



Rovio Entertainment Corporation

Interim Report

April 28, 2023

Q1

INTERIM REPORT FOR JANUARY-MARCH 2023

23

We  
craft  
joy.

# Angry Birds Dream Blast reached new heights

## January–March 2023 highlights

- Rovio's group revenue declined by 10.5% to EUR 76.0 million (85.0). On a comparable (\*) basis, revenue declined by 13.2%. The comparable decrease was due to the high spike of Angry Birds Journey launch in Q1'22.
- Group EBITDA increased to EUR 12.1 million (11.1), and the EBITDA margin increased to 15.9% (13.1).
- Group adjusted EBITDA decreased to EUR 12.1 million (13.6), and the adjusted EBITDA margin declined to 15.9% (16.0).
- Group operating profit increased to EUR 8.8 million (7.5), and the operating profit margin increased to 11.6% (8.8).
- Group adjusted operating profit declined to EUR 8.8 million (10.0), and the adjusted operating profit margin declined to 11.5% (11.8).
- Games' gross bookings declined by 10.9% to EUR 72.0 million (80.8). Comparable (\*) gross bookings declined by 13.6%. Sequentially, comparable games' gross bookings grew by 0.9%, while the US mobile gaming market grew by 1.6% (\*\*).
- Rovio's biggest game in Q1 2023 was Angry Birds Dream Blast, which saw its gross bookings grow by 67.7% to EUR 24.9 million (14.9).
- User acquisition investments decreased to EUR 23.9 million (31.1), representing 32.3% of games' revenue (37.8).
- Operating cash flow decreased to EUR -8.8 million (14.0) due to changes in working capital (bonus payments in March and the New Mexico lawsuit settlement payment in January).
- Earnings per share increased to EUR 0.10 (0.07). Adjusted earnings per share was stable at EUR 0.10 (0.10).
- Events after the review period: On April 17, 2023, Sega announced a recommended cash offer of EUR 9.25 per share to the shareholders and EUR 1.48 per option to the option holders of Rovio. The total value of the offer, based on all 76,179,063 issued and outstanding shares in Rovio and all 742,300 issued and outstanding options under the Company's Stock Options 2022A plan, amounts in aggregate to approximately EUR 706 million. The Board of Directors of Rovio, represented by a quorum comprising all members of the Board of Directors, has unanimously agreed to recommend that the shareholders and the option holders of Rovio accept the offer. Shareholders in Rovio who in aggregate hold Shares corresponding to approximately 49.1 percent of the outstanding Shares and votes in Rovio, have irrevocably undertaken to accept the offer, subject to certain customary conditions. The offer is currently expected to be completed during the third quarter of 2023.

\*) Comparable growth is calculated at constant USD/EUR exchange rates.

\*\*\*) Source: data.ai

## Key figures

EUR million	1-3/ 2023	1-3/ 2022	Change, %	1-12/ 2022
Revenue	76.0	85.0	-10.5%	317.7
EBITDA	12.1	11.1	8.8%	43.3
EBITDA margin	15.9%	13.1%		13.6%
Adjusted EBITDA	12.1	13.6	-11.4%	53.9
Adjusted EBITDA margin, %	15.9%	16.0%		17.0%
Operating profit	8.8	7.5	17.5%	28.6
Operating profit margin, %	11.6%	8.8%		9.0%
Adjusted operating profit	8.8	10.0	-12.2%	39.2
Adjusted operating profit margin, %	11.5%	11.8%		12.3%
Profit before tax	9.2	7.6	20.1%	30.6
Adjusted profit for the period	7.2	7.5	-2.9%	31.4
Capital expenditure	2.3	2.1	9.0%	7.0
User acquisition	23.9	31.1	-23.3%	96.5
Return on equity (ROE), %	14.7%	19.8%		14.4%
Net gearing ratio, %	-65.7%	-80.2%		-72.7%
Equity ratio, %	83.4%	70.3%		79.3%
Earnings per share, EUR	0.10	0.07	30.3%	0.30
Earnings per share, diluted EUR	0.09	0.07	29.1%	0.30
Adjusted earnings per share, EUR	0.10	0.10	-5.0%	0.42
Net cash flows from operating activities	-8.8	14.0	-163.2%	49.9
Employees (average for the period)	554	494	12.1%	513

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 denominated in-app-purchases in the United States and for global ad network sales.

### Alex Pelletier-Normand, CEO

In the first quarter of 2023, Angry Birds Dream Blast continued its strong growth and reached a new revenue record, growing by 67.7% compared to the same period last year and by 15.3% compared to the previous quarter. Looking at our performance as a whole, our comparable gross bookings grew by 0.9% sequentially, overall in line with the US mobile gaming market, slowly recovering from the weaker than normal holiday season in December. During the same period, we were pleased to see our new games taking leaps forward.

Our comparable revenue decreased by 13.2% against the same period in the previous year, largely due to the launch of Angry Birds Journey in early 2022 affecting the comparison figures. Our adjusted operating profit declined in line with the lower revenue.

Regarding our new game titles, we have made great progress with Moomin: Puzzle & Design and Bad Piggies 2, among others. The Moomin game showed promising results in the mid-term retention test in the Japanese market in Q1, remaining on track for global launch. Bad Piggies 2, a physics-based puzzle game developed by our Stockholm studio, is starting its soft launch. This too is a great achievement for us. The game is totally novel and highly anticipated by the fans.

The Angry Birds brand continues to grow in reach and fandom. We reached a new milestone with the Angry Birds YouTube channel hitting 6 million subscribers. The implementation of our loyalty program and online hub 'Red's club' progresses as planned and is expected to roll out during the summer.

Last week, Sega announced a cash tender offer to acquire all shares and options of Rovio. Rovio's Board of Directors has agreed to recommend the offer, and 49.1% of shareholders have irrevocably undertaken to accept it, subject to certain customary conditions. The offer provides concrete evidence that our mission to craft joy with player-focused gaming experiences that last for decades forms an attractive strategy for the future. We are thrilled at the idea of using our expertise and tools to bring even more joy to our players, enhancing and expanding Rovio's and Sega's vibrant IPs. Red the Angry Bird and Sonic the Hedgehog are two globally recognized and iconic characters made by two remarkably complementary companies, with a worldwide reach that spans mobile, PC, console, and beyond. This planned transaction supports the cross-platform expansion of our IP using Sega's capabilities, while enabling Sega to utilize our distinctive know-how in live operations and our growth platform Beacon to bring their titles to the global mobile gaming market.

For the time being, we continue our daily work as usual, operating and improving our live games while crafting ambitious and innovative new games for our players. Looking further ahead, we remain strongly confident in our stand-alone strategy; however, combining the strengths of Rovio and Sega presents an incredibly exciting future.

## **2023 outlook (unchanged)**

We expect our comparable revenue and adjusted operating profit to be at last year's level.

## **Additional information on user acquisition investments in Q2 2023**

User acquisition investments in Q2 2023 are expected to be 27–32% of games' revenues.

## **Audiocast and conference call**

Rovio will host an audiocast and phone conference on the first quarter 2023 financial results, including a Q&A session, for analysts, media and institutional investors in English on April 28, 2023 at 14:00–15:00 EEST. The audiocast can be viewed live at <https://investors.rovio.com/en> and as a recording later the same day.

## **Dial-in details for the phone conference**

<https://palvelu.flik.fi/teleconference/?id=10010645>

## **More information**

Alex Pelletier-Normand, CEO, tel. +358 40 730 3442 (Investor Relations phone)

René Lindell, CFO, tel. +358 40 730 3442 (Investor Relations phone)

## **Distribution**

Nasdaq Helsinki, key media, <https://investors.rovio.com/en>

## **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 eight game studios – one in Espoo (Finland), one in Stockholm (Sweden), one in Copenhagen (Denmark), one in Barcelona (Spain), two in Montreal and one in Toronto (Canada). The studios also include 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

## Interim Report 1–3/2023

A description of the accounting standards applied in the preparation of this report is provided in Note 1 Key accounting principles.

### Market review

According to the market intelligence provider Newzoo's latest global mobile market report published in January 2023, the global mobile gaming market size in end-user generated revenue was estimated to be USD 92.2 billion in 2022, which represented a 6.4% decline compared to the previous year. This was the first time the global mobile gaming market declined. The market normalized after supercharged growth during the onset of Covid-19 in 2020 and 2021, when the global market grew annually by 30.1% and 12.5%, respectively. Furthermore, Apple's App Tracking Transparency (ATT) framework has heavily impacted game publishers' ability to target high-value players, especially visible in the mid-core genres. There were also fewer major new game launches in 2022, and macroeconomic headwinds worldwide have impacted consumers' behavior and purchasing power.

Short-term uncertainty remains higher than usual, driven by the same headwinds that impacted the market in 2022. This is visible in the 2023 market estimates prepared by market intelligence providers. Newzoo estimates the global mobile gaming market to recover in 2023 and grow by 4.6% to USD 96.4 billion, whereas data.ai estimates the global market to continue to decline at a rate of -3% in 2023 to USD 107 billion. Based on the Q1 2023 data provided by data.ai, the global mobile gaming market declined by 0.8% compared to the same period in 2022 but grew by 3.5% compared to the previous quarter. However, compared to the pre-pandemic level, the global market was now 28.0% bigger than in Q1 2020.

In the long term, Newzoo considers the mobile gaming market's growth potential to be attractive, with mobile continuing to be the world's most popular and largest form of gaming. In 2022–2025, the global mobile gaming market is expected to grow annually by 3.8% on average, while the Western market growth is estimated to be 4.2% (CAGR).

### Revenue and result

#### January–March 2023

In the first quarter of 2023, Rovio's group revenue declined by 10.5% to EUR 76.0 million (85.0). On a comparable basis (at constant fx rates), revenue declined by 13.2%. The comparable decrease was due to the high spike of Angry Birds Journey launch in Q1'22.

Games' revenue decreased by 10.2% to EUR 73.9 million (82.3). Games' gross bookings declined by 10.9% to EUR 72.0 million (80.8). Comparable (at constant fx rates) gross bookings declined by 13.6%. Sequentially, comparable games' gross bookings grew by 0.9%, while the US mobile gaming market grew by 1.6% (source: data.ai).

Brand licensing revenue decreased by 19.0% to EUR 2.2 million (2.7), mainly due to lower revenue from feature films.

The group EBITDA increased to EUR 12.1 million (11.1), while the EBITDA margin increased to 15.9% (13.1). The group adjusted EBITDA decreased to EUR 12.1 million (13.6), and the adjusted EBITDA margin declined to 15.9% (16.0).

The group operating profit increased to EUR 8.8 million (7.5), and the operating profit margin increased to 11.6% (8.8). The group adjusted operating profit declined to EUR 8.8 million (10.0), while the adjusted operating profit margin declined to 11.5% (11.8). There were only minor adjustments related to the Ruby Games contingent liability in the reporting period. Adjustments in the comparison period amounted to EUR 2.5 million and were related to changes in the contingent liability of the Ruby Games acquisition.

User acquisition investments decreased to EUR 23.9 million (31.1), representing 32.3% of games' revenue (37.8). The decrease was driven by the AB Journey global launch in early 2022.

The user acquisition investments were split between Rovio's different game categories as follows: 67.1% in the "Grow" category (Angry Birds Journey and Angry Birds Dream Blast) and 21.2% in the "Earn" category (Angry Birds 2, Angry Birds Match, Angry Birds Friends, Small Town Murders), practically almost all of which concerned Angry Birds 2. The share of user acquisition investments made in hyper-casual games (i.e. Ruby Games) was 9.9%, while 1.9% of the investments were made in the "Catalogue" category.

The Group's profit before taxes increased to EUR 9.2 million (7.6). Earnings per share increased to EUR 0.10 (0.07), and adjusted earnings per share was stable at EUR 0.10 (0.10).

## Key performance indicators of games

Games' key performance indicators use gross bookings instead 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 at 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 reported revenue. The reconciliation of gross bookings to revenue is presented in the notes.

In the first quarter of 2023, games' gross bookings declined to EUR 72.0 million (80.8), out of which Ruby Games generated gross bookings of EUR 2.8 million.

The number of daily active users (DAU) was stable at 3.2 million (3.2 million in Q4'22) for the top 5 games and declined slightly to 6.1 million (6.3 million in Q4'22) for the whole portfolio, which also includes Ruby Games. The number of monthly active users (MAU) decreased to 18.5 million (18.9 million in Q4'22) for the top 5 games and increased to 44.7 million (43.7 million in Q4'22) for the whole portfolio due to Ruby Games' new game launches.

The number of monthly unique payers (MUP) increased to 411 thousand (409 thousand in Q4'22) for the top 5 games and was stable at 454 thousand (454 thousand in Q4'22) for the whole portfolio.

Average revenue per daily active user (ARPPU) was stable at 22 cents (22 in Q4'22) for the top 5 games and at 13 cents (13 in Q4'22) for the whole portfolio. Monthly average revenue per paying user (MARPPU), excluding Ruby Games, decreased to EUR 45.1 (46.3 in Q4'22) for the top 5 games and EUR 44.4 (45.5 in Q4'22) for the whole portfolio.

<b>EUR million</b>	<b>1-3/ 2023</b>	<b>10-12/ 2022</b>	<b>7-9/ 2022</b>	<b>4-6/ 2022</b>	<b>1-3/ 2022</b>	<b>10-12/ 2021</b>
Gross bookings top 5	63.7	65.2	61.6	60.8	66.7	60.9
Gross bookings total	72.0	74.0	70.8	72.4	80.8	74.0

  

<b>Million</b>	<b>1-3/ 2023</b>	<b>10-12/ 2022</b>	<b>7-9/ 2022</b>	<b>4-6/ 2022</b>	<b>1-3/ 2022</b>	<b>10-12/ 2021</b>
DAU top 5	3.2	3.2	3.1	3.3	3.6	3.2
DAU all	6.1	6.3	6.3	6.7	7.3	6.5
MAU top 5	18.5	18.9	17.4	18.1	20.8	18.1
MAU all	44.7	43.7	42.1	45.8	53.3	44.8

  

<b>Thousand</b>	<b>1-3/ 2023</b>	<b>10-12/ 2022</b>	<b>7-9/ 2022</b>	<b>4-6/ 2022</b>	<b>1-3/ 2022</b>	<b>10-12/ 2021</b>
MUP top 5	411	409	385	390	464	420
MUP all	454	454	435	444	522	485

  

<b>EUR</b>	<b>1-3/ 2023</b>	<b>10-12/ 2022</b>	<b>7-9/ 2022</b>	<b>4-6/ 2022</b>	<b>1-3/ 2022</b>	<b>10-12/ 2021</b>
ARPDau top 5	0.22	0.22	0.22	0.20	0.21	0.21
ARPDau all	0.13	0.13	0.13	0.12	0.12	0.12
MARPPU top 5	45.1	46.3	46.3	45.5	41.9	41.4
MARPPU all	44.4	45.5	45.6	44.7	41.5	40.9

## Game-specific gross bookings

Rovio's biggest game in Q1 2023 was Angry Birds Dream Blast, which overtook Angry Birds 2 as the biggest game following strong growth compared to both the same period in 2022 (+67.7%) and the previous quarter (+15.3%). The gross bookings of the game increased to a quarterly record of EUR 24.9 million. User acquisition investments for the game increased significantly.

The gross bookings of Angry Birds 2, Rovio's second biggest game, decreased by 18.0% to EUR 24.8 million due a slow start of the quarter. User acquisition investments for the game decreased from Q4 2022.

The gross bookings of Angry Birds Friends, Rovio's third biggest game, decreased by 7.6% to EUR 8.6 million.

Angry Birds Journey, which was launched globally in January 2022, recorded the fourth highest gross bookings of the portfolio at EUR 3.6 million. User acquisition investments for the game decreased further during the quarter.

The hyper-casual category, acquired with Ruby Games in September 2021, generated EUR 2.8 million in gross bookings, which represented a decline of 53.8%.

The Other games category generated total gross bookings of EUR 5.5 million.

<b>Gross bookings, EUR million</b>	<b>1-3/ 2023</b>	<b>10-12/ 2022</b>	<b>7-9/ 2022</b>	<b>4-6/ 2022</b>	<b>1-3/ 2022</b>	<b>10-12/ 2021</b>
AB Dream Blast	24.9	21.6	17.6	14.1	14.9	16.2
AB 2	24.8	28.6	28.7	28.4	30.3	29.5
AB Friends	8.6	8.8	8.4	9.1	9.3	9.3
AB Journey	3.6	4.4	5.1	7.3	10.1	3.1
AB Pop!	1.7	1.9	1.9	1.9	2.0	2.3
Hyper-casual	2.8	2.7	2.5	4.5	6.1	4.1
Other games	5.5	6.1	6.7	7.1	8.1	9.6
<b>Total</b>	<b>72.0</b>	<b>74.0</b>	<b>70.8</b>	<b>72.4</b>	<b>80.8</b>	<b>74.0</b>



## Consolidated statement of financial position

Consolidated statement of financial position, EUR million	31 Mar 2023	31 Mar 2022	31 Dec 2022
Non-current assets	87.5	90.9	89.0
Current receivables	42.1	36.5	34.6
Money market funds	50.4	50.5	59.9
Cash and bank deposits	108.4	121.8	110.8
<b>Total assets</b>	<b>288.5</b>	<b>299.6</b>	<b>294.3</b>
Equity	233.4	204.7	226.8
Financial liabilities	21.6	48.8	18.9
Advances received and deferred income	8.6	8.4	8.5
Other payables	24.8	37.8	40.1
<b>Total equity and liabilities</b>	<b>288.5</b>	<b>299.6</b>	<b>294.3</b>

Rovio's consolidated statement of financial position amounted to EUR 288.5 million on March 31, 2023 (294.3 on December 31, 2022), with equity representing EUR 233.4 million (226.8 on December 31, 2022) of the total. Cash and cash equivalents amounted to EUR 158.8 million (170.7 on December 31, 2022). Cash deposits amounted to EUR 108.4 million and cash equivalents to EUR 50.4 million, consisting of investments in money market funds. The change in cash and cash equivalents was attributable to cash flow from operating activities of EUR -8.8 million, investments of EUR -2.3 million and financing activities of EUR -0.7 million.

Advances received and deferred income totaled 8.6 million (8.5 on December 31, 2022).

On March 31, 2023 Rovio's non-current assets amounted to EUR 87.5 million (89.0 on December 31, 2022). The decrease in non-current assets consisted mainly of EUR 0.8 million negative goodwill revaluation due to fx changes, amortization of development costs EUR 1.7 million, amortization of the Angry Bird Movies EUR 0.6 million and depreciation of leased office buildings EUR 0.7 million. This was offset by investments in external game development of EUR 2.0 million and an addition in leased office buildings due to an index adjustment of office leases amounting to EUR 0.4 million.

Rovio's net debt on March 31, 2023 amounted to EUR -153.3 million. Rovio's interest-bearing debt amounted to EUR 5.5 million (5.9 on December 31, 2022), consisting of EUR 0.1 million product development loans from Business Finland (the Finnish Funding Agency for Innovation), as well as EUR 5.4 million leasing liabilities mainly related to office leases. Contingent consideration liabilities related to the Ruby Games acquisition amounted to EUR 12.4 million.

## Cash flow and investments

Consolidated statement of cash flows, EUR million	1-3/2023	1-3/2022	1-12/2022
Cash flow from operating activities	-8.8	14.0	49.9
Cash flow from investing activities	-2.3	-2.1	-24.9
Cash flow from financing activities	-0.7	-0.7	-17.0
<b>Change in cash and cash equivalents</b>	<b>-11.9</b>	<b>11.2</b>	<b>8.0</b>
Net foreign exchange difference and value changes in money market funds	-0.0	0.3	1.9
Cash and cash equivalents at the beginning of the period	170.7	160.8	160.8
<b>Cash and cash equivalents at the end of the period</b>	<b>158.8</b>	<b>172.3</b>	<b>170.7</b>

In the first quarter of 2023, Rovio's net cash flow from operating activities amounted to EUR -8.8 million (14.0). The decrease was mainly due to changes in working capital (bonus payments in March and the New Mexico lawsuit settlement payment in January).

Cash flows used in investing activities amounted to EUR -2.3 million (-2.1), consisting of capital expenditure. The investments were mainly related to external game development.

Cash flows used in financing activities amounted to EUR -0.7 million (-0.7), consisting of finance lease payments.

## Personnel

In the first quarter of 2023, Rovio's average number of employees was 554 (494).

	1-3/ 2023	1-3/ 2022	Change, %	1-12/ 2022
Employees (average for the Period)	554	494	12.1%	513
Employees (end of period)	558	495	12.7%	546

## Flagging notifications

Rovio received the following flagging notification during the reporting period:

Transaction date	Shareholder	Threshold	Direct holding, %	Total holding, %
February 6, 2023	Invesco Ltd.	below 5%	below 5%	below 5%

## Shares and shareholders

On March 31, 2023, Rovio's share capital amounted to EUR 0.7 million, and the number of shares was 82,963,825.

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

On March 31, 2023, Rovio Entertainment Corporation held a total of 6,784,762 of its own shares.

Shareholder	Number of shares	Percentage of shares and votes
Brilliant Problems Oy	6,459,500	7.8%
Adventurous Ideas Oy	6,459,500	7.8%
Impera Oy Ab	5,084,722	6.1%
Ilmarinen Mutual Pension Insurance Company	2,165,000	2.6%
Sijoitusrahasto Aktia Capital	1,425,074	1.7%
Hed Niklas Peter	1,365,345	1.6%
The State Pension Fund	1,000,000	1.2%
Elo Mutual Pension Insurance Company	987,000	1.2%
Danske Invest Finnish Equity Fund	846,427	1.0%
Veritas Pension Insurance Company Ltd.	630,290	0.8%
<b>Total</b>	<b>26,422,858</b>	<b>31.9%</b>
Other shareholders	49,756,205	60.0%
Rovio Entertainment Corporation	6,784,762	8.2%
<b>Number of shares total</b>	<b>82,963,825</b>	<b>100.0%</b>

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 savings plan for employees in Finland, Sweden, Denmark, Canada and Spain, as well as a performance share plan, a restricted share plan and an option plan directed to the key employees of the company.

The objective of the Employee Share Savings Plan (ESSP) 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 ESSP 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 ended on August 31, 2022. The second plan period commenced on April 1, 2021 and will end on August 31, 2023. The third plan period commenced on April 1, 2022 and will end on August 31, 2024. The fourth plan period commenced on April 1, 2023 and will end on August 31, 2025. 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 practically possible after the applicable holding period. Participation is voluntary.

Rovio has a performance share plan (PSP) for key employees, including the CEO and the members of the leadership team. The objective of the performance share plan is to motivate 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 the calendar years 2021, 2022 and 2023. The third performance period was canceled, due to an extension in the performance share plan periods, and a new performance share plan was established accordingly. On February 11, 2022 Rovio established a new performance share plan 2022–2026 for 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 Rovio's Board of Directors on an annual basis for each performance period at a time.

The performance criteria for the 2021 performance period were Rovio's sales growth (%) and 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. A reward payment of 59,464 shares was made on March 31, 2023.

The performance criteria for the performance period 2022–2024 are the Group's EBITDA (EUR) for the financial year 2024 (weight 50%) and the 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 performance criteria for the performance period 2023–2025 are Group's EBITDA (EUR) for the financial year 2025 (weight 50 %) and Group's Net Revenue (EUR) for the financial year 2025 (weight 50 %). The rewards to be paid on the basis of the performance period 2023–2025 correspond to the value of an approximate maximum total of 15,000,000 euros. The potential rewards will be paid in spring 2026.

The Restricted Share Unit Plan (RSU) 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 RSU 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 the Company's shares after a specific restriction period, which varies from twelve (12) to thirty-six (36) months based on business needs and the decision by the Board of Directors.

The maximum number of shares that can be distributed through the RSU 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, 280,756 rights entitling to shares had been allocated under the restricted share plan as of March 31, 2023.

In February 2022, the Board of Directors resolved to launch a new stock option plan 2022A directed to the key employees of the company. As per March 31, 2023, a total of 742,300 series 2022A option rights had been allocated. 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 March 1, 2025–February 28, 2027. The total theoretical market value of all stock options 2022A is EUR 1,300,000.

## 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 the 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, Rovio's revenue, the size of user acquisition investments and the Group's profit. Changes in governmental regulations in different countries and content distributors' terms and policies can have both short- and long-term implications in the business. Disturbances related to the general network infrastructure and cyber incidents may render gaming services unavailable and cause business disruptions. Macro-economic factors, including inflation and changes in consumers' purchasing power, can have an impact on spending patterns.

Other significant risks relate to the demand for Angry Birds branded consumer products and other content that may impact the brand licensing revenue.

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

Further information on risks, uncertainties, and Rovio's risk management can be found online at <https://investors.rovio.com/en> and in the most recently published financial statements.

## 2023 outlook (unchanged)

We expect our comparable revenue and adjusted operating profit to be at last year's level.

### Additional information on user acquisition investments in Q2 2023

User acquisition investments in Q2 2023 are expected to be 27–32% 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 3, 2023, beginning at 1.00 p.m. at Hanaholmen, at the address Hanasaarenranta 5, Espoo, Finland. 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 2022, approved the remuneration report for the company's governing bodies and discharged the company's management from liability.

The Annual General Meeting decided that the Board of Directors shall comprise six (6) members. Niklas Hed, Camilla Hed-Wilson, Kim Ignatius, Björn Jeffery, and Langer Lee as well as Henna Mäkinen as a new member were elected as members of the Board of Directors for the term of office ending at the closure of the Annual General Meeting in 2024. Kim Ignatius was elected Chair of the Board of Directors. Björn Jeffery was elected Vice Chair of the Board of Directors.

The remuneration of the members of the Board of Directors was kept unchanged. Monthly remuneration is 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 is paid. The company compensates the 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 as auditor of the company. Ernst & Young Oy has notified that Terhi Mäkinen, APA, acts as the auditor with principal responsibility. The auditor's term of office will end at the closure of the Annual General Meeting in 2024. The auditor is 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 8,296,382 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 8,296,382 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 8,296,382 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, 2024.

In its organizing meeting, which was held immediately after the General Meeting, the Board of Directors elected from amongst its members Kim Ignatius (Chair), Camilla Hed-Wilson and Henna Mäkinen as members of the Audit Committee, and Camilla Hed-Wilson (Chair), 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 0.13 per share. The remaining part of the distributable funds are retained in shareholders' equity. The dividend was paid to shareholders who on the record date of the dividend payment April 5, 2023 were recorded in the company's shareholders' register held by Euroclear Finland Ltd. The dividend was paid on April 14, 2023.

## **Events after the review period**

On April 17, 2023, Sega announced a recommended cash offer of EUR 9.25 per share to the shareholders and EUR 1.48 per option to the option holders of Rovio. The total value of the offer, based on all 76,179,063 issued and outstanding shares in Rovio and all 742,300 issued and outstanding options under the Company's Stock Options 2022A plan, amounts in aggregate to approximately EUR 706 million. The Board of Directors of Rovio, represented by a quorum comprising all members of the Board of Directors, has unanimously agreed to recommend that the shareholders and the option holders of Rovio accept the offer. Shareholders in Rovio who in aggregate hold Shares corresponding to approximately 49.1 percent of the outstanding Shares and votes in Rovio, have irrevocably undertaken to accept the offer, subject to certain customary conditions. The offer is currently expected to be completed during the third quarter of 2023.

ROVIO ENTERTAINMENT CORPORATION

Board of Directors

## Performance measures

EUR million	1-3/ 2023	1-3/ 2022	Change, %	1-12/ 2022
Revenue	76.0	85.0	-10.5%	317.7
EBITDA	12.1	11.1	8.8%	43.3
EBITDA margin	15.9%	13.1%		13.6%
Adjusted EBITDA	12.1	13.6	-11.4%	53.9
Adjusted EBITDA margin, %	15.9%	16.0%		17.0%
Operating profit	8.8	7.5	17.5%	28.6
Operating profit margin, %	11.6%	8.8%		9.0%
Adjusted operating profit	8.8	10.0	-12.2%	39.2
Adjusted operating profit margin, %	11.5%	11.8%		12.3%
Profit before tax	9.2	7.6	20.1%	30.6
Adjusted profit for the period	7.2	7.5	-2.9%	31.4
Capital expenditure	2.3	2.1	9.0%	7.0
User acquisition	23.9	31.1	-23.3%	96.5
Return on equity (ROE), %	14.7%	19.8%		14.4%
Net gearing ratio, %	-65.7%	-80.2%		-72.7%
Equity ratio, %	83.4%	70.3%		79.3%
Earnings per share, EUR	0.10	0.07	30.3%	0.30
Earnings per share, diluted EUR	0.09	0.07	29.1%	0.30
Adjusted earnings per share, EUR	0.10	0.10	-5.0%	0.42
Net cash flows from operating activities	-8.8	14.0	-163.2%	49.9
Employees (average for the period)	554	494	12.1%	513

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' 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/ 2023	Items affecting comparability	Income statement excluding items affecting comparability	Income statement including items affecting comparability
<b>Revenue</b>	<b>76.0</b>			<b>76.0</b>
Other operating income	0.4			0.4
Materials and services	-19.5			-19.5
Employee benefits expense	-13.4			-13.4
Depreciation and amortization	-3.3			-3.3
Other operating expenses	-31.4	-0.0		-31.4
<b>Operating profit</b>	<b>8.8</b>	<b>-0.0</b>		<b>8.8</b>

EUR million	1-3/ 2022	Items affecting comparability	Income statement excluding items affecting comparability	Income statement including items affecting comparability
<b>Revenue</b>	<b>85.0</b>			<b>85.0</b>
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
<b>Operating profit</b>	<b>7.5</b>	<b>2.5</b>		<b>10.0</b>

EUR million	1-12/ 2022	Items affecting comparability	Income statement excluding items affecting comparability	Income statement including items affecting comparability
<b>Revenue</b>	<b>317.7</b>			<b>317.7</b>
Other operating income	2.8			2.8
Materials and services	-79.6			-79.6
Employee benefits expense	-57.8	0.6		-57.2
Depreciation and amortization	-14.7			-14.7
Other operating expenses	-139.9	10.0		-129.9
<b>Operating profit</b>	<b>28.6</b>	<b>10.6</b>		<b>39.2</b>



## Reconciliation of adjusted operating profit

EUR million	1-3/ 2023	1-3/ 2022	1-12/ 2022
<b>Operating profit</b>	<b>8.8</b>	<b>7.5</b>	<b>28.6</b>
M&A transaction costs			
Change in fair value of contingent liability	-0.0	2.5	4.9
Asset impairment			
Legal fees related to claims			5.1
Restructuring costs arising from employee benefits expenses			0.6
Restructuring costs in Other operating expenses			0.0
Restructuring costs in Depreciation and amortization			
<b>Adjusted operating profit</b>	<b>8.8</b>	<b>10.0</b>	<b>39.2</b>

## Reconciliation of EBITDA and Adjusted EBITDA

EUR million	1-3/ 2023	1-3/ 2022	1-12/ 2022
<b>Operating profit</b>	<b>8.8</b>	<b>7.5</b>	<b>28.6</b>
Depreciation and amortization	3.3	3.6	14.7
<b>EBITDA</b>	<b>12.1</b>	<b>11.1</b>	<b>43.3</b>
M&A transaction costs			
Change in fair value of contingent liability	-0.0	2.5	4.9
Legal fees related to claims			5.1
Restructuring costs arising from employee benefits expenses			0.6
Restructuring costs in Other operating expenses			0.0
<b>Adjusted EBITDA</b>	<b>12.1</b>	<b>13.6</b>	<b>53.9</b>

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

EUR million	1-3/ 2023	1-3/ 2022	1-12/ 2022
<b>Equity ratio, %</b>	<b>83.4%</b>	<b>70.3%</b>	<b>79.3%</b>
Equity	233.4	204.7	226.8
Advances received	1.4	1.7	1.4
Deferred revenue	7.2	6.8	7.1
Total assets	288.5	299.6	294.3
<b>Return on equity, %</b>	<b>14.7%</b>	<b>19.8%</b>	<b>14.4%</b>
Profit/loss before tax	32.1	37.5	30.6
Shareholder's equity beginning of period	204.7	175.1	197.5
Shareholder's equity end of period	233.5	204.7	226.8
<b>Net gearing ratio, %</b>	<b>-65.7%</b>	<b>-80.2%</b>	<b>-72.7%</b>
Total interest-bearing debt	5.5	8.2	5.9
Cash and cash equivalents	158.8	172.3	170.7
Equity	233.4	204.7	226.8
Non-current interest-bearing loans and borrowings	3.2	4.8	3.1
Current interest-bearing loans and borrowings	2.3	3.5	2.8
Cash and cash equivalents	158.8	172.3	170.7
<b>Net debt</b>	<b>-153.3</b>	<b>-164.1</b>	<b>-164.8</b>

## 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/ 2023	1-3/ 2022	1-12/ 2022
Gross bookings	72.0	80.8	298.0
Change in deferred revenue	0.1	-0.4	-0.7
Custom contracts	2.0	1.5	7.1
Other adjustments	-0.2	0.4	2.3
<b>Games' revenue</b>	<b>73.9</b>	<b>82.3</b>	<b>306.7</b>

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 the 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, legal fees related to claims, 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.

**Adjusted profit for the period**, which is defined as profit for the period excluding items affecting comparability and their tax impact.

**Adjusted earnings per share**, which is defined as adjusted profit for the period divided by the average number of shares less treasury shares.

**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, 2023 – Tables

The figures in the Interim report are unaudited.

## Statement of consolidated profit or loss and other comprehensive income

EUR million	1-3/ 2023	1-3/ 2022	1-12/ 2022
<b>Revenue</b>	<b>76.0</b>	<b>85.0</b>	<b>317.7</b>
Other operating income	0.4	1.1	2.8
Materials and services	19.5	20.9	79.6
Employee benefits expense	13.4	13.3	57.8
Depreciation and amortization	3.3	3.6	14.7
Other operating expenses	31.4	40.8	139.9
<b>Operating profit</b>	<b>8.8</b>	<b>7.5</b>	<b>28.6</b>
Finance income and expenses	0.4	0.2	2.0
<b>Profit (loss) before tax</b>	<b>9.2</b>	<b>7.6</b>	<b>30.6</b>
Income tax expense	-1.9	-2.2	-7.7
<b>Profit for the period</b>	<b>7.3</b>	<b>5.5</b>	<b>22.9</b>
Equity holders of the parent company	7.3	5.5	22.9
<b>Other comprehensive income/expense</b>			
Other comprehensive income that will not be reclassified to profit and loss (net of tax):			
Change in fair value, investments valued through other comprehensive income	0.0	0.0	1.0
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):			
Translation differences	-1.1	1.1	4.6
<b>Total comprehensive income for the period net of tax</b>	<b>6.2</b>	<b>6.5</b>	<b>28.5</b>
Equity holders of the parent company	6.2	6.5	28.5
<b>Earnings per share for net result attributable to owners of the parent:</b>			
Earnings per share, EUR	0.10	0.07	0.30
Earnings per share, diluted EUR	0.09	0.07	0.30

## Consolidated statement of financial position

EUR million	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>87.5</b>	<b>90.9</b>	<b>89.0</b>
Property, plant and equipment	1.6	1.3	1.6
Intangible assets	20.3	24.2	20.8
Goodwill	39.0	38.2	39.8
Right-of-use assets	5.2	7.2	5.4
Investments	9.6	8.3	12.1
Non-current receivables	3.5	3.4	0.9
Deferred tax assets	8.4	8.2	8.4
<b>Current assets</b>	<b>200.9</b>	<b>208.7</b>	<b>205.3</b>
Trade receivables	31.7	28.5	25.3
Prepayments and accrued income	9.0	7.3	8.0
Other current financial assets	1.5	0.7	1.3
Money market funds	50.4	50.5	59.9
Cash and cash equivalents	108.4	121.8	110.8
<b>Total assets</b>	<b>288.5</b>	<b>299.6</b>	<b>294.3</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Issued capital	0.7	0.7	0.7
Reserves	51.9	46.0	51.9
Translation differences	3.5	1.1	4.7
Treasury shares	-35.6	-36.1	-35.9
Fair value reserve	3.9	3.0	3.9
Retained earnings	201.7	184.5	178.6
Profit for the period	7.3	5.5	22.9
<b>Equity holders of the parent company</b>	<b>233.4</b>	<b>204.7</b>	<b>226.8</b>
Non-controlling interests	0.0	0.0	0.0
<b>Total equity</b>	<b>233.4</b>	<b>204.7</b>	<b>226.8</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>	<b>17.8</b>	<b>21.6</b>	<b>18.0</b>
Interest-bearing loans and borrowings	0.0	0.3	0.1
Contingent consideration liabilities	12.1	13.6	12.0
Lease liabilities	3.1	4.5	3.0
Deferred tax liabilities	2.5	3.2	2.8
<b>Current liabilities</b>	<b>37.2</b>	<b>73.4</b>	<b>49.5</b>
Trade and other payables	9.3	15.3	12.1
Interest-bearing loans and borrowings	0.1	0.5	0.1
Contingent consideration liabilities	0.3	29.9	0.3
Lease liabilities	2.3	3.0	2.6
Other current financial liabilities	3.8	2.4	0.7
Advances received	1.4	1.7	1.4
Deferred revenue	7.2	6.8	7.1
Income tax payable	0.2	1.4	1.9
Provisions	0.1	0.0	0.3
Accrued liabilities	12.6	12.6	23.0
<b>Total liabilities</b>	<b>55.0</b>	<b>95.0</b>	<b>67.5</b>
<b>Total equity and liabilities</b>	<b>288.5</b>	<b>299.6</b>	<b>294.3</b>

## Consolidated statement of changes in equity

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
<b>Balance at Jan 1, 2022</b>	<b>0.7</b>	<b>46.0</b>	<b>-36.9</b>	<b>184.6</b>	<b>3.0</b>	<b>0.1</b>	<b>197.5</b>	<b>0.0</b>	<b>197.5</b>
Profit for the period				5.5			5.5		5.5
Other comprehensive income			0.7	-0.1		1.1	1.7		1.7
<b>March 31, 2022</b>	<b>0.7</b>	<b>46.0</b>	<b>-36.1</b>	<b>190.0</b>	<b>3.0</b>	<b>1.1</b>	<b>204.7</b>	<b>0.0</b>	<b>204.7</b>

Attributable to the equity holders of the parent on March 31, 2023

EUR million	Issued capital	Unrestricted equity reserve	Treasury shares	Retained earnings	Fair value reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
<b>Balance at Jan 1, 2023</b>	<b>0.7</b>	<b>51.9</b>	<b>-35.9</b>	<b>201.5</b>	<b>3.9</b>	<b>4.7</b>	<b>226.8</b>	<b>0.0</b>	<b>226.8</b>
Profit for the period				7.3			7.2		7.2
Option subscriptions							0.0		0.0
Treasury shares acquisition							0.0		0.0
Other comprehensive income						-1.1	-1.1		-1.1
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax							0.0		0.0
Cash dividends							0.0		0.0
Share-based payments			0.3	0.2			0.5		0.5
<b>March 31, 2023</b>	<b>0.7</b>	<b>51.9</b>	<b>-35.6</b>	<b>209.0</b>	<b>3.9</b>	<b>3.5</b>	<b>233.4</b>	<b>0.0</b>	<b>233.4</b>

## Consolidated statement of cash flows

EUR million	1-3/ 2023	1-3/ 2022	1-12/ 2022
<b>Operating activities</b>			
Profit (loss) before tax	9.2	7.6	30.6
<b>Adjustments:</b>			
Depreciation and amortization on tangible and intangible assets	3.3	3.6	14.7
Net foreign exchange differences	0.1	-0.3	-1.7
Gain on disposal of property, plant and equipment	0.0	-0.0	0.0
Finance costs	-0.4	0.1	-0.3
Other non-cash items	0.2	3.1	5.6
<b>Change in working capital:</b>			
Change in trade and other receivables and prepayments	-7.2	-0.4	1.1
Change in trade and other payables	-10.2	6.2	11.6
Interest received	0.8	0.0	1.3
Interest paid	-0.2	-0.2	-0.6
Income tax paid (received)	-4.4	-6.0	-12.3
<b>Net cash flows from operating activities</b>	<b>-8.8</b>	<b>14.0</b>	<b>49.9</b>
<b>Investing activities</b>			
Purchase of tangible and intangible assets	-2.3	-2.1	-7.0
Other investments	0.0	0.0	-0.3
Proceeds from sales of tangible and intangible assets	0.0	0.0	0.0
Loans granted, investments	0.0	0.0	0.0
Proceeds from sales of other investments	0.0	0.0	2.0
Acquisition of subsidiaries, net of cash acquired	0.0	0.0	-19.6
<b>Net cash flows used in investing activities</b>	<b>-2.3</b>	<b>-2.1</b>	<b>-24.9</b>
<b>Financing activities</b>			
Finance lease repayments	-0.7	-0.7	-2.7
Proceeds from and repayments of borrowings	0.0	-0.0	-0.5
Share subscriptions based on option rights	0.0	0.0	5.9
Acquisition of treasury shares	0.0	0.0	-10.7
Share-based payments	0.0	0.0	0.0
Dividends paid to equity holders of the parent	0.0	0.0	-8.9
<b>Net cash flows from/(used in) financing activities</b>	<b>-0.7</b>	<b>-0.7</b>	<b>-17.0</b>
<b>Change in cash and cash equivalents</b>			
Net foreign exchange difference and value changes in money market funds	-0.0	0.3	1.9
Cash and cash equivalents at beginning of period	170.7	160.8	160.8
<b>Cash and cash equivalents at the end of the period</b>	<b>158.8</b>	<b>172.3</b>	<b>170.7</b>
<b>Reconciliation of cash and cash equivalents in statement of financial position</b>			
Cash and cash equivalents in statement of financial position at the end of period	108.4	121.8	110.8
Money market funds at the end of period	50.4	50.5	59.9
<b>Cash and cash equivalents at the end of the period</b>	<b>158.8</b>	<b>172.3</b>	<b>170.7</b>



## 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 report is 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 2022.

The figures in the interim report 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 interim report does not include all the information or disclosures as presented in the consolidated financial statements of December 31, 2022.

### 2. Changes in contingent liabilities or contingent assets

Future non-cancellable other commitments are as follows.

EUR million	On March 31, 2023	On March 31, 2022	On December 31, 2022
Venture Capital investment commitment	0.4	0.4	0.4
<b>Total</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>

### 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.

### 3. 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 abnormal related party transactions during the reporting period.

### 4. Calculation of earnings per share

	1-3/ 2023	1-3/ 2022	1-12/ 2022
Earnings per share, EUR	0.10	0.07	0.30
Earnings per share, diluted, EUR	0.09	0.07	0.30
Shares outstanding at the end of the period (thousands)	76,179	74,535	76,107
Weighted average adjusted number of shares during the financial period, basic (thousands)	76,118	74,418	75,218
Weighted average adjusted number of shares during the financial period, diluted (thousands)	77,187	74,819	76,091