



Rovio Entertainment Corporation

Interim Report

April 29, 2022

Q1

INTERIM REPORT FOR JANUARY-MARCH 2022

22

We
craft
joy.

Revenue grew 26.6% and 11.8% on comparable basis in Q1

January-March 2022 highlights

- Rovio group revenue increased 26.6% to EUR 85.0 million (67.1). Comparable growth (at constant fx and excluding Ruby Games) was 11.8%.
- Group adjusted EBITDA grew to EUR 13.6 million (12.3) and adjusted EBITDA margin was 16.0% (18.3).
- Group adjusted operating profit was EUR 10.0 million (10.1) and adjusted operating profit margin 11.8% (15.0).
- Games gross bookings increased by 25.8% to EUR 80.8 million (64.2). Comparable gross bookings growth (at constant fx and excluding Ruby Games) was 10.6%.
- Angry Birds 2, Rovio's largest game, had gross bookings of EUR 30.3 million, an increase of 20.1% year-on-year which was its highest quarter since Q1 2019.
- Angry Birds Friends grew 15.2% year-on-year and recorded its highest quarterly gross bookings since Q4 2016 with total gross bookings of EUR 9.3 million.
- New game Angry Birds Journey was launched 20th January and it generated EUR 10.1 million gross bookings.
- User acquisition investments were EUR 31.1 million (17.3) and 37.8% of games' revenue (26.7%). The high level of user acquisition was due to the Angry Birds Journey launch.
- Operating cash flow was EUR 14.0 million (2.5).
- Earnings per share was EUR 0.07 (0.10).

Key figures

EUR million	1-3/ 2022	1-3/ 2021	Change, %	1-12/ 2021
Revenue	85.0	67.1	26.6%	286.2
EBITDA	11.1	11.8	-5.3%	50.8
EBITDA margin	13.1%	17.5%		17.7%
Adjusted EBITDA	13.6	12.3	11.0%	54.8
Adjusted EBITDA margin, %	16.0%	18.3%		19.1%
Operating profit	7.5	9.5	-21.5%	37.7
Operating profit margin, %	8.8%	14.2%		13.2%
Adjusted operating profit	10.0	10.1	-1.0%	43.7
Adjusted operating profit margin, %	11.8%	15.0%		15.3%
Profit before tax	7.6	10.4	-26.5%	40.3
Capital expenditure	2.1	0.9	129.0%	4.0
User acquisition	31.1	17.3	79.8%	77.2
Return on equity (ROE), %	19.8%	23.3%		22.2%
Net gearing ratio, %	-80.2%	-75.1%		-77.4%
Equity ratio, %	70.3%	83.4%		70.8%
Earnings per share, EUR	0.07	0.10	-27.1%	0.41
Earnings per share, diluted EUR	0.07	0.10	-27.1%	0.41
Net cash flows from operating activities	14.0	2.5	465.0%	44.0
Employees (average for the period)	494	487	1.5%	490

Unless otherwise stated, the comparison figures in brackets refer to the corresponding period in the previous year. Calculations and definitions are presented in the Performance Measures section.

The changes in comparable currencies have been calculated by translating the reporting period figures with the average USD/EUR exchange rates of the comparison period for the US dollar dominated in-app-purchases in United States and global ad network sales.

Alex Pelletier-Normand, CEO

The mobile free-to-play market has continued to face headwinds during the quarter, recording its third consecutive q-o-q decline according to data.ai. As was the case in Q4 2021, we have navigated those changes with a positive outcome during Q1, starting the year on a growth path and record game revenues. The growth was fueled by the launch of Angry Birds Journey in January, the good performance of Angry Birds 2 and Angry Birds Friends, and by Ruby Games' nice progression. Despite substantial marketing investments during the launch weeks of Angry Birds Journey, the high level of revenues kept our profitability and cash flow at a solid level.

Rovio's largest game, Angry Birds 2 continued its strong performance with the game's gross bookings growing over 20% year-on-year, and achieving its highest quarterly revenue since Q1 2019. This was the result of successful live operations and opportunities identified by our teams to strengthen profitable user acquisition investments. Angry Birds Friends continued to grow double digits year-on-year and reached its highest quarterly gross bookings since Q4 2016. In February, we celebrated the 10th anniversary of the game. This is a great example of execution on our mission to craft joy with player-focused gaming experiences that last for decades. Our hyper-casual game studio Ruby Games also had a strong quarter with close to 45% pro forma y-o-y revenue growth driven by their new hyper-casual word game Wordus that was launched in January. With those results, the team continues to show its drive and resourcefulness.

Angry Birds Journey launched in January and quickly grew to become our third largest game. After a strong start we are now further developing the game and optimizing user acquisition, which will in the near-term be on a lower level than at launch. The next milestone for the game will be an exciting marketing influencer campaign in June, including TV advertising in the US to complement the good level of organic traffic we get on this title. I'm proud to admit that I am an avid player of that game!

We have continued to invest in new game development across our studios, focusing on casual games. The furthest games in production remains Moomin: Puzzle & Design and Ruby's Hunter Assassin 2 which continue in soft launch. During the quarter we decided to cancel the soft launch of our narrative driven puzzle game Supernatural City. Going forward, the team will utilize their learnings in other puzzle game projects. I want to thank our team for their hard work throughout the development of the project.

At the end of the quarter, we launched a premium mobile game named Rovio Classic: Angry Birds. The game was the answer to the calls of our fans around the globe to re-experience the original Angry Birds game that was released twelve years ago. I'm delighted to see how excited the fans have been for this release. While we are not expecting significant revenues from this premium title, seeing it reach the top download positions is a great testament to the strength of the brand.

Our 'Angry New Year' series of product launches has put our fans and community front and center. At Rovio we've often looked to products like Minecraft as examples of incredibly engaged communities of creators and fans - just like our own - and so when the opportunity to partner with Microsoft for a premium Minecraft DLC (downloadable content) experience came up it was an immediate and obvious fit. This DLC launches very soon in the Minecraft Marketplace and caps off the 'angriest spring ever'. It celebrates 12 wonderful years of Angry Birds with an adventure filled with nostalgia, secrets and an experience ripe for user generated content and fandom in general. We cannot wait to see what sort of stories can be told by our fans with this partnership between two of modern gaming's biggest names.

In April we also announced another major milestone: Rovio games surpassed 5 billion downloads. It is both deeply humbling and exhilarating to think about everyone that engages with our games in every corner of the world. From all of us at Rovio, thank you for your continuous support!

As we look at the rest of the year ahead, we expect the market to continue to go through challenging changes resulting from the normalization of spending habits post-covid and the significant impact of Apple's ATT (app tracking transparency) on the marketing landscape. We are focused on executing our strategy, which we believe is adapted to those changes, and we are seeking further opportunities to grow. We are looking forward to elaborate further on our strategy at our Capital Markets Day on May 11th. Finally, I want to thank all Rovians for their hard work and delivering such a flying start of the year!

2022 outlook (unchanged)

Building on the positive momentum in our top live games, the launch of Angry Birds Journey in January and having the full benefit of the Ruby Games acquisition from the start of the year, we are expecting strong topline growth for the year. Depending on the speed of growth and the investments in user acquisition to fuel that growth, especially in the case of new games, and our larger investments in new games development, the adjusted operating profit is expected to be lower year-on-year.

Additional information on user acquisition investments in Q2 2022

The user acquisition investments for Q2 2022 are expected to be 25-30% of games revenues.

Audiocast and conference call

Rovio will host an English language audiocast and phone conference on the first quarter 2022 financial results, including a Q&A session, for analysts, media and institutional investors at 14:00-15:00 EEST on April 29, 2022. The audiocast can be viewed live at: <https://investors.rovio.com/en>, and as a recording later the same day.

Conference call details:

PIN: 35504272#

Finland: +358 981 710 310

Sweden: +46 856 642 651

United Kingdom: +44 3333 000 804

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Rovio in brief

Rovio Entertainment Corporation is a global mobile-first games company that creates, develops and publishes mobile games, which have been downloaded over 5 billion times. Rovio is best known for the global Angry Birds brand, which started as a popular mobile game in 2009, and has since evolved from games to various entertainment, animations and consumer products in brand licensing. Rovio has produced The Angry Birds Movie (2016), and its sequel, The Angry Birds Movie 2 was released in 2019. The company offers multiple mobile games and has seven games studios – two in Espoo (Finland), one in Stockholm (Sweden), Copenhagen (Denmark), Montreal and Toronto (Canada), as well as a subsidiary in Izmir (Turkey) called Ruby Games, which was acquired in 2021. Most of the employees are based in Finland where Rovio is headquartered. The company's shares are listed on the main list of NASDAQ Helsinki stock exchange with the trading code ROVIO.

Rovio Entertainment Corporation

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A description of the accounting standards applied in the preparation of this Interim Report is provided in the notes to this Interim Report, in Note 1 Accounting principles.

Market review

According to market intelligence provider Newzoo's latest global mobile market report published in January 2022, the global mobile gaming market size in end-user generated revenue was estimated to be USD 93.2 billion in 2021 which represented 7.3% year-on-year growth. Annual growth slowed down from the previous year's abnormal growth rate of 27.1%, which was driven by a heightened global gaming activity due to the physical limitations of the Covid-19 pandemic.

For the year 2022, Newzoo estimates the global mobile gaming market to grow by 8.3%. However, based on quarterly data provided by market intelligence provider data.ai, the mobile gaming market continued to decline both year-on-year and quarter-on-quarter in Q1 2022. The market is normalizing after supercharged growth during the onset of Covid-19. Furthermore, ATT has heavily impacted game publishers' ability to target high-value players, especially visible in Mid-Core genres, and there has been less major new game launches.

In the long-term, Newzoo views the mobile gaming market's growth potential attractive, mobile being the fastest growing gaming segment. In 2021-2024, the global mobile gaming market is expected to grow at 7.6% CAGR and the Western market growth to be 6.3% CAGR.

Revenue and result

January-March 2022

In the first quarter 2022, Rovio group revenue was EUR 85.0 million (67.1) and grew by 26.6% year-on-year. The comparable growth (at constant fx and excluding Ruby Games) was 11.8%. The comparable growth was driven by the launch of Angry Birds Journey and the good performance of our top games.

Games revenue increased by 26.8% year-on-year and amounted to EUR 82.3 million (64.9). Games organic growth (excluding Ruby Games) was 17.3%. Games gross bookings increased by 25.8% to EUR 80.8 million (64.2). Comparable gross bookings growth (at constant fx and excluding Ruby Games) was 10.6%.

The gross bookings of Rovio's largest game Angry Birds 2 were EUR 30.3 million and grew 20.1% year-on-year. Rovio's second largest game Angry Birds Dream Blast gross bookings were EUR 14.9 million and declined 3.1 year-on-year based on much lower level of user acquisition. Angry Birds Friends continued its quarter-on-quarter growth and generated gross bookings of EUR 9.3 million, its best quarterly revenue since Q4-2016 and an increase of 15.2% year-on-year. Small Town Murders reached EUR 2.2 million gross bookings which was 43.2% lower year-on-year due to user acquisition for the game being halted in Q4 as game is undergoing major changes. Rovio's newest slingshot game Angry Birds Journey was launched globally on 20th January and generated 10.1 million gross bookings.

Revenue of hyper-casual studio Ruby Games was EUR 6.1 million and had pro forma growth of 44.7% in comparable currencies.

Brand licensing revenues were EUR 2.7 million (2.2) and increased 19.9% year-on-year mainly due to higher revenues from the first Angry Birds Movie.

The Group's adjusted EBITDA increased to EUR 13.6 million (12.3), and adjusted EBITDA margin decreased to 16.0% (18.3).

The Group's adjusted operating profit was stable at EUR 10.0 million (10.1) and adjusted operating profit margin decreased to 11.8% (15.0). The adjustments in the reporting period amounted to EUR 2.5 million and were related to changes in the contingent liability of the Ruby games acquisition. The adjustments in the comparable period January-March 2021 amounted to EUR 0.6 million and were related to the ramp-down of Hatch Kids service.

The user acquisition investments increased to EUR 31.1 million (17.3), and to 37.8% (26.7%) of the games' revenue in the reporting period. Main reason for increase in user acquisition was the launch of the new game Angry Birds Journey in January.

The user acquisition investments in the first quarter were divided between the different categories of games as follows: 38.6% into the "Grow" -category (Angry Birds Journey, Small Town Murders) and 41.7% into the "Earn" -category (Angry Birds 2, Angry Birds Dream Blast, Angry Birds Match, Angry Birds Friends), of which practically all was invested into Angry Birds 2 and Angry Birds Dream Blast. Hyper-casual (i.e., Ruby Games) user acquisition investments amounted to 19.6%. Angry Birds Dream Blast was moved into the "Earn" category during the quarter.

The Group's profit before taxes was EUR 7.6 million (10.4) and earnings per share EUR 0.07 (0.10).

Financing and investments

Rovio's capital expenditure was EUR 2.1 million (0.9) in the first quarter of 2022, consisting of EUR 1.9 million related to external game development and intangible assets, and EUR 0.2 million for machinery and equipment and trademark registration fees.

Cash flow from financing amounted to EUR -0.7 million (0.1) in the first quarter and consisted mainly of finance lease repayments.

At the end of the first quarter, Rovio's total interest-bearing loans and financial liabilities amounted to EUR 8.2 million (9.7) consisting of EUR 0.8 million product development loans from Business Finland (the Finnish Funding Agency for Innovation) and EUR 7.4 million leasing liabilities. Contingent consideration liabilities related to Ruby Games acquisition amounted of EUR 43.5 million.

Rovio's cash and cash equivalents at the end of the review period amounted to EUR 172.3 million (141.2).

Key performance indicators of games

Games key performance indicators use gross bookings in place of revenue as it gives a more accurate view of Rovio's operating performance at a specific point in time. Gross bookings represent in-app purchases and in-app advertising sales in the given calendar month, reported based on the date of purchase/sale. Gross bookings do not include revenue from custom contracts, revenue deferrals or accounting adjustments due to, for example, foreign exchange rate differences between revenue accruals and actual payments, and thus differ from the reported revenue. The reconciliation of gross bookings to revenue is presented in the notes.

In the first quarter of 2022, the games gross bookings increased by 25.8% to EUR 80.8 million (64.2). In comparable currencies gross bookings increased by 19.5%. Ruby Games, that was acquired in September 2021, generated gross bookings of EUR 6.1 million in the reporting period.

The number of daily active users increased to 3.6 million (3.2 million in Q4'21) for top 5 games and to 7.3 million (6.5 million in Q4'21) for the whole portfolio, which also includes Ruby Games. Also, the amount of monthly active users (MAU) increased, to 20.8 million for the top-5 games (18.1 million in Q4'21) and to 53.3 million (44.8 million in Q4'21) for the whole portfolio.

The amount of monthly unique payers (MUP) increased by 10.4% to 464 thousand (420 thousand in Q4'21) for the top 5 games and by 7.6% to 522 thousand (485 thousand in Q4'21) for the whole portfolio.

The average revenue per daily active user remained at 21 cents (21 in Q4'21) for the top-5 games. The whole portfolio ARPDAU remained at 12 cents (12 in Q4'21). MARPPU (not including Ruby Games) increased slightly, to 41.9 EUR (41.4 in Q4'21) for the top-5 games and to 41.5 (40.9 in Q4'21) for the whole portfolio.

EUR million	1-3/ 2022	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021	10-12/ 2020
Gross bookings top 5	66.7	60.9	56.4	57.0	55.0	55.7
Gross bookings total	80.8**	74.0**	66.7*	66.6	64.2	64.9

Million	1-3/ 2022	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021	10-12/ 2020
DAU top 5	3.6	3.2	3.2	3.1	3.1	3.2
DAU all	7.3**	6.5**	4.9*	4.2	4.2	4.4
MAU top 5	20.8	18.1	17.9	17.1	16.6	17.6
MAU all	53.3**	44.8**	32.0*	26.0	25.6	27.3

Thousand	1-3/ 2022	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021	10-12/ 2020
MUP top 5	464	420	402	397	394	404
MUP all	522	485	471	455	454	467

EUR	1-3/ 2022	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021	10-12/ 2020
ARPDAU top 5	0.21	0.21	0.19	0.20	0.20	0.19
ARPDAU all	0.12**	0.12**	0.15*	0.17	0.17	0.16
MARPPU top 5	41.9	41.4	40.6	41.7	40.7	39.8
MARPPU all	41.5	40.9	40.2	42.5	41.1	39.9

*Includes Ruby Games for month of September **Includes Ruby Games for the whole quarter

Game-specific gross bookings

The Q1 2022 games gross bookings were EUR 80.8 million and increased from Q4 2021 by 9.1%.

Angry Birds 2, Rovio's largest game's gross bookings were EUR 30.3 million, an increase of 20.1% year-on-year and its highest quarter since Q1 2019. The user acquisition investments for the game were increased from Q4 2021.

Rovio's second biggest game in the reporting period was Angry Birds Dream Blast with gross bookings of EUR 14.9 million. The Q1 gross bookings decreased by 8.3% versus Q4 2021 and by 3.2% year-on-year. The user acquisition investments were decreased from Q4 2021.

Angry Birds Journey, that was launched globally in January 2022 recorded the third highest gross bookings of the portfolio at EUR 10.1 million. User acquisition investments on AB Journey were significantly increased during the first quarter to support the global launch.

Angry Birds Friends grew 15.2% from Q1 2021 and recorded its highest quarterly gross bookings since Q4 2016 with a total gross booking of EUR 9.3 million.

The hyper-casual category, acquired with the Ruby Games in September, generated EUR 6.1 million in Q1 gross bookings and had a pro-forma growth of 44.7% in comparable currencies.

The Other games category generated total gross bookings of EUR 8.0 million during the quarter (9.1 in Q4-21).

Gross bookings, EUR million	1-3/ 2022	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021	10-12/ 2020
AB 2	30.3	29.5	26.6	26.6	25.2	26.2
AB Dream Blast	14.9	16.2	15.0	15.0	15.4	15.2
AB Journey	10.1	3.1	1.2	0.4	0.1	
AB Friends	9.3	9.3	8.5	8.3	8.1	8.0
Small Town Murders	2.2	2.8	4.1	4.7	3.9	3.8
Hyper-casual	6.1	4.1	1.0			
Other games	8.0	9.1	10.2	11.6	11.6	11.7
Total	80.8	74.0	66.7	66.6	64.2	64.9

Consolidated statement of financial position

Consolidated statement of financial position, EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Non-current assets	90.9	37.9	90.2
Current receivables	36.5	37.9	36.0
Money market funds	50.5	50.6	50.6
Cash and bank deposits	121.8	90.7	110.2
Total assets	299.6	217.0	287.0
Equity	204.7	175.1	197.5
Financial liabilities	48.8	9.7	48.9
Advances received and deferred income	8.4	7.1	8.0
Other payables	37.8	25.2	32.6
Total equity and liabilities	299.6	217.0	287.0

Rovio's consolidated statement of financial position amounted to EUR 299.6 million on March 31, 2022 (287.0 on December 31, 2021), with equity representing EUR 204.7 million (197.5 on December 31, 2021) of the total. Cash and cash equivalents amounted to EUR 172.3 million (160.8 on December 31, 2021). The cash deposits amounted to EUR 121.8 million and the cash equivalents to EUR 50.5 million, consisting of investments in money market funds. The change in cash and cash equivalents was mainly attributable to cash from operating activities amount of EUR 14.0 million, which was partially offset by investments of EUR 2.1million.

Total advances received, and deferred income were 8.4 million (8.0 on December 31, 2021).

On March 31, 2022, Rovio's non-current assets were EUR 90.9 million (90.2 on December 31, 2021) and increased by EUR 0.7 million. The increase in non-current assets consisted of EUR 0.7 million of goodwill revaluation due to F/X changes and EUR 0.4 million increase in Right-of-use assets offset by a EUR 0.6 million decrease in intangible assets, driven mainly by amortization of development expenses of the first Angry Birds Movie. Rovio recognizes amortization on the first Angry Birds Movie in each reporting period in an amount that corresponds to 61% of movie's revenue for the period. Amortization for the Angry Birds Movie 2 corresponds to 77% of the movie's revenue for the period.

Rovio's net debt on March 31, 2022 amounted to negative EUR 164.1 million. Rovio's debt consisted of loans from Business Finland (the Finnish Funding Agency for Innovation) of EUR 0.8, as well as EUR 7.4 million in leasing debt, mainly consisting of office space lease.

Cash flow and financing

Consolidated statement of cash flows, EUR million	1-3/ 2022	1-3/ 2021	1-12/ 2021
Cash flow from operating activities	14.0	2.5	43.9
Cash flow from investing activities	-2.1	-1.2	-15.2
Cash flow from financing activities	-0.7	0.1	-8.9
Change in cash and cash equivalents	11.2	1.4	19.7
Net foreign exchange difference and value changes in money market funds	0.3	0.9	2.2
Cash and cash equivalents at the beginning of the period	160.8	138.9	138.9
Cash and cash equivalents at the end of the period	172.3	141.2	160.8

Rovio's net cash flow from operating activities amounted to EUR 14.0 million (2.5) in the first quarter. The increase year-on-year was mainly due to larger change in working capital.

Cash flows used in investing activities amounted to EUR -2.1 million (-1.2) in the first quarter 2022, consisting of EUR 1.9 million investments to external game development and assets and EUR 0.2 million investments in machinery and equipment and registration fees of trademarks.

Cash flows used in financing activities amounted to EUR -0.7 million (0.1) in the first quarter. The cash flows used in financing activities in the first quarter consisted mainly of finance lease payments of EUR 0.7 million.

Personnel

From January to March 2022, Rovio's average number of employees was 494 (487).

	1-3/ 2022	1-3/ 2021	Change, %	1-12/ 2021
Employees (average for the Period)	494	487	1.5%	490
Employees (end of period)	495	487	1.6%	496

Flagging notifications

Rovio did not receive any flagging notifications during the reporting period.

Shares and shareholders

On March 31, 2022, Rovio's share capital amounted to EUR 0.7 million and the number of shares was 82,101,203.

The shareholdings of the 10 largest shareholders are presented in the table below (nominee-registered holdings excluded). Moor Holding AB shareholding is nominee-registered and not explicitly shown in the table.

On March 31, 2022, Rovio Entertainment Corporation held 7,566,582 of its own shares.

Shareholder	Number of Shares	Percentage of shares and votes
Brilliant Problems Oy	6,459,500	7.9%
Adventurous Ideas Oy	6,459,500	7.9%
Impera Oy Ab	5,281,722	6.4%
Ilmarinen Mutual Pension Insurance Company	1,586,810	1.9%
Sijoitusrahasto Aktia Capital	1,425,074	1.7%
Hed Niklas Peter	1,365,345	1.7%
The State Pension Fund	1,000,000	1.2%
Elo Mutual Pension Insurance Company	958,004	1.2%
Sijoitusrahasto Aktia Nordic Small Cap	700,000	0.9%
Veritas Pension Insurance Company Ltd.	577,000	0.7%
Total	25,812,955	31.5%
Other shareholders	48,721,666	59.3%
Rovio Entertainment Oyj	7,566,582	9.2%
Number of shares total	82,101,203	100.0%

A monthly updated table of Rovio's shareholders is available online at <https://investors.rovio.com/en/share-shareholders/major-shareholders>

Share-based incentive program

Rovio operates a share-based program that consists of an employee share saving plan for employees in Finland, Sweden, Denmark and Canada, a performance share plan for key employees including the CEO and members of the Leadership Team, a restricted share plan for selected key employees, and a newly established stock option plan, which is directed to key employees of the company. In addition to these, Rovio had a long-term incentive program consisting of an option plan for all employees, including the CEO and the Leadership Team.

The objective of the Employee share savings (ESS) plan is to motivate employees to invest in Rovio shares by offering them additional shares in relation to their investment after a designated holding period. The ESS Plan consists of three (3) annually commencing plan periods, each one consisting of a 12-month savings period and a holding period following the savings period. The first plan period commenced on April 1, 2020 and will end on August 31, 2022. The second plan period commenced on April 1, 2021 and will end on August 31, 2023. The third plan period will commence on April 1, 2022 and end on August 31, 2024. The total amount of all savings during the plan period may not exceed 2,400,000 euros. The matching shares will be paid out as soon as practicably possible after the applicable holding period.

The first launch of the ESS plan was offered to employees in Finland and Sweden (excluding employees in Hatch Entertainment Ltd) whereas the second and third plan period were offered also to employees in Denmark and Canada. Participation is voluntary.

The employees will have an opportunity to save a proportion of their salaries and invest those savings in Rovio shares. The savings will be used for acquiring Rovio shares quarterly after the publication dates of the respective interim reports. Dividends paid for the shares will be reinvested in additional shares to be purchased from the market on the next potential acquisition date. As a reward for the commitment, Rovio grants the participating employees one free matching share (gross) for every two savings shares acquired with their savings, including the proportion to be paid in cash to cover applicable taxes and tax-related costs. The prerequisites for receiving the matching shares are continued employment and holding of savings shares until the end of the holding period. The savings shares, and the matching shares will be acquired by purchasing shares from the markets.

Rovio has a Performance Share Plan (PSP) for key employees including the CEO and members of the leadership team. The objective of the Performance Share Plan is to motivate the key employees to work to increase shareholder value in the long term by offering them a share-based reward for achieving the set performance criteria established by the Board of Directors of Rovio.

The Performance Share Plan launched in 2020 consisted originally of three (3) annually commencing performance periods, covering the consecutive calendar years of 2020, 2021 and 2022. Each performance period was followed by a one-year waiting period, covering calendar years 2021, 2022 and 2023. Third performance period was canceled due to extension in the performance share plan periods, and accordingly a new performance share plan was established. On 11.2.2022 Rovio established a new performance share plan 2022–2026 for the key employees. The Performance Share Plan 2022–2026 consists of three performance periods, covering the consecutive calendar years of 2022–2024, 2023–2025 and 2024–2026.

The main principles of both Performance Share Plans offer the participants a possibility to earn shares for reaching the required levels set for the performance criteria. The required performance levels are decided by the Rovio Board of Directors on an annual basis for each performance period at a time. The potential rewards will be paid partly in shares and partly in cash after the end of each period. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards. As a rule, no reward will be paid if a participant's employment or service ends before the reward payment.

The performance criteria for the 2020 performance period were Rovio's Adjusted Operating Profit (EBIT, %, Hatch Entertainment Ltd. excluded) and Relative Games Revenue Growth (%). The potential rewards based on the performance period 2020 corresponded to the value of an approximate maximum total of 738,000 Rovio Entertainment Corporation shares, including the proportion to be paid in cash. A total maximum of 565,500 gross shares (including the proportion to be paid in cash) subject to performance criteria were allocated under the plan at the end of the performance period 2020. The performance contributed to the realization of 50% of the maximum allocation. The performance period 2020 continued with a one year waiting period, and the reward was paid in March 2022.

The performance criteria for the 2021 performance period were Rovio's Sales Growth (%) and Rovio's Adjusted Operating Profit Margin (%). Potential rewards based on the performance period 2021 correspond to a total maximum gross amount of 613 548 Rovio Entertainment Corporation shares, including the proportion paid in cash. The performance contributed to the realization of 23.64% of the maximum allocation. The performance period continued with a holding period covering the calendar year 2022. The rewards will be paid in spring 2023.

The performance criteria for the performance period 2022-2024 are Group's EBITDA (EUR) for the financial year 2024 (weight 50 %) and Group's Net Revenue (EUR) for the financial year 2024 (weight 50 %). The rewards to be paid on the basis of the performance period 2022-2024 correspond to the value of an approximate maximum total of 11,000,000 euros. The potential rewards will be paid in spring 2025.

The restricted share plan is constructed as a restricted share pool from which a predetermined number of Rovio shares can be allocated to a limited number of selected key employees. The plan was published on May 17, 2018 and continues according to the same set of terms. The aim of the restricted share plan is to engage the Company's key persons and to link the long-term interests of the participants and the shareholders. The plan offers selected key personnel an opportunity to receive a predetermined number of company's shares after a specific restriction period, which differs from twelve (12) to thirty six (36) months based on needs of business and with decision by the Board of Directors.

The plan's reward will be paid to the participant as soon as possible after the restriction period. The prerequisite for the payout is that the receiver has a valid employment relationship without a resignation until the end of the restriction period. The payment will be made in company shares and taxes and tax-related costs arising from the reward are deducted from the gross reward. The value of share shall be determined based on volume weighted average share price at the payment date. No payment shall be paid if the employment contract is terminated before the end of the restriction period.

The maximum number of shares that can be distributed through the restricted share plan is 1,300,000. Once the maximum number of shares has been allocated, the Board of Directors can decide on a new maximum number. In total, 582,020 rights entitling to shares had been allocated under the restricted share plan as of March 31, 2022.

In February 2022, the Board of Directors resolved to launch a new stock option plan 2022A directed to key employees of the company. The number of stock options issued is 856,500 and they are issued gratuitously. The stock options entitle their owners to subscribe for a maximum total of 856,500 new shares in the Company or existing shares held by the Company. The share subscription price for shares subscribed by virtue of the stock options is EUR 7.90 per share. The Share subscription period for stock options will be 1 March 2025–28 February 2027. The total theoretical market value of all stock options 2022A is EUR 1,300,000.

Prior to stock option plan 2022A, Rovio had an option plan for all employees, including the CEO and the Leadership Team, in which the last options under the program were allocated in 2019. The option plan included three lots of options that were allocated to 2017, 2018, and 2019. As of March 31, 2022, only the 2019 option plan has an ongoing subscription period. A total of 626,002 options were allocated under the 2019 option program as of March 31, 2022.

On May 28, 2021 Rovio Entertainment Corporation announced that it will apply for the listing of its series 2019A and 2019B stock options, complying with its 2017-2019 option scheme, on the Nasdaq Helsinki Ltd (First North) as of June 1, 2021. The total number of the 2019A series option rights under the 2017-2019 option scheme is 1,616,666 and the total number of 2019B series option rights is 50,000. Each option right entitles its holder to subscribe to one (1) Rovio Entertainment Corporation new share or Company's treasury share. Rovio Entertainment Corporation holds 728,916 series 2019A option rights and 40,000 series 2019B option rights.

On March 31, 2022, the share subscription price under the 2019A series option rights was EUR 6.92 per share. The share subscription price under the 2019B series option rights is EUR 7.13 per share. In accordance with the terms and conditions of the option scheme, the subscription price is reduced by the amount of dividends decided before the share subscription, on the record date of each dividend payment. The share subscription price shall, nevertheless, always amount to at least EUR 0.01. The adjustment based on the distribution of assets does not apply to 2019B options.

In accordance with the terms and conditions of the option scheme, the share subscription period for series 2019A and 2019B option rights began on June 1, 2021 and the subscription period ends on May 31, 2022. The option rights 2019A and 2019B are freely transferable. The option holders can subscribe the shares during the subscription period by giving the payment and subscription details to their own bank. New shares subscribed with option rights 2019A and 2019B will be listed as additional lots of Company shares on the main list of Nasdaq Helsinki together with the old shares after the share capital increase has been registered.

Risks

The Company's liquidity and cash flow is strong, and the profitability outlook remains positive, which enables the Company to continue to execute its business in accordance with its strategy.

Based on the Company's assessment, there were no material changes in the risks and uncertainties during the review period.

The most significant risks are related to the financial performance of Rovio's top games in the market, the continuous development of these games, and ability to develop new successful games. Risks in user acquisition relate to the accuracy of the profit models and the impact on the Group's net profit. New games introduced by competitors and changes in the competitive landscape may also impact the success of Rovio's games revenues, size of user acquisition investments, and the Group's profit. Changes in governmental regulations in different countries and content distributor's terms and policies can have both short- and long-term implications for the business. Disturbances related to general network infrastructure and cyber incidents may render gaming services unavailable and cause business disruptions.

Other significant risks relate to the demand for Angry Birds branded consumer products and other content that may impact the revenues of the Brand Licensing business unit.

The Company engages in business in several currencies, with the euro and U.S. dollar being the most significant. Fluctuations in exchange rates, particularly between the euro and the U.S. dollar could have a material impact on the Company's result.

More details on the risks, uncertainties, and Rovio's risk management can be found online at www.rovio.com and in the most recent published financial statements.

Legal actions

As stated in our Q3-2021 report, the Attorney General of the US State of New Mexico has brought a lawsuit against Rovio making certain allegations related to the collection and use of personal information from children under the age of 13 in Rovio's Angry Birds games. We continue to believe the Attorney General's allegations and claims lack merit and intend to vigorously defend ourselves against the lawsuit in all respects. Nonetheless, we have initiated discussions with the Attorney General to explore options for resolving the complaint

Impact of war in Ukraine

As a result of the war in Ukraine and the boycott of Russia, Rovio removed all its games from distribution in Russia and disabled updates, in-app purchases, and in-game advertising. Russia represented 1.7% of Rovio games revenues during January-February and this is the level of revenue loss expected as long as the boycott continues.

2022 outlook (unchanged)

Building on the positive momentum in our top live games, the launch of Angry Birds Journey in January and having the full benefit of the Ruby Games acquisition from the start of the year, we are expecting strong topline growth for the year. Depending on the speed of growth and the investments in user acquisition to fuel that growth, especially in the case of new games, and our larger investments in new games development, the adjusted operating profit is expected to be lower year-on-year.

Additional information on user acquisition investments in Q2-2022

The user acquisition investments for Q2-2022 are expected to be 25-30% of games revenues.

Decisions of the Annual General Meeting and the organizing meeting of the Board of Directors

The Annual General Meeting of Rovio Entertainment Corporation was held on April 7, 2022 at the company's headquarters, Keilaranta 7, FI-02150 Espoo, Finland. In order to prevent the spread of the COVID-19 pandemic, the Annual General Meeting was held without the presence of shareholders or their representatives at the meeting venue. Shareholders and their proxy representatives could participate in the meeting and exercise shareholder rights only by voting in advance or making counterproposals and presenting questions in advance.

The Annual General Meeting adopted all the proposals to the General Meeting by the Board of Directors and the Shareholders' Nomination Board, approved the financial statements for the financial year 2021, approved the remuneration report and the amended remuneration policy for the company's governing bodies as well as discharged the company's management from liability.

The Annual General Meeting decided that the Board of Directors shall comprise six (6) members. Mr. Niklas Hed, Ms. Camilla Hed-Wilson, Mr. Kim Ignatius, Mr. Björn Jeffery and Ms. Leemon Wu as well as Mr. Langer Lee as a new member were elected members of the Board of Directors for the term of office ending at the closure of the Annual General Meeting in 2023. Mr. Kim Ignatius was elected Chair of the Board of Directors. Mr. Björn Jeffery was elected Vice Chair of the Board of Directors.

The remuneration of the members of the Board of Directors was kept unchanged and monthly remuneration will be paid as follows: to the Chair of the Board of Directors EUR 9,500, to the Vice Chair of the Board of Directors EUR 7,500, to the other members of the Board of Directors EUR 5,000 each, and as additional monthly compensation to the Chair of the Audit Committee EUR 2,500. If the Chair of the Audit Committee is the Chair or Vice Chair of the Board of Directors, no additional compensation will be paid.

The company will compensate reasonable travel expenses of the Board members and committee members arising from Board or committee work.

Ernst & Young Oy, authorized public accountants, was re-elected auditor of the company. Ernst & Young Oy has notified that Ms. Terhi Mäkinen, APA, will act as the auditor with principal responsibility. The auditor's term of office will end at the closure of the Annual General Meeting in 2023. The auditor will be paid remuneration according to the auditor's reasonable invoice approved by the company.

The Annual General Meeting authorized the Board of Directors to decide on the repurchase and/or on the acceptance as pledge of the company's own shares. The number of own shares to be repurchased and/or accepted as pledge may not exceed 8,210,120 shares, which corresponds to approximately 10 percent of all the current shares of the company. The company together with its subsidiaries cannot at any moment own or hold as pledge more than 10 percent of all the shares of the company.

The Annual General Meeting authorized the Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares referred to in Chapter 10 Section 1 of the Companies Act. The number of new shares to be issued on the basis of the authorization may not exceed an aggregate maximum of 8,210,120 shares, which corresponds to approximately 10 percent of all the current shares of the company. In addition to the authorization to issue new shares, the Board of Directors may decide on the conveyance of an aggregate maximum of 8,210,120 own shares held by the company.

The Board of Directors is entitled to decide on all terms of the issuance of shares and of special rights entitling to shares and it is entitled to deviate from the shareholders' pre-emptive subscription rights (directed issue).

The authorizations are in force until the closing of the next Annual General Meeting, however no longer than until June 30, 2023.

In its organizing meeting, which was held immediately after the General Meeting, the Board of Directors elected from amongst its members Mr. Kim Ignatius (Chair), Ms. Camilla Hed-Wilson and Ms. Leemon Wu as members of the Audit Committee, and Ms. Camilla Hed-Wilson (Chair), Mr. Kim Ignatius and Björn Jeffery as members of the Remuneration Committee.

Dividend Distribution

The Annual General Meeting decided, in accordance with the proposal of the Board of Directors, to distribute a dividend of EUR 0.12 per share. The remaining part of the distributable funds will be retained in the shareholders' equity. The dividend will be paid to shareholders who on the record date of the dividend payment April 11, 2022, are recorded in the company's shareholders' register held by Euroclear Finland Ltd. The dividend was be paid on April 20, 2022.

Events after the review period

Changes in group structure

On April 1, 2022, Rovio group's fully owned subsidiaries, Dark Flow Ltd, Pin Bank Ltd and Rovio IP Management Ltd, were merged with the parent company.

ROVIO ENTERTAINMENT CORPORATION

Board of Directors

Performance measures

EUR million	1-3/ 2022	1-3/ 2021	Change, %	1-12/ 2021
Revenue	85.0	67.1	26.6%	286.2
EBITDA	11.1	11.8	-5.3%	50.8
EBITDA margin	13.1%	17.5%		17.7%
Adjusted EBITDA	13.6	12.3	11.0%	54.8
Adjusted EBITDA margin, %	16.0%	18.3%		19.1%
Operating profit	7.5	9.5	-21.5%	37.7
Operating profit margin, %	8.8%	14.2%		13.2%
Adjusted operating profit	10.0	10.1	-1.0%	43.7
Adjusted operating profit margin, %	11.8%	15.0%		15.3%
Profit before tax	7.6	10.4	-26.5%	40.3
Capital expenditure	2.1	0.9	129.0%	4.0
User acquisition	31.1	17.3	79.8%	77.2
Return on equity (ROE), %	19.8%	23.3%		22.2%
Net gearing ratio, %	-80.2%	-75.1%		-77.4%
Equity ratio, %	70.3%	83.4%		70.8%
Earnings per share, EUR	0.07	0.10	-27.1%	0.41
Earnings per share, diluted EUR	0.07	0.10	-27.1%	0.41
Net cash flows from operating activities	14.0	2.5	465.0%	44.0
Employees (average for the period)	494	487	1.5%	490

Rovio presents alternative performance measures as additional information to financial measures presented in the consolidated income statements, consolidated balance sheets, and consolidated statements of cash flows prepared in accordance with IFRS. In Rovio's view, the alternative performance measures provide the management, investors, securities analysts, and other parties with significant additional information related to Rovio's results of operations, financial position or cash flows, and are often used by analysts, investors, and other parties.

Rovio presents adjusted EBITDA and adjusted operating profit, which have been adjusted for material items outside the ordinary course of business such as material net gains and losses from business disposals, direct transaction costs related to business acquisitions, restructuring costs for business operations and changes in fair value of contingent considerations, significant impairment losses and reversals, and costs relating to enlargement of the ownership base of the company. Adjusted EBITDA and adjusted operating profit are presented as complementing measures to the measures included in the consolidated income statement presented in accordance with IFRS as, in Rovio's view, they increase understanding of Rovio's results of operations.

EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, operating profit, operating profit margin, adjusted operating profit, and adjusted operating profit margin are shown as complementing measures to assess the profitability and efficiency of Rovio's operations. User acquisition costs, user acquisition costs share of Games business unit's revenue, %, and gross bookings are presented to enhance the comparability to other actors in the industry. Dividend per share, equity ratio, return on equity (ROE), net gearing, and capital expenditure are useful measures in assessing the efficiency of Rovio's operations, and Rovio's ability to obtain financing and service its debts.

The alternative performance measures should not be considered in isolation or as substitutes to the measures under IFRS. All companies do not calculate alternative performance measures in a uniform way and, therefore, the alternative performance measures presented here may not be comparable with similarly named measures presented by other companies.

Reconciliation of adjusted operating profit

EUR million	1-3/ 2022	Income statement	
		Items affecting comparability	excluding items affecting comparability
Revenue	85.0		85.0
Other operating income	1.1		1.1
Materials and services	-20.9		-20.9
Employee benefits expense	-13.3		-13.3
Depreciation and amortization	-3.6		-3.6
Other operating expenses	-40.8	2.5	-38.3
Operating profit	7.5	2.5	10.0

EUR million	1-3/ 2021	Income statement	
		Items affecting comparability	excluding items affecting comparability
Revenue	67.1		67.1
Other operating income	0.5		0.5
Materials and services	-18.2		-18.2
Employee benefits expense	-13.4	0.3	-13.1
Depreciation and amortization	-2.2	0.0	-2.2
Other operating expenses	-24.3	0.3	-24.0
Operating profit	9.5	0.6	10.1

EUR million	1-12/ 2021	Income statement	
		Items affecting comparability	excluding items affecting comparability
Revenue	286.2		286.2
Other operating income	0.9		0.9
Materials and services	-74.5		-74.5
Employee benefits expense	-53.2	0.4	-52.8
Depreciation and amortization	-13.1	2.0	-11.1
Other operating expenses	-108.7	3.5	-105.1
Operating profit	37.7	5.9	43.7

Reconciliation of adjusted operating profit

EUR million	1-3/ 2022	1-3/ 2021	1-12/ 2021
Operating profit	7.5	9.5	37.7
M&A transaction costs			0.4
Change in fair value of contingent liability	2.5		2.9
Asset impairment			1.8
Restructuring costs arising from employee benefits expenses		0.3	0.4
Restructuring costs in Other operating expenses		0.3	0.3
Restructuring costs in Depreciation and amortization		0.0	0.1
Adjusted operating profit	10.0	10.1	43.7

Reconciliation of EBITDA and Adjusted EBITDA

EUR million	1-3/ 2022	1-3/ 2021	1-12/ 2021
Operating profit	7.5	9.5	37.7
Depreciation and amortization	3.6	2.2	13.1
EBITDA	11.1	11.8	50.8
M&A transaction costs			0.4
Change in fair value of contingent liability	2.5		2.9
Restructuring costs arising from employee benefits expenses		0.3	0.4
Restructuring costs in Other operating expenses		0.3	0.3
Adjusted EBITDA	13.6	12.3	54.8

Reconciliation of equity ratio, %, return on equity, %, net gearing ratio, %, and net debt

EUR million	1-3/ 2022	1-3/ 2021	1-12/ 2021
Equity ratio, %	70.3%	83.4%	70.8%
Equity	204.7	175.1	197.5
Advances received	1.7	1.9	1.7
Deferred revenue	6.8	5.2	6.3
Total assets	299.6	217.0	287.0
Return on equity, %	19.8%	23.3%	22.2%
Profit/loss before tax	37.5	39.6	40.3
Shareholder's equity beginning of period	175.1	165.4	165.4
Shareholder's equity end of period	204.7	175.1	197.5
Net gearing ratio, %	-80.2%	-75.1%	-77.4%
Total interest-bearing debt	8.2	9.7	7.9
Cash and cash equivalents	172.3	141.2	160.8
Equity	204.7	175.1	197.5
Non-current interest-bearing loans and borrowings	4.8	5.5	4.2
Current interest-bearing loans and borrowings	3.5	4.2	3.7
Cash and cash equivalents	172.3	141.2	160.8
Net debt	-164.1	-131.5	-152.9

Gross bookings

The following table sets out reconciliation of gross bookings used in key operational metrics and reported revenue.

Reconciliation of gross bookings to revenue

EUR million	1-3/ 2022	1-3/ 2021	1-12/ 2021
Gross bookings	80.8	64.2	271.4
Change in deferred revenue	-0.4	-0.1	-1.2
Custom contracts	1.5	0.2	4.7
Other adjustments	0.4	0.5	1.5
Revenue	82.3	64.9	276.4

Custom contracts are distribution contracts that are signed with partners who pre-download Rovio's games onto their own devices or distribute Rovio's games through their proprietary distribution platforms, or other types of revenue arrangements, which differ from revenue recognition through gross bookings. Custom contracts can for instance contain a minimum guarantee and revenue share to Rovio. Rovio recognizes corresponding minimum guarantee revenue over the contract period. Custom contracts do not include the application stores operated by Apple and Google.

Calculation principles of IFRS performance measures

Earnings per share, which is the net result for the review period divided by the average number of shares in the review period, less treasury shares.

Calculation principles of alternative performance measures

EBITDA (Earnings before interest, taxes, depreciation and amortization), which is operating profit before depreciations and amortizations.

EBITDA margin, %, which is defined as EBITDA as a percentage of revenue.

Items affecting comparability, which are defined as material items outside the ordinary course of business such as material net gains and losses from business disposals, direct transaction costs related to business acquisitions, restructuring costs for business operations and changes in fair value of contingent considerations, significant impairment losses and reversals, and costs relating to enlargement of the ownership base of the company.

Adjusted EBITDA, which is defined as EBITDA excluding items affecting comparability.

Adjusted EBITDA margin, %, which is defined as comparable EBITDA as a percentage of revenue.

Operating profit margin, %, which is operating profit as a percentage of revenue.

Adjusted operating profit, which is defined as operating profit excluding items affecting comparability.

Adjusted operating profit margin, %, which is defined as adjusted operating profit as a percentage of revenue.

User acquisition, which relate to acquisition of new players in the Company's games through performance marketing campaigns.

User acquisition share of Games revenue, %, which is user acquisition costs as a percentage of Games revenue.

Dividend per share, which is total dividend divided by number of shares, adjusted for share issues, at the end of the financial period less treasury shares.

Equity ratio, %, which is calculated by dividing (i) Total equity by (ii) Total equity and liabilities less

advances received and deferred revenue.

Return on equity (ROE), which is calculated by dividing profit before tax, quarterly reports adjusted to correspond with 12 months, by the average of total equity in the opening and closing balance sheet

Capital expenditure, which is cash flow of purchase of tangible and intangible assets.

Net debt, which is calculated by subtracting cash and cash equivalents from current and non-current interest-bearing loans and borrowings.

Net gearing %, which is calculated by dividing net debt by the total equity.

Gross bookings represent in-app purchases and in-app advertising sales in the given calendar month, reported on the basis of the date of purchase/sale. Gross bookings do not include revenue from custom contracts, revenue deferrals or accounting adjustments due to e.g., foreign exchange rate differences between revenue accruals and actual payments, and thus differs from the actual reported revenue.

Player, which is defined as the user who plays one of Rovio's games on at least one device. A player can continue playing the game on multiple devices by synchronizing the game progress. Under the following metrics, a player who plays a given game in two devices is counted as one player.

DAU (Daily Active Users), which is defined as the number of players that played one of our games during a particular day. Under this metric, a player that plays two different games on the same day is counted as two DAUs. We primarily use information provided by Rovio's own technology, but we also use third-party tracking solutions for historical data and in cases when a game does not contain Rovio's tracking tools. Average DAUs for a particular period is the average of the DAUs for each day during that period.

MAU (Monthly Active Users), which is defined as the number of players that played one of our games during a particular calendar month. Under this metric, a player that plays two different games in the same month is counted as two MAUs. We primarily use information provided by Rovio's own technology, but we also use third party tracking solutions for historical data and in cases when a game does not contain Rovio's tracking tools.

MUP (Monthly Unique Payers), which is defined as the number of players that made a payment at least once during the calendar month through a payment method for which we can quantify the number of individuals, including payers from our mobile games. MUPs does not include individuals who use certain payment methods for which we cannot quantify the number of unique payers. We only use information provided by Rovio's own payment verification technology.

ARPPU (Average Revenue Per Daily Active User), which is defined as Sum of quarterly Gross Bookings divided by number of days in the quarter divided by average DAU for the quarter.

MARPPU (Monthly Average Revenue Per Paying User), which is defined as Monthly Gross IAP Bookings divided by MUP from verified purchases. MARPPU does not include revenue from custom contracts, revenue deferrals or accounting adjustments such as foreign exchange rate differences between revenue accruals and actual payments.

Interim Report January 1–March 31, 2022 – Tables

The figures in the Financial Statement Bulletin are unaudited.

Statement of consolidated profit or loss and other comprehensive income

EUR million	1-3/ 2022	1-3/ 2021	1-12/ 2021
Revenue	85.0	67.1	286.2
Other operating income	1.1	0.5	0.9
Materials and services	20.9	18.2	74.5
Employee benefits expense	13.3	13.4	53.2
Depreciation and amortization	3.6	2.2	13.1
Other operating expenses	40.8	24.3	108.7
Operating profit	7.5	9.5	37.7
Finance income and expenses	0.2	0.9	2.5
Profit (loss) before tax	7.6	10.4	40.3
Income tax expense	-2.2	-3.0	-10.1
Profit for the period	5.5	7.4	30.1
Equity holders of the parent company	5.5	7.4	30.1
Other comprehensive income/expense			
Other comprehensive income that will not be reclassified to profit and loss (net of tax):			
Investments in equity instruments	0.0	0.7	3.0
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):			
Translation differences	1.1	0.0	0.6
Other comprehensive income for the year net of tax	6.5	0.7	33.7
Total comprehensive income for the period net of tax	6.5	8.1	33.7
Equity holders of the parent company	6.5	8.1	33.7
Earnings per share for net result attributable to owners of the parent:			
Earnings per share, EUR	0.07	0.10	0.41
Earnings per share, diluted EUR	0.07	0.10	0.41

Consolidated statement of financial position

EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
Non-current assets	90.9	37.9	90.2
Property, plant and equipment	1.3	1.2	1.3
Intangible assets	24.2	18.2	24.8
Goodwill	38.2	0.0	37.5
Right-of-use assets	7.2	7.7	6.8
Investments	8.3	2.9	8.3
Non-current receivables	3.4	0.8	3.4
Deferred tax assets	8.2	7.1	8.1
Current assets	208.7	179.1	196.8
Trade receivables	28.5	27.8	27.6
Prepayments and accrued income	7.3	8.6	7.6
Other current financial assets	0.7	1.5	0.9
Money market funds	50.5	50.6	50.6
Cash and cash equivalents	121.8	90.7	110.2
Total assets	299.6	217.0	287.0
EQUITY AND LIABILITIES			
Equity			
Issued capital	0.7	0.7	0.7
Reserves	46.0	42.8	46.0
Translation differences	1.1	-0.5	0.1
Treasury shares	-36.1	-37.3	-36.9
Fair value reserve	3.0	0.7	3.0
Retained earnings	184.5	161.2	154.5
Profit for the period	5.5	7.4	30.1
Equity holders of the parent company	204.7	175.1	197.5
Non-controlling interests	0.0	0.0	0.0
Total equity	204.7	175.1	197.5
Liabilities			
Non-current liabilities	21.6	5.5	20.7
Interest-bearing loans and borrowings	0.3	0.9	0.3
Contingent consideration liabilities	13.6	0.0	13.2
Lease liabilities	4.5	4.6	3.8
Deferred tax liabilities	3.2	0.0	3.3
Current liabilities	73.4	36.5	68.8
Trade and other payables	15.3	9.9	8.8
Interest-bearing loans and borrowings	0.5	1.1	0.5
Contingent consideration liabilities	29.9	0.0	27.8
Lease liabilities	3.0	3.1	3.2
Other current financial liabilities	2.4	2.3	1.0
Advances received	1.7	1.9	1.7
Deferred revenue	6.8	5.2	6.3
Income tax payable	1.4	0.7	4.9
Provisions	0.0	0.5	0.3
Accrued liabilities	12.6	11.8	14.3
Total liabilities	95.0	42.0	89.5
Total equity and liabilities	299.6	217.0	287.0

Consolidated statement of changes in equity

Attributable to the equity holders of the parent on March 31, 2021

EUR million	Issued capital	Unrestricted equity reserve	Treasury shares	Retained earnings	Fair value reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance at Jan 1, 2021	0.7	42.1	-37.5	160.5	0.0	-0.5	165.4	0.0	165.4
Profit for the period				7.4			7.4		7.4
Option subscriptions		0.7					0.7		0.7
Other comprehensive income					0.7	0.0	0.7		0.7
Share-based payments			0.1	0.7			0.8		0.8
March 31, 2021	0.7	42.8	-37.4	168.6	0.7	-0.5	175.1	0.0	175.1

Attributable to the equity holders of the parent on March 31, 2022

EUR million	Issued capital	Unrestricted equity reserve	Treasury shares	Retained earnings	Fair value reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance at Jan 1, 2022	0.7	46.0	-36.9	184.6	3.0	0.1	197.5	0.0	197.5
Profit for the period				5.5			5.5		5.5
Other comprehensive income			0.7	-0.1		1.1	1.7		1.7
March 31, 2022	0.7	46.0	-36.1	190.0	3.0	1.1	204.7	0.0	204.7

Consolidated statement of cash flows

EUR million	1-3/ 2022	1-3/ 2021	1-12/ 2021
Operating activities			
Profit (loss) before tax	7.6	10.4	40.3
Adjustments:			
Depreciation and amortization on tangible and intangible assets	3.6	2.2	13.1
Net foreign exchange differences	-0.3	-0.9	-2.9
Gain on disposal of property, plant and equipment	-0.0	0.0	-0.0
Finance costs	0.1	0.1	0.2
Other non-cash items	3.1	0.5	4.4
Change in working capital:			
Change in trade and other receivables and prepayments	-0.4	-7.0	-3.2
Change in trade and other payables	6.2	0.9	0.4
Interest received	0.0	0.0	0.2
Interest paid	-0.2	-0.2	-0.4
Income tax paid (received)	-6.0	-3.6	-8.2
Net cash flows from operating activities	14.0	2.5	43.9
Investing activities			
Purchase of tangible and intangible assets	-2.1	-0.9	-4.0
Other investments	0.0	-0.3	-2.8
Proceeds from sales of tangible and intangible assets	0.0	0.0	0.0
Loans granted, investments	0.0	0.0	-2.5
Proceeds of sale of other investments	0.0	0.0	1.7
Acquisition of subsidiaries, net of cash acquired	0.0	0.0	-7.7
Net cash flows used in investing activities	-2.1	-1.2	-15.2
Financing activities			
Finance lease repayments	-0.7	-0.7	-2.9
Proceeds from and repayments of borrowings	-0.0	0.0	-1.1
Share subscriptions based on option rights	0.0	0.7	3.9
Acquisition of treasury shares	0.0	0.0	0.0
Share-based payments	0.0	0.1	0.0
Dividends paid to equity holders of the parent	0.0	0.0	-8.8
Net cash flows from/(used in) financing activities	-0.7	0.1	-8.9
Change in cash and cash equivalents	11.2	1.4	19.7
Net foreign exchange difference and value changes in money market funds	0.3	0.9	2.2
Cash and cash equivalents at beginning of period	160.8	138.9	138.9
Cash and cash equivalents at the end of the period	172.3	141.2	160.8
Reconciliation of cash and cash equivalents in statement of financial position			
Cash and cash equivalents in statement of financial position at the end of period	121.8	90.7	110.2
Money market funds at the end of period	50.5	50.6	50.6
Cash and cash equivalents at the end of the period	172.3	141.2	160.8

Notes

1. Key accounting principles

Rovio's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU. The interim financial statements are not presented in accordance with IAS 34 standard, as Rovio applies the statutes of the Finnish Securities Markets Act (1278/2015) regarding the regular disclosure requirements. The accounting principles and methods used in the preparation of the interim report are essentially the same as those applied in the consolidated financial statements for the year 2021.

The figures in the consolidated interim financial statements have been rounded and consequently the sum of individual figures may deviate from the sum presented. Key figures have been calculated using exact figures.

This Financial Statement Bulletin does not include all the information or disclosures as presented in the consolidated financial statements of December 31, 2021.

2. Notes to the statement of profit or loss

Rovio has previously defined as its operating segments as Games, Brand Licensing (BLU) and Other. Starting from 1.1.2022 Rovio combines Games, Brand Licensing and Other into one segment.

Rovio defines the Group's Board of Directors as its chief operating decision maker (CODM).

The CODM follows Rovio's performance on the group level EBITDA is the primary performance measure that CODM follows.

Rovio did not during the interim period have customers that would require disclosure (i.e. 10% or more of revenues from transactions with a single customer).

3. Changes in contingent liabilities or contingent assets

Future non-cancellable other commitments are as follows.

EUR million	At March 31, 2022	At March 31, 2021	At December 31, 2021
Venture Capital investment commitment	0.4	0.3	0.4
Total	0.4	0.3	0.4

Venture Capital investments

The fund value does not have directly observable inputs (such as comparable traded assets in the market). Best available other measures have been used, such as the subsequent investment rounds and associated fund mark-ups.

4. Related party transactions

Rovio's related parties include its subsidiaries, associates, key persons belonging to the management and their close family members and entities controlled by them, and entities with significant influence on Rovio.

There were no related party transactions during the reporting period.

5. Calculation of earnings per share

	1-3/ 2022	1-3/ 2021	1-12/ 2021
Earnings per share, EUR	0.07	0.10	0.41
Earnings per share, diluted, EUR	0.07	0.10	0.41
Shares outstanding at the end of the period (thousands)	74,535	73,646	74,386
Weighted average adjusted number of shares during the financial period, basic (thousands)	74,418	73,554	74,055
Weighted average adjusted number of shares during the financial period, diluted (thousands)	74,819	73,906	74,411