Enhancing our confidence in our User Acquisition strategy

- Our strong organic acquisition focus:
  - Lowering our dependency on paid UA operations
  - Contributing to cost-efficient UA operations
- Increasing relevance to broader audiences, lowering our dependency on precise targeting for paid UA



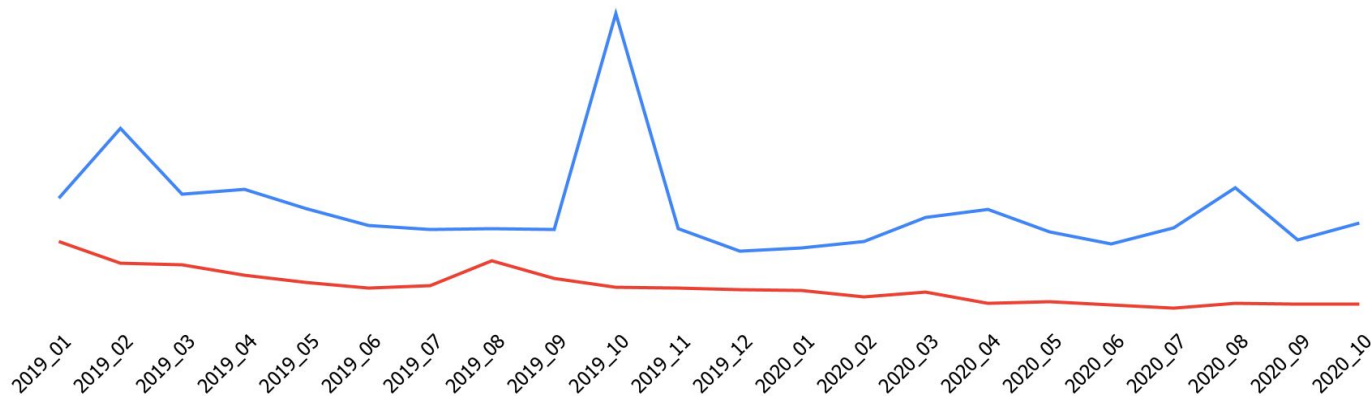
**IP strategy  
driven**

# Stable Organic baseline for NML



WW Installs Organic vs Paid (Jan 2019 - Oct 2020)

— Organic Installs — Paid Installs



## The Walking Dead No Man's Land

- maintaining a relatively stable organic baseline
- almost independently of its paid activity being on the lower side.



**IP strategy  
driven**

# Paid UA: Costs and audience quality factors

## BIDS BUDGETS



- As set / adjusted by our campaign managers
- Based on our bid strategy and budgeting

**Mostly, competition driven**

## CREATIVE ASSETS CTRs



- Creative appeal, quality and strategy
- Audience targeting
- Operational efficiency

## STORE PAGE CONVERSION



- Product positioning
- Creative quality
- Store page conversion optimization
- Funnel optimization

**Mostly depending on our efforts**

**Brand, USPs  
Creative strategy  
App Store Optimization**

**Paid UA strategy and operations**

# Paid UA: An example

**Creative  
strategy  
adjustment**

US Android	Budget	Installs	CPI	CTR	Store CVR	eCPM	ARPU D28	ROI D28
Week 31 2020	Same		\$ 30	0.19%	39%	\$ 23	\$ 4.5	15%
Week 32 2020	Same	+30%	\$ 25	<b>0.47%</b>	<b>42%</b>	\$ 48	\$ 6.8	28%

With similar:

- geo targeting
- audience targeting
- optimization strategy and
- budgets

## Our improved creative metrics:

- ★ made our ads more competitive
- ★ bringing down our acquisition costs
- ★ while maintaining user quality and thus,
- ★ increasing our profitability
- ★ while increasing volumes

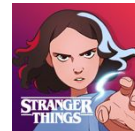
# Marketing profitability factors

$$\text{ROI} = \frac{[\text{LTV}(\text{paid}) + \text{LTV}(\text{organic})]}{\text{CPI}}$$





# Marketing profitability factors



IP Impact

$$\text{ROI} = [\text{LTV}(\text{paid}) + \text{LTV}(\text{organic})] / \text{CPI}$$

- **Product (retention and monetization)**
- Paid UA strategy and operations

IPs AND  
BRANDS



QUALITY OF  
PAID

Bids Budgets

Mostly, competition  
driven

**Creative Assets CTRs**

**Store page conversion**

Mostly depending on our efforts

Brand, USPs  
Creative strategy  
App Store Optimization

Paid UA strategy and operations

# Next Games UA Strategy

This is how we stand out

We develop **top-class UA operations**, possessing the necessary skills and expertise **to drive profitability-based marketing, at scale.**

**We choose to focus** as much as possible **on elements that mostly depend on us** with less external dependencies, such as:

- Organic acquisition optimization
- Store page conversion and positioning
- Creative strategies

This is how we compete

# ***THANK YOU***

Nextgames.com | @nxtgms | facebook.com/nxtgms





# NETFLIX STRANGER THINGS

Ambitions, Challenges, and Strategies



STRANGER THINGS: (TM)/(C) Netflix, Inc. 2020. Used with permission.

## Project Review: Genre



The **Stranger Things Mobile Game** is a Character Collector Puzzle Role playing game (RPG).

This genre combines familiar gem-matching gameplay with long-term progression and goal setting of character-collector RPGs.



## Project Review: IP & Brand

- Massively popular cast
- Nostalgic 1980s feel
- Supernatural setting
- Distinctive audio-visual landscape



This massive and thrilling Netflix original drama stars Golden Globe-winning actress Winona Ryder as Joyce Byers, who lives in a small Indiana town in 1983 -- inspired by a time when tales of science fiction captivated audiences.

# Project Review: Unique Selling Points



## IP & Art Style

The Stranger Things Mobile Game will be the largest – if not only – major brand-supported Puzzle RPG on the market.

Our unique “*Saturday-morning cartoon*” presentation of the world and characters reverberates with the nostalgia and youth-centered cast of the Stranger Things universe.



# Project Review: Unique Selling Points



## Story Narrative

Light-hearted suspenseful tales; thwarting the plots of Soviet spies, creepy lab experiments, and supernatural monsters.

Episodic stories built on the relationships between the kids and other characters.

## Identifying the Audience

Next Games took an audience-based approach using research on the *Stranger Things* fanbase and their game-playing preferences:

900 *Stranger Things* fans were surveyed about gaming habits and favorite genres. They also took a "Games Motivation" survey to reveal their preferences for game aspects like community, competition, and narrative.

# Meet Michael and Jennifer

These personas represent our primary and secondary target player bases:



Age 35

## Michael

### Stranger Things Fan Type

**Super Fan:** I have seen it all more than once, and post and share about ST on social media.

What I love about *Stranger Things*: **Friendship, Supernatural Adventure and Nostalgia.**

### Gaming

- Favorite Genre: **Puzzle RPG**
- Game Time: **12 hours / week**
- Spending: **Spends weekly**

### Motivation

- Primary: **Power, Community**
- Secondary: Fantasy, Design, Destruction, Completion



Age 38

## Jennifer

### Stranger Things Fan Type

**Casual Fan:** I enjoyed all of *Stranger Things*. I talk about it with my partner, but not so much on social media.

What I love about *Stranger Things*: Friendship, Supernatural Adventure and Nostalgia.

### Gaming

- Favorite Genre: **Match 3**
- Game Time: **6 hours / week**
- Spending: **Sometimes**

### Motivation

- Primary: **Completion, Fantasy**
- Secondary: Story, Design

## Selecting a Genre

### Conclusion:

**Stranger Things show fan preferences, cross-referenced against Next Games team strengths and experience, led us to choose this genre and the primary game mechanism.**

## Challenge 1: Genre Crowding

The Puzzle RPG genre is filled with many very similar games:

- \* Fantasy themes
- \* Energy mechanics
- \* Simple characters with little evolution over the player's lifetime



*Empires and Puzzles*

\*\*\*

Small Giant



*Puzzle Combat*

\*\*\*

Small Giant



*Puzzle and Dragons*

\*\*\*

GungHo Online



*Angry Birds Epic*

\*\*\*

Rovio



*Puzzle Breakers*

\*\*\*

Playrix



*Legendary Game of Heroes*

\*\*\*

N3twork

## Strategy: Differentiate Through Depth

Puzzle RPGs often feature shallow character designs with little growth through gameplay. Simple mechanics are reused frequently, and characters are largely interchangeable.

The Stranger Things Mobile Game will start in a similar fashion, but things will expand and deepen as gameplay continues:

- Characters will obtain **multiple abilities**
- Players will be more strongly encouraged to use more characters in **different combinations**
- **More game modes** will unlock over time to provide a variety of things to do in the game



# Character Depth Example



Lucas at **Level 1**

Activated ability: Fireworks Expert  
"Activate 6 Red Gems"

---

Lucas at **Level 150** [~3-6 weeks]

Activated ability: Fireworks Expert  
"Activate 8 Red Gems and give Lucas Bravery for 2 turns"

Reactive Ability: Be the Hero  
"At the start of the turn, if Lucas has Bravery, deal damage to a random enemy"

Reactive Ability: Victory Cheer  
"When an enemy is defeated, give Lucas 10% energy"



## Strategy: Unique Theme

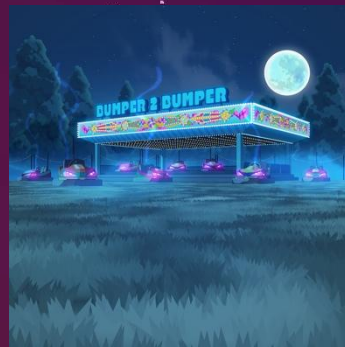
Most Puzzle RPGs are fantasy-themed and have very similar treatments for character art. The Stranger Things Mobile Game will stand out with a “**Saturday Morning Cartoon**” look and feel and unique characters and enemies.



# Stranger Things Settings Examples



Fun Fair



Hawkins National Laboratory



# Challenge 2: Endless Content

## Casual puzzle games:

- Hand-crafted content
  - Expensive to produce
  - Unending “content treadmill”
- Single or few game modes
  - Few signs of progress
  - Repetitive sessions

## RPG games:

- More complex resource systems
  - Lots of currencies
  - Multiple ways to progress
- Many “standard” game modes
  - PvP
  - Group competitions
  - Endless challenge mode

## Strategy: Cyclic Game Modes

- Repeat on a schedule
- Build up to larger rewards
- Built with variation in mind



# Strategy: Live Events Rotation

## Scheduled Rotation

- Holidays, seasonal themes
- Nostalgia & youth focused
- Character-specific events
- New Character Releases

## Social Interaction

- Leaderboards / Club Champions
- Community Challenges



# Differentiator: Smart Content Tools

## Level Creator

- Composes groups of enemies based on designer-specified criteria
- Aims for a target difficulty level
- Can run on scripted schedules

## Balancing Assistant

- Auto-plays thousands of missions
- Reports success rates and relative character power





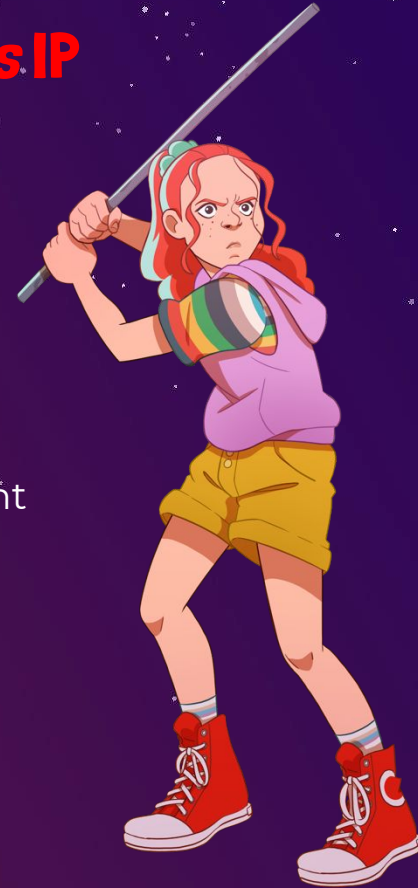
## Challenge 3: Working with the *Stranger Things* IP

### Opportunities

- Huge media presence leading up to new seasons
- Multiple social media 'moments'
- Tons of unexplored territory
- Evergreen Nemeses

### Challenges

- Periodically released big batches of new show content
- Referencing new and past events



# Differentiator: Character Versions

## 'Snapshots' of characters taken from the show

- Unique gameplay
- Narrative spotlight
- More recent version = more powerful version



# Differentiator: Expanding the Universe

## New interpretations of villains:

- Flayed objects
- Dr. Blair
- Purple Goop

Strong collaboration with Netflix to develop new content that complements *Stranger Things* lore and iconic feel.





# Wrapping Up

Each challenge is made into an opportunity that sets up the Stranger Things Mobile Game to be a stand out Puzzle RPG for years to come.

## Challenges

Crowded Genre

Endless Content

Working with ST IP

## Strategies & Differentiators

→ Unique Theme  
Character Depth

→ Cyclic Game Modes  
Smart Content Tools  
Seasonal Events

→ Character Versions  
Expanding the Universe

**Thank you!**



A vertical decorative graphic on the left side of the slide. It features a woman's face in profile, looking forward, with a futuristic, glowing digital background. The image is partially obscured by a white diagonal line.

# Data - why it's great, and how we use it

A vertical decorative graphic on the left side of the slide. It features a woman's face in profile, looking forward, with a futuristic, glowing digital background. The image is partially obscured by a white diagonal line.

James Corbishley, Business Intelligence Director

---

# Let's talk about data

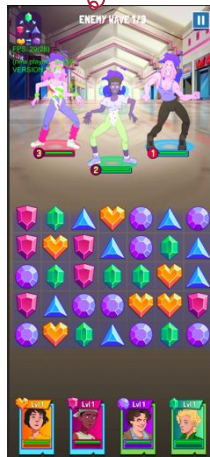
- What is “data”?
- How do we use it?
- Why is it critical to how we run out business?

# The data we collect...

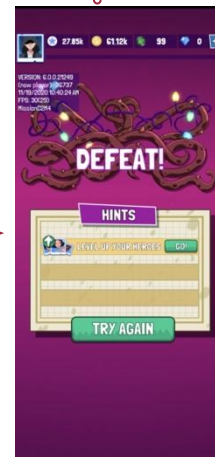
...oh, I think I'll play  
one of those great  
Next Games  
games...



...I think I'll  
play a  
battle...



...damn...  
I lost...



...and something  
similar was done by  
lots of other  
people...



10:53am: player XYZ  
started the game on  
an iPhone 11 playing  
somewhere in Chicago

10:54am: player  
XYZ began a  
battle

10:55am: player  
XYZ was defeated  
in a battle

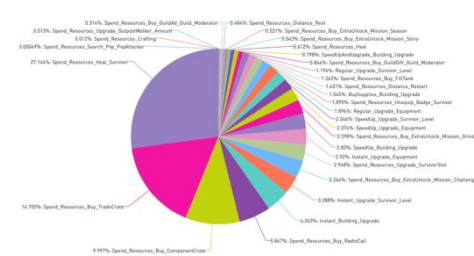
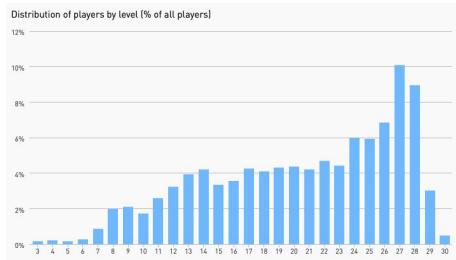
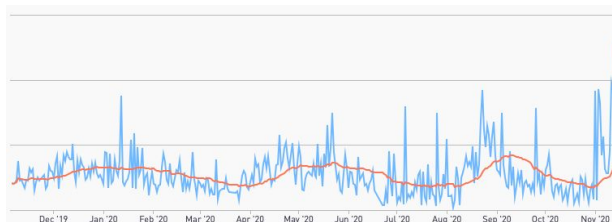


## **... is combined with other players' data**

- 40 plus million players
- 500 plus terabytes of data
- Lets just say we have lots of data from lots of players

# Standard things we do with this data

- Dashboards and KPIs etc
- Optimise games
  - Balance games
  - Experiments (AB tests)





**We also do much more and  
are on track to do much more  
with our data**



# Personalizing Player Experience

*“You failed this level three times? We better make the next one a bit easier for you”*

*“You seem to use character X a lot. Maybe you’d be interested in buying upgrade Y for them?”*

*“You seem to like the great valued - and high priced - offers we make. Here’s another one we think you may also be interested in”*

# Predicting Success in the First Few minutes

Holistic data → using observations in one game to help us evaluate games in our portfolio

- The games we have are all different - but we have recently created **common ways** of thinking about and using their data
- We have invested **a lot** in this area over the last 12 months: we call it the “Day 0 analysis”
- We now make predictions on the life-time-value of players after 15-20 minutes for a game still very much in development, even as a first prototype

The slide features a white background with decorative elements on the left and right sides. On the left, there is a black diagonal shape with a pinkish-red light effect. On the right, there is a black diagonal shape with a blue and purple light effect. The main text is centered in a bold, dark red font.

# **We predicted current Stranger Things D1 retention with 1 ppt accuracy**

Based on a first proto build with less than 45 min of  
playtime, almost a year ago

We also have full curve predictions

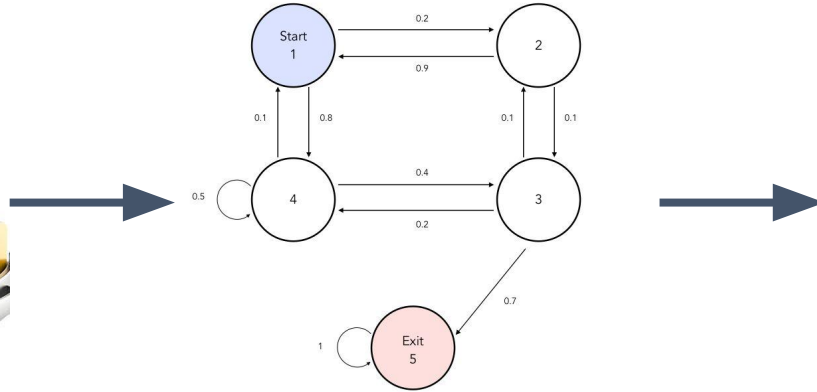
What makes us unique is our  
predictions work **independent**  
of game genre, and market



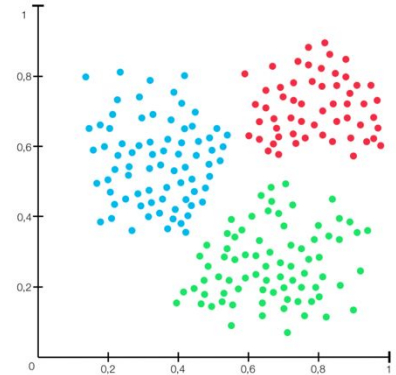
# We haven't finished though - there is still much we want to achieve



Our database



How players  
“transition”  
through the  
games

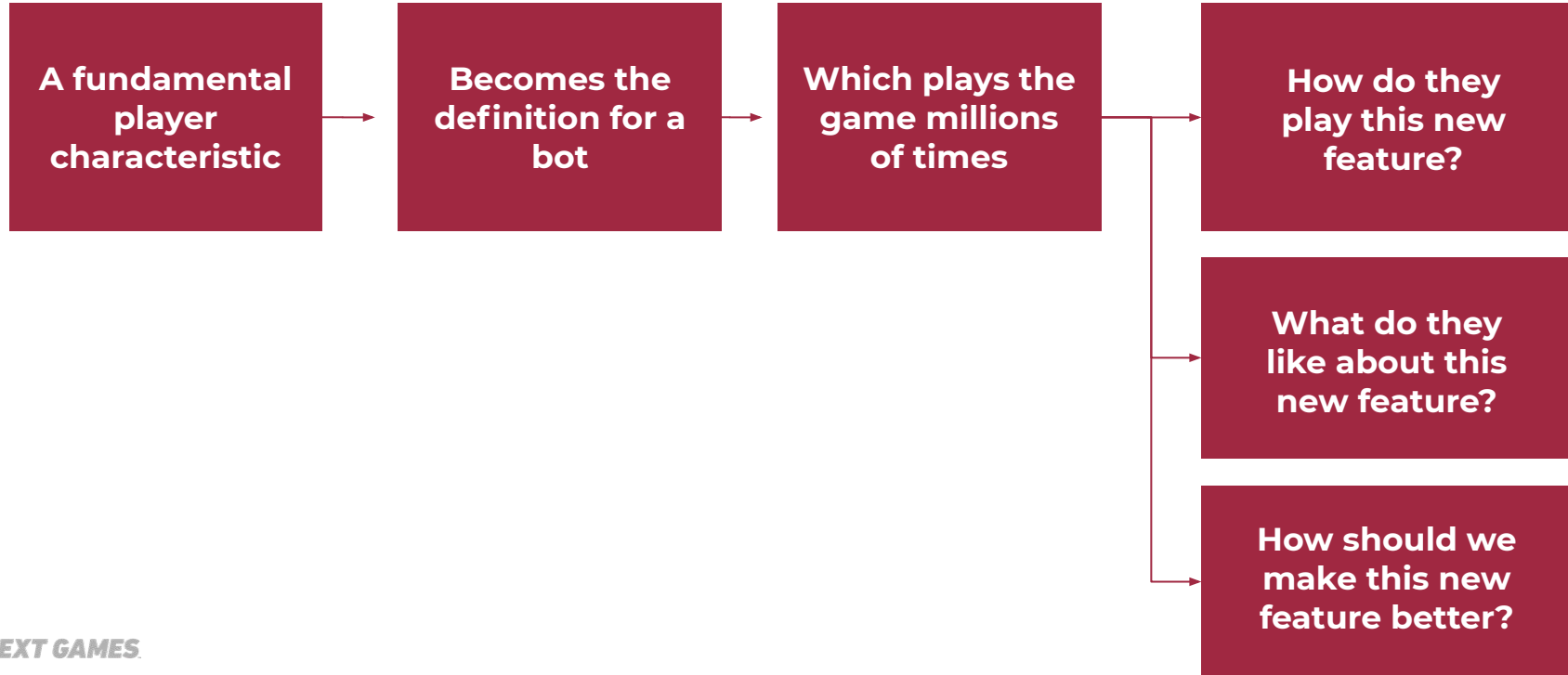


Clusters of  
players

# We haven't finished though - there is still much we want to achieve



# We haven't finished though - there is still much we want to achieve





The slide features decorative graphic elements on the left and right sides. On the left, there is a black triangular shape at the top left corner, a magenta/pink light streak, and a blue abstract pattern at the bottom left corner. On the right, there is a black triangular shape at the top right corner and a colorful, abstract pattern at the bottom right corner. The central text is in a bold, dark red font.

**Data and how we use it  
is central to Next Games**

# With Data

Predict a hit game before you even made it

Optimize R&D spend on the right product

Tailor sales, experiences and boost profits



A vertical decorative graphic on the left side of the slide. It features a woman's face in profile, looking forward, with a futuristic, glowing digital background. The colors are primarily purple, blue, and white.

# The Invisible Edge

A vertical decorative graphic on the left side of the slide. It features a woman's face, looking forward, with a blue and white digital background. The colors are primarily blue and white.

Next Games Technology Platform

Matias Ärje, CTO

---



# **Agenda**

We Create Services

Our Technology Platform

Goals and Benefits



***WE CREATE  
SERVICES***



# Games are comprehensive services

Lifetime can easily be 5-10 years and more

Ideally every game session contains something new



Community

Map

Shop

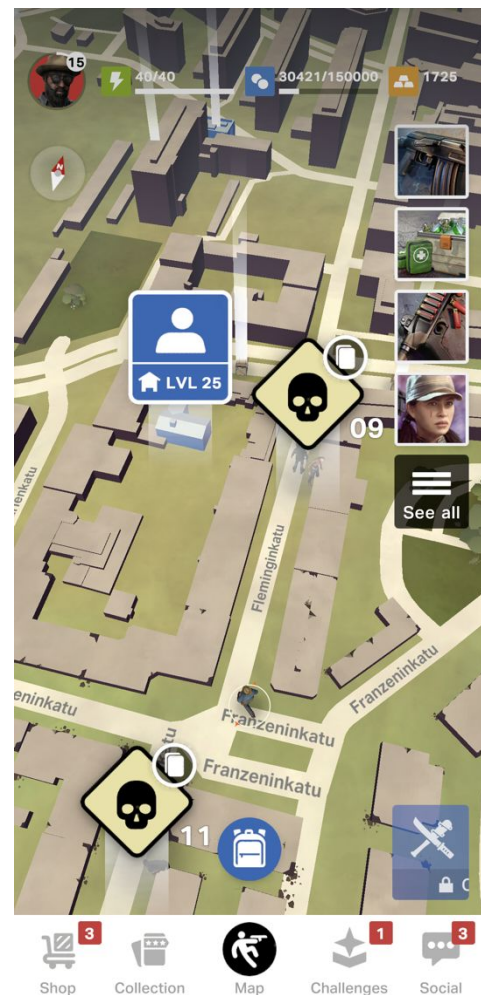
News

# The Walking Dead: Our World

New  
Features

Events

Season  
Passes





# Lifecycle of a Game

Different stages have very different requirements

For different games, many requirements of a stage are generally the same



**Prototyping**

Concepting  
Prototype

**Development**

Pre-production  
Production

Scaling & Growth

**Live operations**

Active Live Ops  
Catalogue



# Prototyping

## **Focus on speed**

Whatever gets the job done goes

Discard when done

Platform offers best practices, code fragments

# Development

## **Focus on quality**

Avoid decisions that may be hard to  
change by using proven tech

Infrastructure, workflows and processes

Speed up development

# Live operations

## Focus on efficiency

Provide tooling for live ops

Infrastructure, workflows and processes



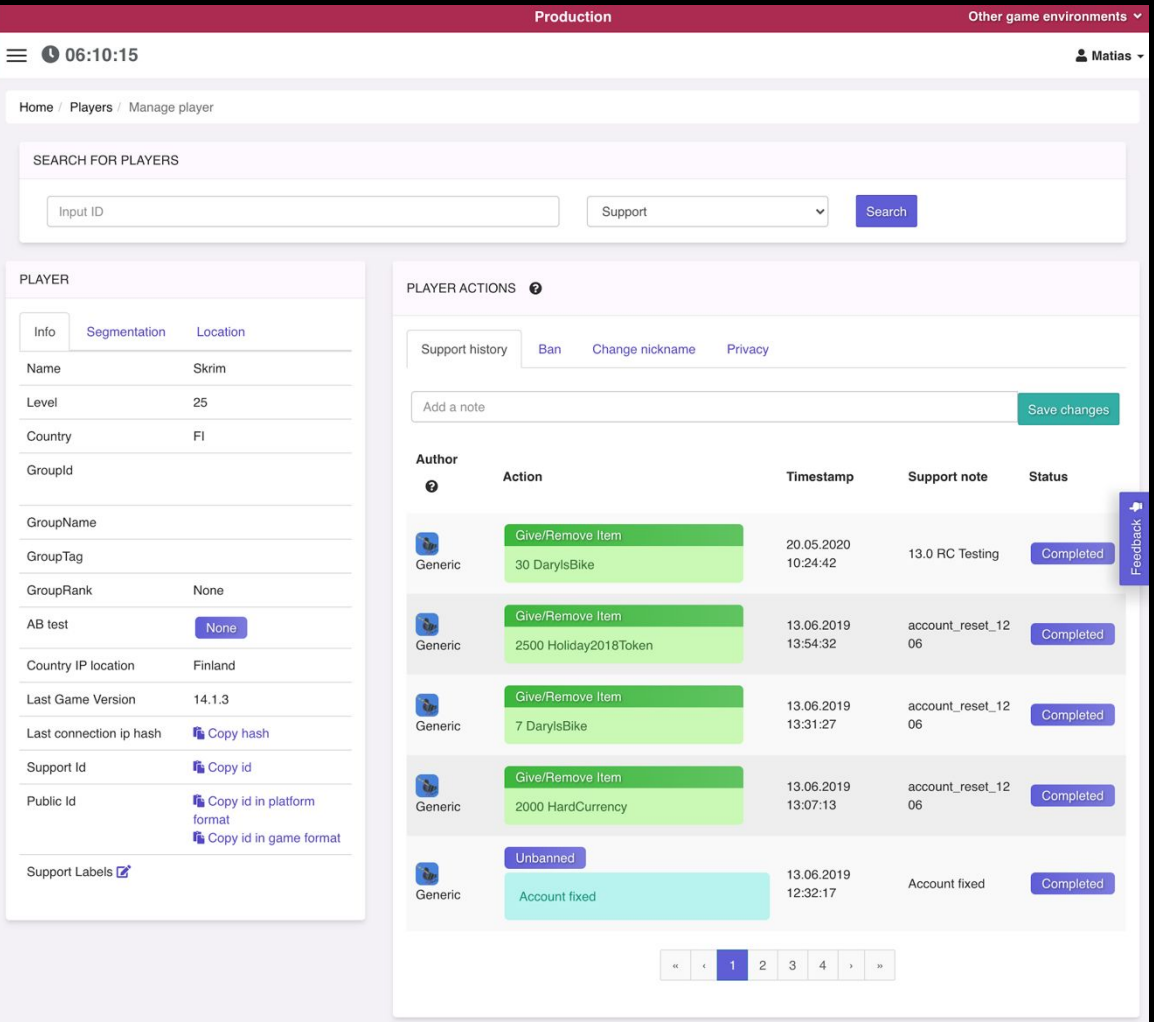
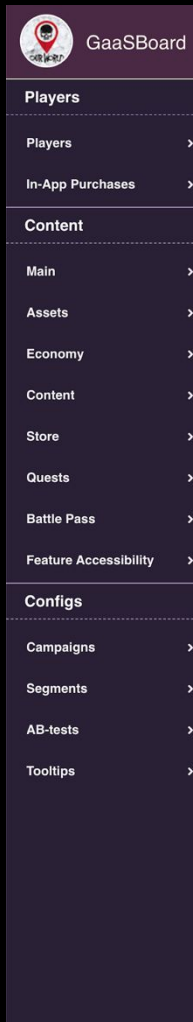
# ***OUR TECHNOLOGY PLATFORM***



Software  
development  
kits for game  
features

Backend with  
services for the  
entire game lifecycle

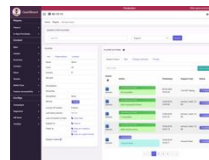
Tools for live  
operations and  
support



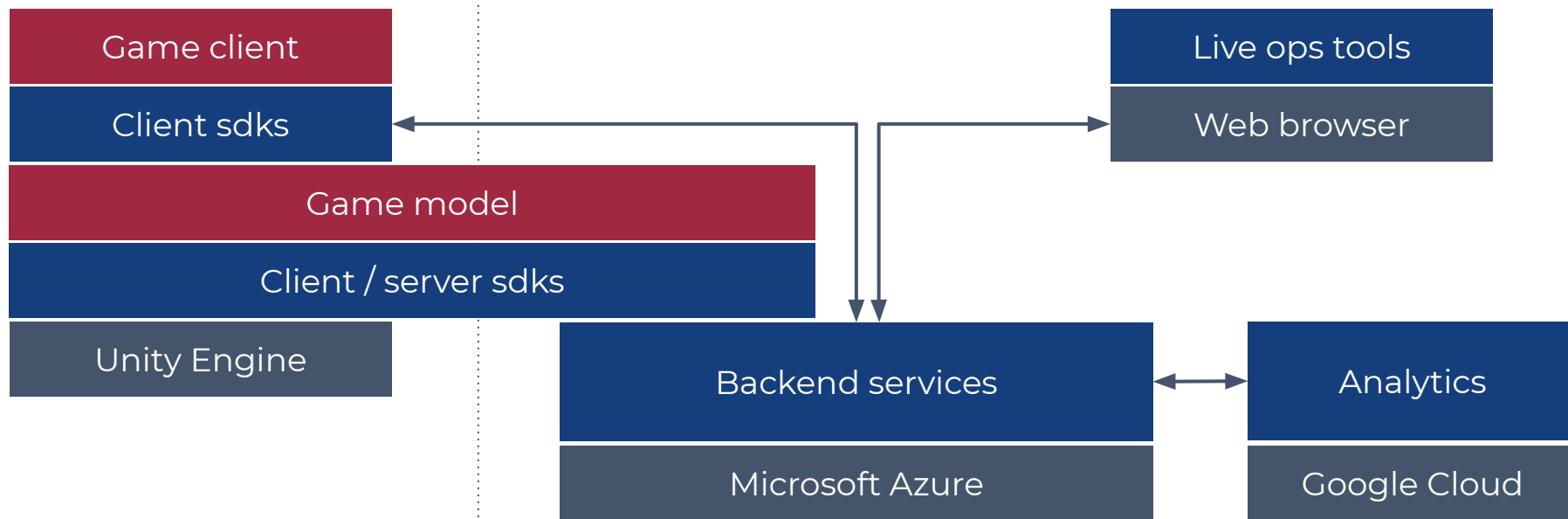




## Players



## Live Game Operators



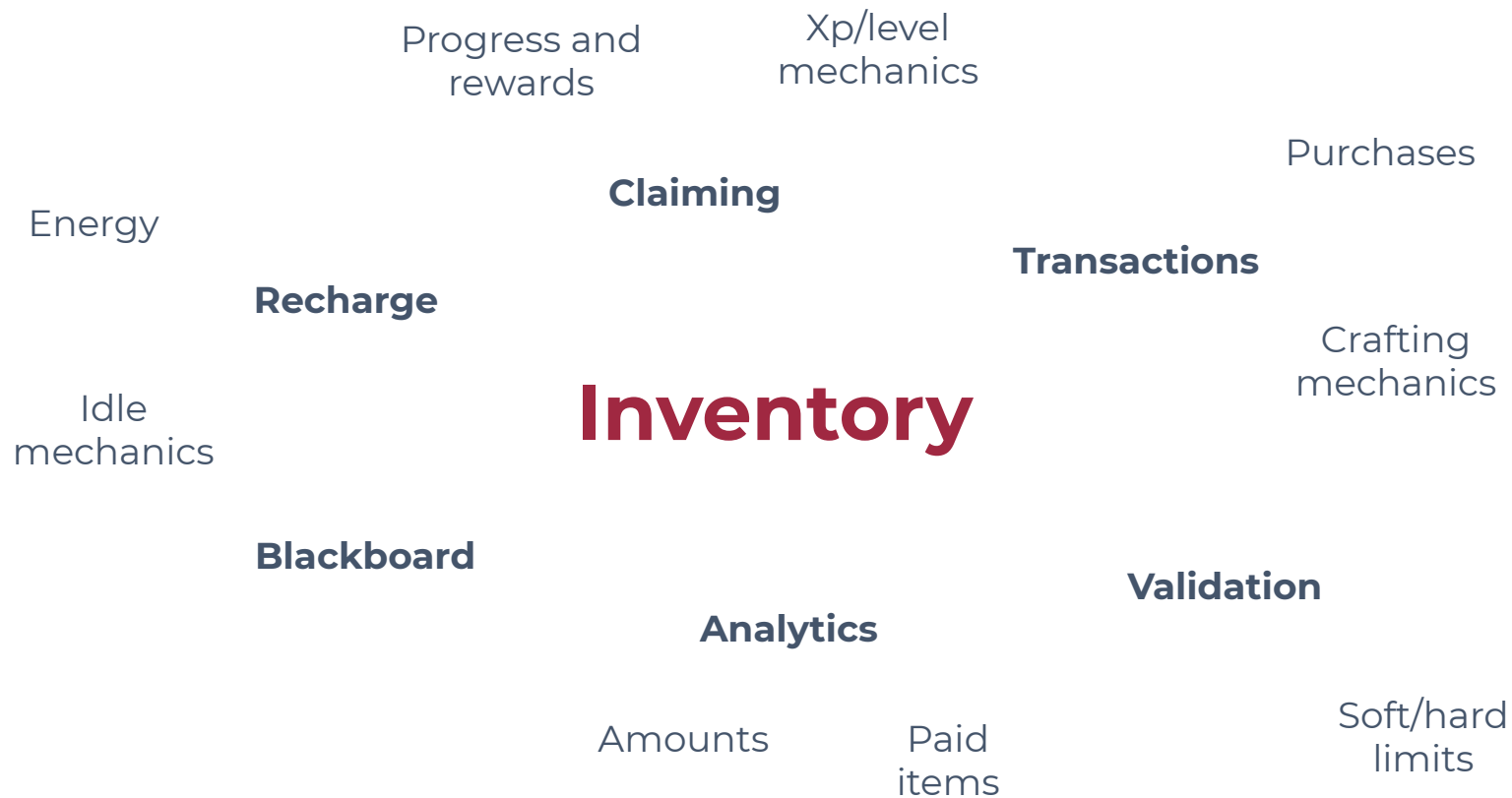
Shared between client and server

- Game specific
- Shared between games

Communication

# Inventory







Development workflow

Test automation

Analytics

Simulation

Cheat prevention

## Fundamentals

Single player

Multiplayer

Account linkage

In-game search

Content delivery

Store integration

## Development

Workflow support

Version isolation

Process integration

Development tools

Connectivity

Reusable components

## Live operations

Player support tools

Release management

Game events

AB testing

Analytics

Security

# ***GOALS AND BENEFITS***



# Tech platform key goals

Make game production as **easy** as possible

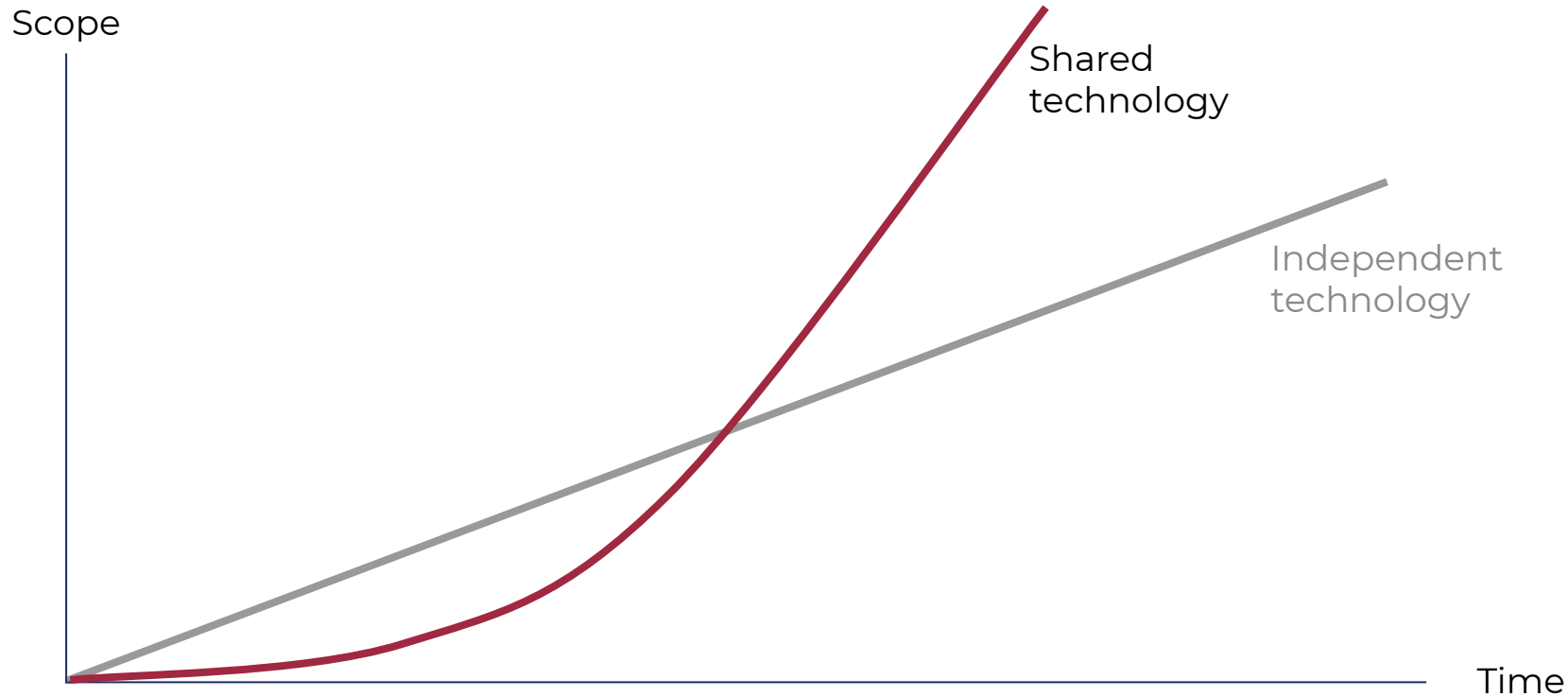
Support **multiple games** and versions

Provide **scalability**

Define **workflows** and **best practices**

Minimize amount of **crucial early decisions**

# Development of multiple games





# Tech platform key benefits

**Faster delivery** through reusability

**Freedom** through control over platform

**Efficiency** through shared practices

**Reduced costs** through shared services

**Reduced risk** through proven practices

**Reduced risk** through avoided vendor lock-in

**Shared benefits** from new development



# Summary

Games are services with long life cycles

We scale game production efficiently through shared technology and processes

Our control over the platform allows our game teams more freedom and reduced risks

# ***THANK YOU***

Nextgames.com | @nxtgms | facebook.com/nxtgms

A vertical decorative graphic on the left side of the slide. It features a woman's face in profile, looking forward, with a futuristic, glowing digital background. The image is partially obscured by a white diagonal line.

# Building & Measuring Culture

A portrait of Joonas Laakso, a Black man with long dreadlocks, wearing a blue headband and a blue shirt. He is looking directly at the camera with a serious expression. The background is a blurred image of a classical building.

Joonas Laakso  
Chief People & Culture Officer

---

The slide features a white background with two large, dark triangular shapes on the left and right sides. The left triangle contains a red and black abstract pattern, while the right triangle contains a blue and black abstract pattern. The text is centered in a bold, dark red font.

**Great teams  
make great games.**

**Great teams grow  
in a great culture.**

# What *is* culture?

## How do you *measure* it?

Culture is how we work together and how we interact with one another. Some of our favorite examples of what we are like:

**Feedback is important.** On Fridays we publicly thank colleagues who have helped us during the week. We also have all teams present and share their best achievements during the week, before heading off to the weekend.

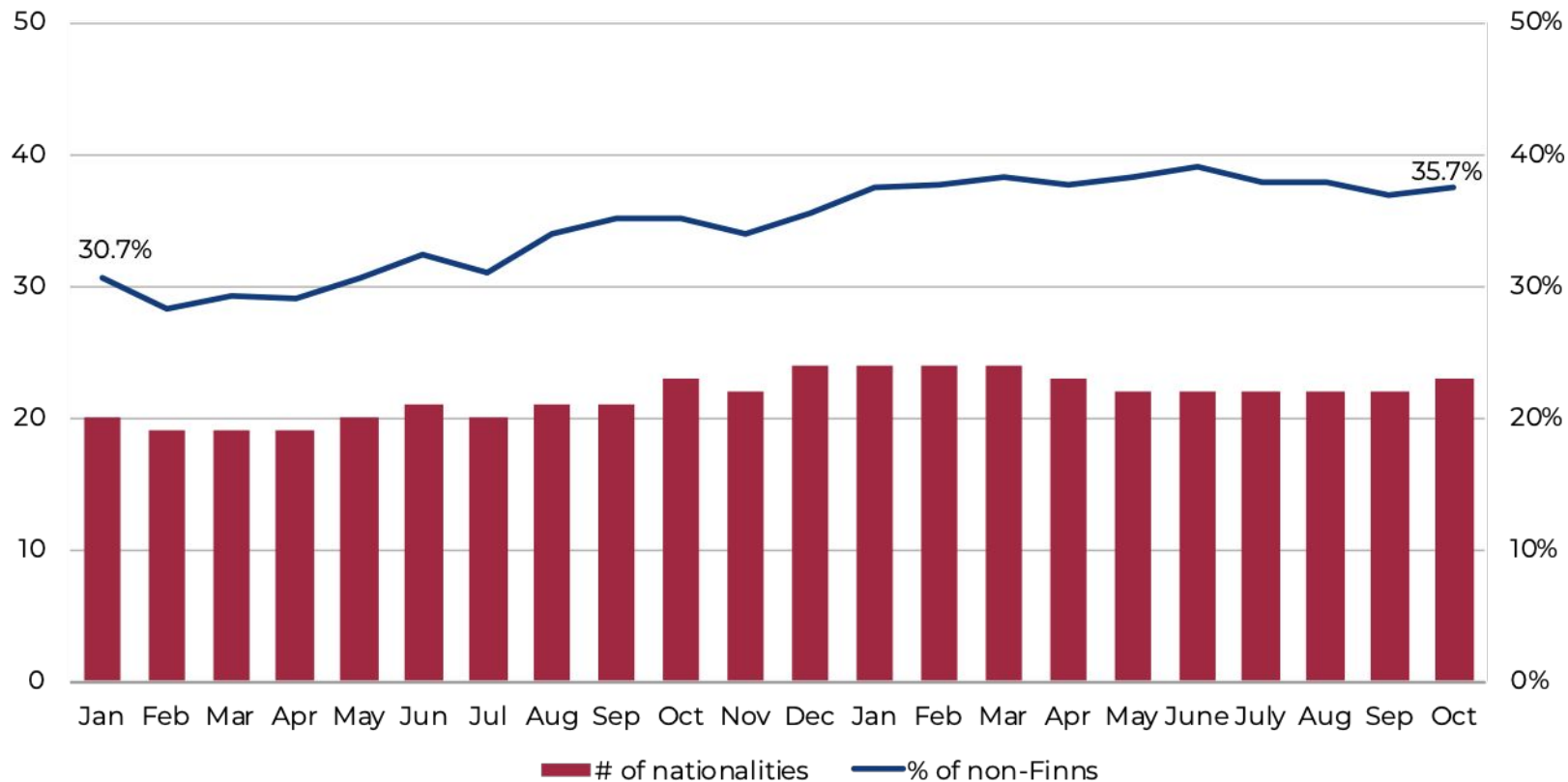
**Our players mean the world to us.** That's why we have *Player Support Bootcamp*, where every staff member and executive is encouraged to learn how to resolve real customer issues, handling real customer support tickets. It really brings you that end-user perspective!

**We believe culture can be quantified.** Let's look at numbers!

The background features abstract, colorful geometric shapes. On the left, there's a black triangle with a pinkish-red gradient. On the right, there's a black triangle with a blue and purple gradient. The central area is white, containing the main text.

**We believe in diversity  
in skills, opinions  
and backgrounds.**

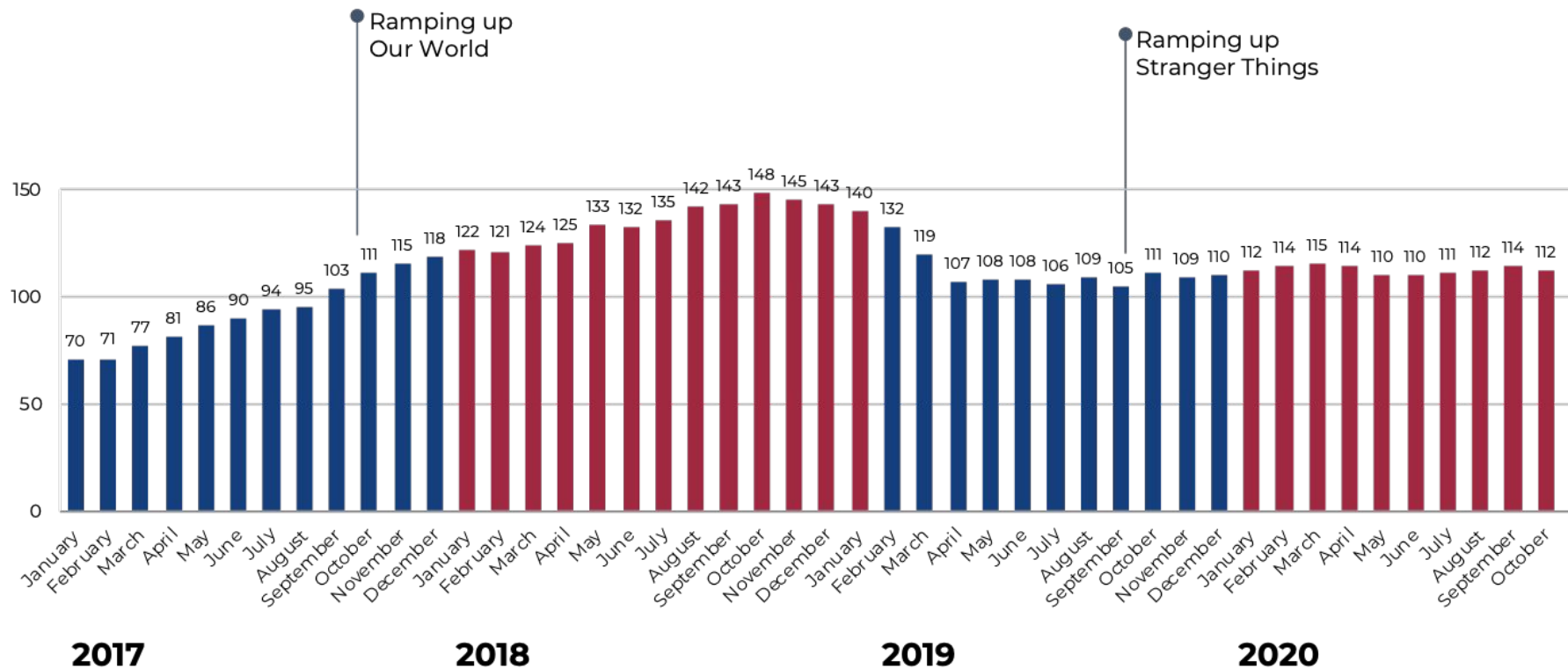
## % of non-Finns and # of nationalities Jan 2019–Oct 2020



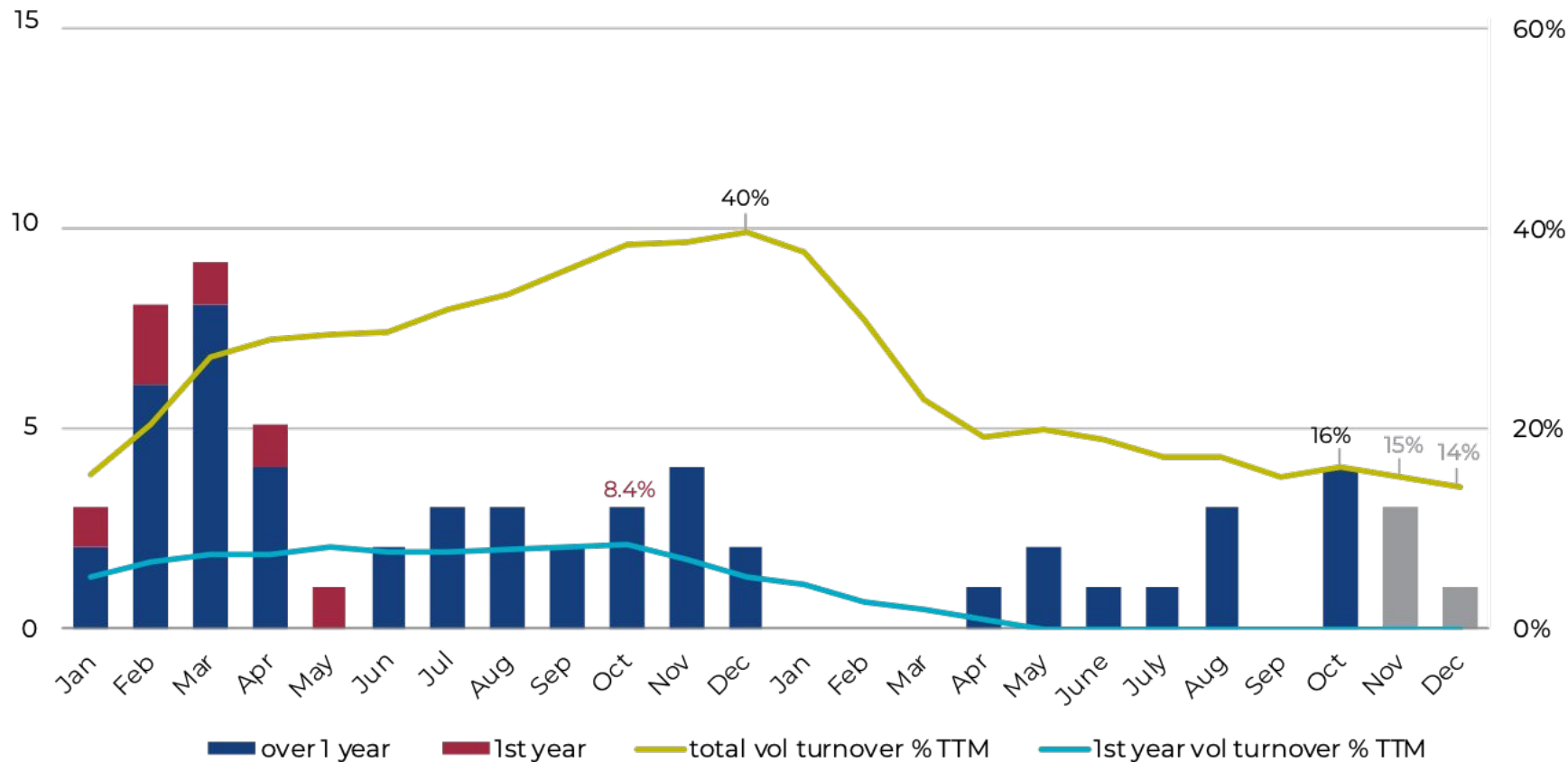


The image features a white background with two large, dark triangular shapes in the corners. The top-left triangle is black with a vibrant pink and purple light streak. The bottom-left triangle is dark blue with a glowing blue and white pattern. The bottom-right triangle is black with a colorful, abstract pattern of red, orange, and blue. In the center, the text "Tough times made us tougher." is written in a bold, dark red font.

**Tough times made us tougher.**



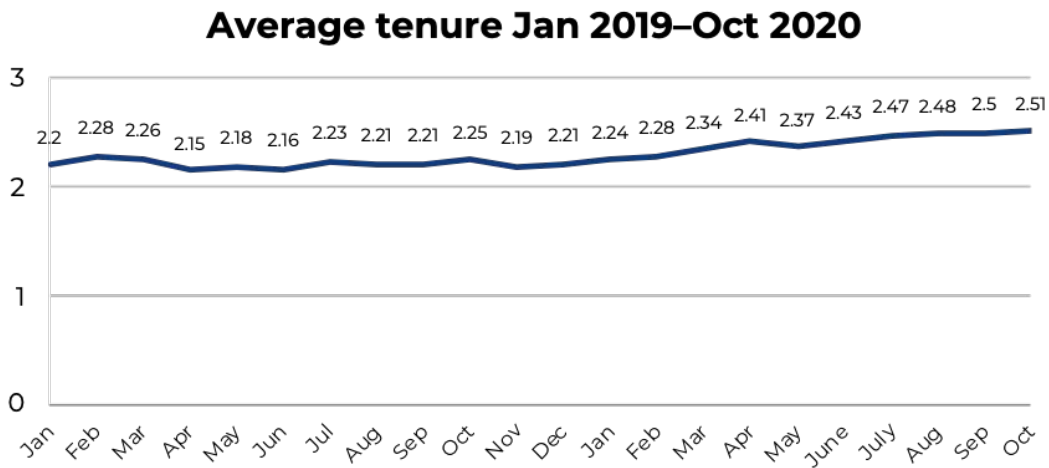
## Voluntary turnover statistics Jan 2019–Oct 2020



# 2020 in review

COVID-19 has caused a lot of extra work and disruption, but it is not an issue to our wellbeing. We miss our colleagues and would like to use our great facilities!

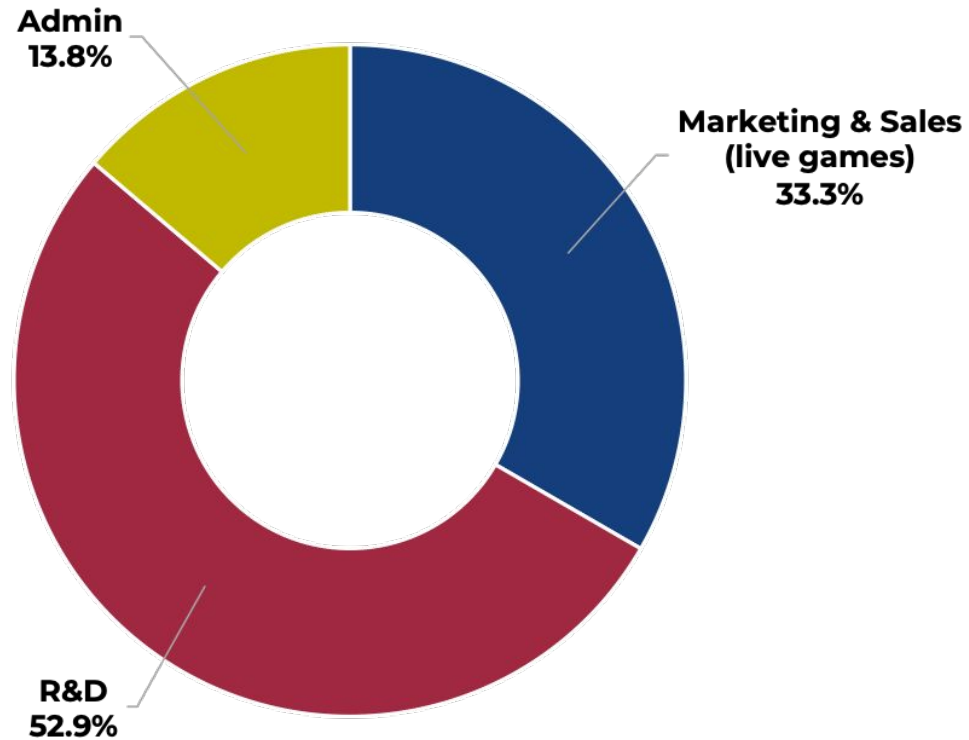
- But still - average tenure is steadily growing.
- People want to stay at Next Games



The image features a white background with two large, dark, abstract shapes in the corners. The top-left shape is black with a pinkish-red glow. The bottom-left shape is dark blue with a glowing blue and white pattern. The bottom-right shape is black with a glowing blue and white pattern.

**Looking to the future.**

## Workforce allocation Oct 2020



The background features abstract, colorful geometric shapes. On the left, there's a dark blue and purple triangular area with a glowing pinkish-red light effect. On the right, there's a dark blue triangular area with a glowing blue and purple light effect. The central text is white and bold.

**We continue improving.**

**Because great teams  
make great games.**

# Looking forward to 2021

Continue building Next Games towards being the best place to make games at.  
Focus areas are:

## Career Development

Very important to high performers. We believe in nurturing individuals and teams, and they need to keep growing while with us.

## Leadership Excellence

Excellence in leadership means excellent performance and products. 360 reviews with all leaders; training to improve all development areas. Focus on fostering collaboration cross team and cross discipline



***THANK YOU***