



Rovio Entertainment Corporation

Half-Year Financial Report

August 11, 2023

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HALF-YEAR FINANCIAL REPORT FOR JANUARY-JUNE 2023

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We
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joy.

Soft quarter in a declining market – new games approaching launch window

April–June 2023 highlights

- Rovio's group revenue declined by 7.4% to EUR 72.6 million (78.4). On a comparable (*) basis, revenue declined by 6.0%. The decline was mainly driven by Angry Birds 2 and Angry Birds Journey. Rovio had good growth in all regions except for North America, which declined.
- Group EBITDA decreased to EUR 9.9 million (14.3), and the EBITDA margin decreased to 13.6% (18.2).
- Group adjusted EBITDA decreased to EUR 10.7 million (15.0), and the adjusted EBITDA margin declined to 14.8% (19.1).
- Group operating profit decreased to EUR 6.9 million (10.5), and the operating profit margin decreased to 9.5% (13.4).
- Group adjusted operating profit decreased to EUR 7.8 million (11.3), and the adjusted operating profit margin decreased to 10.7% (14.3).
- Games' gross bookings declined by 5.1% to EUR 68.7 million (72.4). Comparable (*) gross bookings declined by 3.6%.
- The gross bookings of Angry Birds Dream Blast increased by 61.8% to EUR 22.7 million (14.1).
- User acquisition investments increased to EUR 21.4 million (20.9), representing 30.2% of games' revenue (27.5).
- Operating cash flow decreased to EUR 8.5 million (15.3) due to a lower net profit.
- The new games Moomin: Puzzle & Design and Wizard Hero are approaching their release window.
- Earnings per share declined to EUR 0.09 (0.13). Adjusted earnings per share declined to EUR 0.10 (0.14).

January–June 2023 highlights

- Rovio's group revenue declined by 9.0% to EUR 148.7 million (163.4). On a comparable (*) basis, revenue declined by 10.6%. The decline was due to the high spike of Angry Birds Journey launch in Q1'22 and lower revenue from Angry Birds 2.
- Group EBITDA decreased to EUR 22.0 million (25.4), and the EBITDA margin decreased to 14.8% (15.5).
- Group adjusted EBITDA decreased to EUR 22.8 million (28.6), and the adjusted EBITDA margin decreased to 15.3% (17.5).
- Group operating profit decreased to EUR 15.7 million (18.0), and the operating profit margin decreased to 10.5% (11.0).
- Group adjusted operating profit decreased to EUR 16.5 million (21.2), and the adjusted operating profit margin decreased to 11.1% (13.0).
- Games' gross bookings declined by 8.1% to EUR 140.8 million (153.2). Comparable (*) gross bookings declined by 9.8%.
- User acquisition investments decreased to EUR 45.2 million (52.0), representing 31.3% of games' revenue (32.9).
- Operating cash flow decreased to EUR -0.3 million (29.3) due to changes in working capital in Q1'23 (bonus payments in March and the New Mexico lawsuit settlement payment in January) and a lower net profit in Q2'23.
- Earnings per share declined to EUR 0.19 (0.20). Adjusted earnings per share declined to EUR 0.19 (0.24).
- Events after the review period: On August 10, 2023, the final result of Sega Europe Limited's recommended cash offer for all the shares and options in Rovio Entertainment Corporation was announced. Based on the final result of the Offer, the 73,397,174 Shares in Rovio validly tendered in the Offer represent approximately 96.3 percent of all issued and outstanding Shares and votes in Rovio. In addition, 100

percent of the Options have been tendered in the Offer. As the Minimum Acceptance Condition and all other conditions to complete the Offer have been fulfilled, the Offeror will complete the Offer in accordance with its terms and conditions.

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

**) Source: data.ai

Key figures

EUR million	4-6/ 2023	4-6/ 2022	Change, %	1-6/ 2023	1-6/ 2022	Change, %	1-12/ 2022
Revenue	72.6	78.4	-7.4%	148.7	163.4	-9.0%	317.7
EBITDA	9.9	14.3	-30.8%	22.0	25.4	-13.5%	43.3
EBITDA margin	13.6%	18.2%		14.8%	15.5%		13.6%
Adjusted EBITDA	10.7	15.0	-28.4%	22.8	28.6	-20.3%	53.9
Adjusted EBITDA margin, %	14.8%	19.1%		15.3%	17.5%		17.0%
Operating profit	6.9	10.5	-34.5%	15.7	18.0	-12.9%	28.6
Operating profit margin, %	9.5%	13.4%		10.5%	11.0%		9.0%
Adjusted operating profit	7.8	11.3	-31.1%	16.5	21.2	-22.2%	39.2
Adjusted operating profit margin, %	10.7%	14.3%		11.1%	13.0%		12.3%
Profit before tax	7.9	12.5	-36.5%	17.1	20.1	-15.0%	30.6
Adjusted profit for the period	7.5	10.3	-26.9%	14.8	17.8	-16.8%	31.4
Capital expenditure	2.2	1.1	100.7%	4.6	3.2	40.4%	7.0
User acquisition	21.4	20.9	2.4%	45.2	52.0	-12.9%	96.5
Return on equity (ROE), %	12.4%	22.5%		12.4%	22.5%		14.4%
Net gearing ratio, %	-65.0%	-82.4%		-65.0%	-82.4%		-72.7%
Equity ratio, %	83.8%	71.0%		83.8%	71.0%		79.3%
Earnings per share, EUR	0.09	0.13	-30.9%	0.19	0.20	-8.9%	0.30
Earnings per share, diluted EUR	0.09	0.13	-30.8%	0.18	0.20	-9.2%	0.30
Adjusted earnings per share, EUR	0.10	0.14	-28.2%	0.19	0.24	-18.5%	0.42
Net cash flows from operating activities	8.5	15.3	-44.3%	-0.3	29.3	-101.0%	49.9
Employees (average for the period)	568	503	12.9%	561	499	12.4%	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

The second quarter of 2023 was a challenging period in the mobile gaming market, and we could feel the effect in our results as well. Our financial development was also impacted by the lack of releases so far this year. However, we are approaching the launch window of new games, including Moomin: Puzzle & Design and Wizard Hero.

The global mobile gaming market declined in the second quarter by 0.8% compared to the same period in the previous year and by 3.4% sequentially. At the same time, our comparable gross bookings decreased by 3.6% and 3.5%, respectively. The star of recent quarters, Angry Birds Dream Blast, slowed down in its growth, in part due to algorithm changes in certain advertising channels, but remained at a high level and continued to show impressive growth of 61.8% compared to a year ago. Angry Birds 2 had a soft second quarter, but the third quarter started stronger. We continue to advance with our turnaround plan, improving the game in multiple areas and strengthening the team with additional key

talents, including a new game lead and a new Head of Studio for Stockholm. We are encouraged to note that our group revenue grew in every region, apart from North America.

Our new game titles continued to make good progress. Moomin: Puzzle & Design remains on track for global launch, targeted to happen later this year. Wizard Hero by Ruby Games is showing promising test results, and we are looking forward to making it available to all players. The second quarter was the best one for Ruby Games since Q2 2022, and we expect this game to help them continue to grow. We also have some fresh exciting news: our studio in Toronto has signed a contract with Apple to develop a new Angry Birds game to Apple Arcade. We expect the game to be a profit driver and improve the visibility of the Angry Birds brand.

On the brand licensing front, we announced that Prime Video and Amazon Kids+ are set to release an animated series called Angry Birds Mystery Island, the first Angry Birds series created with Amazon. Another highlight was the opening of the first ever Angry Birds Café in New York, US in early July. We are delighted to see the Angry Birds brand expand, enabling fans to interact with it in new and fun ways.

This week, we announced the result of the cash tender offer by SEGA to acquire all shares and options of Rovio. Accordingly, the shares validly tendered in the offer represent approximately 96.3% of all issued and outstanding shares and votes in Rovio. In addition, 100% of the options were tendered. This means that the strengths of Rovio and SEGA will soon be combined, which presents an incredibly exciting future for both parties.

As we are heading towards the end of Rovio's journey as a listed company, I would like to sincerely thank all our shareholders for their support throughout the years. Being listed made Rovio the stronger and more resilient company that it is today and led to the acquisition by SEGA. Now it is time for the company to start a new chapter and bring even more joy to our players, enhancing and expanding Rovio's and SEGA's vibrant IPs.

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 Q3 2023

User acquisition investments in Q3 2023 are expected to be 25–30% of games' revenues.

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.

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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 gaming market report published in July 2023, the size of the global mobile gaming market in end-user generated revenue was estimated to be USD 91.8 billion in 2022, which represented a 6.7% 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 how the 2023 market has developed so far, and in the full year 2023 market estimates prepared by market intelligence providers. Newzoo took down its 2023 global mobile gaming market estimate after the weak start of the year, and is now expecting only 0.8% annual growth, compared to 4.6% at the beginning of the year, resulting in a USD 92.6 billion market size estimate for 2023. Data.ai anticipates the global market to continue to decline at a rate of -3% in 2023 to USD 107 billion. Based on Q2 2023 data provided by data.ai, the global mobile gaming market declined by 0.8% compared to the same period in 2022 and by 3.4% compared to the previous quarter.

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 2022-2026, the global mobile gaming market is expected to grow annually by 2.4% on average, while the Western market growth is estimated to be 2.2% (CAGR).

Revenue and result

April-June 2023

In the second quarter of 2023, Rovio's group revenue declined by 7.4% to EUR 72.6 million (78.4). On a comparable basis (at constant fx rates), revenue declined by 6.0%. The decrease in revenue was mostly due to a weaker quarter for Rovio's largest game Angry Birds 2 and lower revenue for Angry Birds Journey.

Games' revenue decreased by 6.8% to EUR 70.7 million (75.9). Games' gross bookings declined by 5.1% to EUR 68.7 million (72.4). Comparable (at constant fx rates) gross bookings declined by 3.6%. Sequentially, comparable games' gross bookings declined by 3.5%, which was close to the US mobile gaming market decline of 2.4% (source: data.ai).

Brand licensing revenue decreased by 25.0% to EUR 1.9 million (2.6), mainly due to lower revenue from feature films, as expected.

The group EBITDA decreased to EUR 9.9 million (14.3), and the EBITDA margin decreased to 13.6% (18.2). The group adjusted EBITDA decreased to EUR 10.7 million (15.0), and the adjusted EBITDA margin declined to 14.8% (19.1).

The group operating profit decreased to EUR 6.9 million (10.5), and the operating profit margin

decreased to 9.5% (13.4). The group adjusted operating profit declined to EUR 7.8 million (11.3), while the adjusted operating profit margin declined to 10.7% (14.3). The adjustments in the reporting period were in total EUR 0.9 million and were mainly legal fees related to the SEGA tender offer. Adjustments in the comparison period amounted to EUR 0.7 million and were related to changes in the contingent liability of the Ruby Games acquisition.

User acquisition investments increased to EUR 21.4 million (20.9), representing 30.2% of games' revenue (27.5).

The user acquisition investments were split between Rovio's different game categories as follows: 62.5% in the "Grow" category (Angry Birds Journey and Angry Birds Dream Blast) and 23.1% 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 14.3%, while 0.1% of the investments were made in the "Catalogue" category.

The Group's profit before taxes decreased to EUR 7.9 million (12.5). Earnings per share decreased to EUR 0.09 (0.13), and adjusted earnings per share decreased to EUR 0.10 (0.14).

January-June 2023

In the first half of 2023, Rovio's group revenue declined by 9.0% to EUR 148.7 million (163.4). On a comparable basis (at constant fx rates), revenue declined by 10.6%. The decrease in revenue was mainly due to the high spike of Angry Birds Journey launch in Q1'22.

Games' revenue decreased by 8.6% to EUR 144.6 million (158.1). Games' gross bookings declined by 8.1% to EUR 140.8 million (153.2). Comparable (at constant fx rates) gross bookings declined by 9.8%.

Brand licensing revenue decreased by 21.9% to EUR 4.1 million (5.3), mainly due to lower revenue from feature films as expected.

The group EBITDA decreased to EUR 22.0 million (25.4), and the EBITDA margin declined to 14.8% (15.5). The group adjusted EBITDA decreased to EUR 22.8 million (28.6), and the adjusted EBITDA margin declined to 15.3% (17.5).

The group operating profit decreased to EUR 15.7 million (18.0), and the operating profit margin decreased to 10.5% (11.0). The group adjusted operating profit declined to EUR 16.5 million (21.2), while the adjusted operating profit margin declined to 11.1% (13.0). The adjustments in the reporting period were in total EUR 0.8 million and were mainly legal fees related to the SEGA tender offer. Adjustments in the comparison period amounted to EUR 3.2 million and were related to changes in the contingent liability of the Ruby games acquisition.

User acquisition investments decreased to EUR 45.2 million (52.0), representing 31.3% of games' revenue (32.9). The decrease was driven by the AB Journey global launch in early 2022.

The Group's profit before taxes decreased to EUR 17.1 million (20.1). Earnings per share decreased to EUR 0.19 (0.20), and adjusted earnings per share decreased to EUR 0.19 (0.24).

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 second quarter of 2023, games' gross bookings declined to EUR 68.7 million (72.4), out of which

Ruby Games generated gross bookings of EUR 3.7 million (4.5) and declined by 16.5% in comparable currencies.

The number of daily active users (DAU) declined slightly to 3.1 million (3.2 million in Q1'23) for the top 5 games and 5.8 million (6.1 million in Q1'23) for the whole portfolio, which also includes Ruby Games. The number of monthly active users (MAU) increased slightly to 18.7 million (18.5 million in Q1'23) for the top 5 games and increased to 47.0 million (44.7 million in Q1'23) for the whole portfolio. The increase is mainly attributable to hyper-casual games.

The number of monthly unique payers (MUP) decreased slightly to 406 thousand (411 thousand in Q1'23) for the top 5 games and to 446 thousand (454 thousand in Q1'23) for the whole portfolio.

Average revenue per daily active user (ARPDau) decreased slightly to 21 cents (22 in Q1'23) for the top 5 games and was stable at 13 cents (13 in Q1'23) for the whole portfolio. Monthly average revenue per paying user (MARPPU), excluding Ruby Games, decreased to EUR 43.1 (45.1 in Q1'23) for the top 5 games and EUR 42.3 (44.4 in Q1'23) for the whole portfolio.

EUR million	4-6/ 2023	1-3/ 2023	10-12/ 2022	7-9/ 2022	4-6/ 2022	1-3/ 2022
Gross bookings top 5	60.1	63.7	65.2	61.6	60.8	66.7
Gross bookings total	68.7	72.0	74.0	70.8	72.4	80.8

Million	4-6/ 2023	1-3/ 2023	10-12/ 2022	7-9/ 2022	4-6/ 2022	1-3/ 2022
DAU top 5	3.1	3.2	3.2	3.1	3.3	3.6
DAU all	5.8	6.1	6.3	6.3	6.7	7.3
MAU top 5	18.7	18.5	18.9	17.4	18.1	20.8
MAU all	47.0	44.7	43.7	42.1	45.8	53.3

Thousand	4-6/ 2023	1-3/ 2023	10-12/ 2022	7-9/ 2022	4-6/ 2022	1-3/ 2022
MUP top 5	406	411	409	385	390	464
MUP all	446	454	454	435	444	522

EUR	4-6/ 2023	1-3/ 2023	10-12/ 2022	7-9/ 2022	4-6/ 2022	1-3/ 2022
ARPDau top 5	0.21	0.22	0.22	0.22	0.20	0.21
ARPDau all	0.13	0.13	0.13	0.13	0.12	0.12
MARPPU top 5	43.1	45.1	46.3	46.3	45.5	41.9
MARPPU all	42.3	44.4	45.5	45.6	44.7	41.5

Game-specific gross bookings

In the second quarter of 2023, Angry Birds 2 retook its position as Rovio's largest game and recorded gross bookings of EUR 24.1 million, a decrease of 15.1% compared to a year ago, and 2.9% sequentially. User acquisition investments for the game increased compared to the previous quarter.

The gross bookings of Angry Birds Dream Blast, Rovio's second biggest game, increased by 61.8% compared to a year ago to EUR 22.7 million, but decreased sequentially. User acquisition investments for the game decreased compared to the previous quarter.

The gross bookings of Angry Birds Friends, Rovio's third biggest game, declined by 7.0% compared to a year ago to EUR 8.5 million.

Angry Birds Journey recorded the fourth highest gross bookings of the portfolio and declined by 56.5% compared to a year ago to EUR 3.2 million. User acquisition investments for the game increased slightly compared to the first quarter of 2023 but were much lower compared to the second quarter of 2022.

The hyper-casual category, acquired with Ruby Games in September 2021, generated EUR 3.7 million in gross bookings, which represented a decline of 16.5% in comparable currencies.

The Other games category generated total gross bookings of EUR 5.0 million.

Gross bookings, EUR million	4-6/2023	1-3/2023	10-12/2022	7-9/2022	4-6/2022	1-3/2022
AB 2	24.1	24.8	28.6	28.7	28.4	30.3
AB Dream Blast	22.7	24.9	21.6	17.6	14.1	14.9
AB Friends	8.5	8.6	8.8	8.4	9.1	9.3
AB Journey	3.2	3.6	4.4	5.1	7.3	10.1
AB Pop!	1.6	1.7	1.9	1.9	1.9	2.0
Hyper-casual	3.7	2.8	2.7	2.5	4.5	6.1
Other games	5.0	5.5	6.1	6.7	7.1	8.1
Total	68.7	72.0	74.0	70.8	72.4	80.8

Consolidated statement of financial position

Consolidated statement of financial position, EUR million	30 Jun 2023	30 Jun 2022	31 Dec 2022
Non-current assets	86.7	93.2	89.0
Current receivables	40.3	33.9	34.6
Money market funds	50.7	49.6	59.9
Cash and bank deposits	102.1	134.7	110.8
Total assets	279.8	311.4	294.3
Equity	227.8	215.0	226.8
Financial liabilities	18.5	51.4	18.9
Advances received and deferred income	8.1	8.5	8.5
Other payables	25.4	36.4	40.1
Total equity and liabilities	279.8	311.4	294.3

Rovio's consolidated statement of financial position amounted to EUR 279.8 million on June 30, 2023 (294.3 on December 31, 2022), with equity representing EUR 227.8 million (226.8 on December 31, 2022) of the total. Cash and cash equivalents amounted to EUR 152.8 million (170.7 on December 31, 2022). Cash deposits amounted to EUR 102.1 million and cash equivalents to EUR 50.7 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 -0.3 million, investments of EUR -4.6 million and financing activities of EUR -11.3 million. Rovio paid dividends to shareholders amounting to EUR 9.9 million, showing in cash flow from financing activities.

Advances received and deferred income amounted to EUR 8.1 million (8.5 on December 31, 2022).

On June 30, 2023 Rovio's non-current assets amounted to EUR 86.7 million (89.0 on December 31, 2022). The decrease in non-current assets consisted mainly of EUR 0.7 million negative goodwill revaluation due to fx changes, and other fx changes EUR 0.2 million, amortization of development costs EUR 3.5 million, amortization of the Angry Bird Movies EUR 1.0 million, depreciation of machinery and equipment EUR 0.4 million and depreciation of leased office buildings EUR 1.2 million. This was offset by investments in external game development of EUR 3.9 million, machinery and equipment EUR 0.6 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 June 30, 2023 amounted to EUR -148 million. Rovio's interest-bearing debt amounted to EUR 4.8 million (5.9 on December 31, 2022), consisting mainly of EUR 4.7 million leasing liabilities mainly related to office leases. Contingent consideration liabilities related to the Ruby Games

acquisition amounted to EUR 12.5 million.

Cash flow and investments

Consolidated statement of cash flows, EUR million	4-6/ 2023	4-6/ 2022	1-6/ 2023	1-6/ 2022	1-12/ 2022
Cash flow from operating activities	8.5	15.3	-0.3	29.3	49.9
Cash flow from investing activities	-2.2	-1.1	-4.6	-3.2	-24.9
Cash flow from financing activities	-10.6	-4.2	-11.3	-4.9	-17.0
Change in cash and cash equivalents	-4.3	10.0	-16.2	21.2	8.0
Net foreign exchange difference and value changes in money market funds	-1,7	2.0	-1.7	2.3	1.9
Cash and cash equivalents at the beginning of the period	158.8	172.3	170.7	160.8	160.8
Cash and cash equivalents at the end of the period	152.8	184.3	152.8	184.3	170.7

In the second quarter of 2023, Rovio's net cash flow from operating activities amounted to EUR 8.5 million (15.3). The decrease was mainly due to lower net profit.

Cash flows used in investing activities amounted to EUR -2.2 million (-1.1), consisting of capital expenditure mainly related to external game development.

Cash flows used in financing activities amounted to EUR -10.6 million (-4.2), consisting mainly of EUR -9.9 million dividend payout as well as lease payments.

Personnel

In the second quarter of 2023, Rovio's average number of employees was 568 (503).

	4-6/ 2023	4-6/ 2022	Change, %	1-6/ 2023	1-6/ 2022	Change, %	1-12/ 2022
Employees (average for the period)	568	503	12.9%	561	499	12.4%	513
Employees (end of period)	573	510	12.4%	573	510	12.4%	546

Flagging notifications

Rovio received the following flagging notifications during the reporting period:

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

Shares and shareholders

On June 30, 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 June 30, 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%
Veritas Pension Insurance Company Ltd.	631,715	0.8%
Pakarinen Janne	526,893	0.6%
Total	26,104,749	31.5%
Other shareholders	50,074,314	60.4%
Rovio Entertainment Corporation	6,784,762	8.2%
Number of shares total	82,963,825	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 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 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 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, 66,606 rights entitling to shares had been allocated under the restricted share plan as of June 30, 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 June 30, 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 Q3 2023

User acquisition investments in Q3 2023 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 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 August 10, 2023, the final result of Sega Europe Limited's recommended cash offer for all the shares and options in Rovio Entertainment Corporation was announced. Based on the final result of the Offer, the 73,397,174 Shares in Rovio validly tendered in the Offer represent approximately 96.3 percent of all issued and outstanding Shares and votes in Rovio. In addition, 100 percent of the Options have been tendered in the Offer. As the Minimum Acceptance Condition and all other conditions to complete the Offer have been fulfilled, the Offeror will complete the Offer in accordance with its terms and conditions. The offer consideration will be paid on or about August 17, 2023, to each shareholder and option holder in Rovio who has validly accepted, and not validly withdrawn, the Offer in accordance with the terms and conditions of the Offer. In order to provide those shareholders of Rovio who have not yet accepted the Offer with a further possibility to accept the Offer, the Offeror has decided to commence a subsequent offer period in accordance with the terms and conditions of the Offer (the "Subsequent Offer Period"). The Subsequent Offer Period will commence on August 11, 2023, at 9:30 a.m. (Finnish time) and expire on August 25, 2023, at 4:00 p.m. (Finnish time). The Offeror will announce the preliminary percentage of the Shares in Rovio validly tendered during the Subsequent Offer Period on or about August 28, 2023, and the final percentage on or about August 30, 2023. The offer consideration for the Shares in Rovio validly tendered during the Subsequent Offer Period will be paid to the shareholders on or about September 6, 2023, in accordance with the payment procedures described in the terms and conditions of the Offer. It is the Offeror's intention to acquire all Shares in Rovio and to apply for the Shares in Rovio to be delisted from Nasdaq Helsinki Ltd ("Nasdaq Helsinki") as soon as permitted and reasonably practicable under the applicable laws and regulations and the rules of Nasdaq Helsinki. As the Offeror's ownership in Rovio will exceed ninety (90) percent of the Shares and votes in Rovio after the settlement of the Shares tendered in the Offer, the Offeror will initiate compulsory redemption proceedings to acquire the remaining Shares in accordance with the Finnish Companies Act.

ROVIO ENTERTAINMENT CORPORATION

Board of Directors

Performance measures

EUR million	4-6/ 2023	4-6/ 2022	Change, %	1-6/ 2023	1-6/ 2022	Change, %	1-12/ 2022
Revenue	72.6	78.4	-7.4%	148.7	163.4	-9.0%	317.7
EBITDA	9.9	14.3	-30.8%	22.0	25.4	-13.5%	43.3
EBITDA margin	13.6%	18.2%		14.8%	15.5%		13.6%
Adjusted EBITDA	10.7	15.0	-28.4%	22.8	28.6	-20.3%	53.9
Adjusted EBITDA margin, %	14.8%	19.1%		15.3%	17.5%		17.0%
Operating profit	6.9	10.5	-34.5%	15.7	18.0	-12.9%	28.6
Operating profit margin, %	9.5%	13.4%		10.5%	11.0%		9.0%
Adjusted operating profit	7.8	11.3	-31.1%	16.5	21.2	-22.2%	39.2
Adjusted operating profit margin, %	10.7%	14.3%		11.1%	13.0%		12.3%
Profit before tax	7.9	12.5	-36.5%	17.1	20.1	-15.0%	30.6
Adjusted profit for the period	7.5	10.3	-26.9%	14.8	17.8	-16.8%	31.4
Capital expenditure	2.2	1.1	100.7%	4.6	3.2	40.4%	7.0
User acquisition	21.4	20.9	2.4%	45.2	52.0	-12.9%	96.5
Return on equity (ROE), %	12.4%	22.5%		12.4%	22.5%		14.4%
Net gearing ratio, %	-65.0%	-82.4%		-65.0%	-82.4%		-72.7%
Equity ratio, %	83.8%	71.0%		83.8%	71.0%		79.3%
Earnings per share, EUR	0.09	0.13	-30.9%	0.19	0.20	-8.9%	0.30
Earnings per share, diluted EUR	0.09	0.13	-30.8%	0.18	0.20	-9.2%	0.30
Adjusted earnings per share, EUR	0.10	0.14	-28.2%	0.19	0.24	-18.5%	0.42
Net cash flows from operating activities	8.5	15.3	-44.3%	-0.3	29.3	-101.0%	49.9
Employees (average for the period)	568	503	12.9%	561	499	12.4%	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, legal fees related to claims, 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	4-6/ 2023	Items affecting comparability	Income statement excluding items affecting comparability
Revenue	72.6		72.6
Other operating income	-0.3		-0.3
Materials and services	-18.2		-18.2
Employee benefits expense	-14.3		-14.3
Depreciation and amortization	-3.0		-3.0
Other operating expenses	-30.0	0.9	-29.1
Operating profit	6.9	0.9	7.8

EUR million	4-6/ 2022	Items affecting comparability	Income statement excluding items affecting comparability
Revenue	78.4		78.4
Other operating income	1.2		1.2
Materials and services	-19.3		-19.3
Employee benefits expense	-14.6		-14.6
Depreciation and amortization	-3.8		-3.8
Other operating expenses	-31.3	0.7	-30.6
Operating profit	10.5	0.7	11.3

EUR million	1-6/ 2023	Items affecting comparability	Income statement excluding items affecting comparability
Revenue	148.7		148.7
Other operating income	0.1		0.1
Materials and services	-37.7		-37.7
Employee benefits expense	-27.7		-27.7
Depreciation and amortization	-6.3		-6.3
Other operating expenses	-61.4	0.8	-60.5
Operating profit	15.7	0.8	16.5

EUR million	1-6/ 2022	Items affecting comparability	Income statement excluding items affecting comparability
Revenue	163.4		163.4
Other operating income	2.3		2.3
Materials and services	-40.2		-40.2
Employee benefits expense	-27.9		-27.9
Depreciation and amortization	-7.4		-7.4
Other operating expenses	-72.2	3.2	-68.9
Operating profit	18.0	3.2	21.2

EUR million	1-12/ 2022	Items affecting comparability	Income statement	
			excluding items affecting comparability	including items affecting comparability
Revenue	317.7			317.7
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
Operating profit	28.6	10.6		39.2

Reconciliation of adjusted operating profit

EUR million	4-6/ 2023	4-6/ 2022	1-6/ 2023	1-6/ 2022	1-12/ 2022
Operating profit	6.9	10.5	15.7	18.0	28.6
M&A transaction costs	1.0		1.0		
Change in fair value of contingent liability	-0.1	0.7	-0.1	3.2	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					
Adjusted operating profit	7.8	11.3	16.5	21.2	39.2

Reconciliation of EBITDA and Adjusted EBITDA

EUR million	4-6/ 2023	4-6/ 2022	1-6/ 2023	1-6/ 2022	1-12/ 2022
Operating profit	6.9	10.5	15.7	18.0	28.6
Depreciation and amortization	3.0	3.8	6.3	7.4	14.7
EBITDA	9.9	14.3	22.0	25.4	43.3
M&A transaction costs	1.0		1.0		
Change in fair value of contingent liability	-0.1	0.7	-0.1	3.2	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
Adjusted EBITDA	10.7	15.0	22.8	28.6	53.9

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

EUR million	4-6/ 2023	4-6/ 2022	1-6/ 2023	1-6/ 2022	1-12/ 2022
Equity ratio, %	83.8%	71.0%	83.8%	71.0%	79.3%
Equity	227.8	215.0	227.8	215.0	226.8
Advances received	1.2	1.5	1.2	1.5	1.4
Deferred revenue	6.9	6.9	6.9	6.9	7.1
Total assets	279.8	311.4	279.8	311.4	294.3
Return on equity, %	12.4%	22.5%	12.4%	22.5%	14.4%
Profit/loss before tax	27.5	43.9	27.5	43.9	30.6
Shareholder's equity beginning of period	215.1	175.4	215.1	175.4	197.5
Shareholder's equity end of period	227.8	215.0	227.8	215.0	226.8
Net gearing ratio, %	-65.0%	-82.4%	-65.0%	-82.4%	-72.7%
Total interest-bearing debt	4.8	7.2	4.8	7.2	5.9
Cash and cash equivalents	152.8	184.3	152.8	184.3	170.7
Equity	227.8	215.0	227.8	215.0	226.8
Non-current interest-bearing loans and borrowings	2.5	4.5	2.5	4.5	3.1
Current interest-bearing loans and borrowings	2.3	2.7	2.3	2.7	2.8
Cash and cash equivalents	152.8	184.3	152.8	184.3	170.7
Net debt	-148.0	-177.1	-148.0	-177.1	-164.8

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	4-6/ 2023	4-6/ 2022	1-6/ 2023	1-6/ 2022	1-12/ 2022
Gross bookings	68.7	72.4	140.8	153.2	298.0
Change in deferred revenue	0.2	-0.2	0.3	-0.6	-0.7
Custom contracts	1.7	1.8	3.7	3.3	7.1
Other adjustments	0.1	1.8	-0.2	2.2	2.3
Games' revenue	70.7	75.9	144.6	158.1	306.7

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.

Half-Year Financial Report

January 1 – June 30, 2023 – Tables

The figures in the Interim report are unaudited.

Statement of consolidated profit or loss and other comprehensive income

EUR million	4-6/ 2023	4-6/ 2022	1-6/ 2023	1-6/ 2022	1-12/ 2022
Revenue	72.6	78.4	148.7	163.4	317.7
Other operating income	0.3	1.2	0.1	2.3	2.8
Materials and services	18.2	19.3	37.7	40.2	79.6
Employee benefits expense	14.3	14.6	27.7	27.9	57.8
Depreciation and amortization	3.0	3.8	6.3	7.4	14.7
Other operating expenses	30.0	31.3	61.4	72.2	139.9
Operating profit	6.9	10.5	15.7	18.0	28.6
Finance income and expenses	1.1	2.0	1.4	2.1	2.0
Profit (loss) before tax	7.9	12.5	17.1	20.1	30.6
Income tax expense	-1.1	-2.8	-3.0	-5.0	-7.7
Profit for the period	6.8	9.7	14.1	15.2	22.9
Equity holders of the parent company	6.8	9.7	14.1	15.2	22.9
Other comprehensive income/expense					
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	0.1	0.0	1.1	1.0
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):					
Translation differences	-0.4	4.6	-1.5	4.6	4.6
Total comprehensive income for the period net of tax	6.4	14.3	12.6	20.9	28.5
Equity holders of the parent company	6.4	14.3	12.6	20.9	28.5
Earnings per share for net result attributable to owners of the parent:					
Earnings per share, EUR	0.09	0.13	0.19	0.20	0.30
Earnings per share, diluted EUR	0.09	0.13	0.18	0.20	0.30

Consolidated statement of financial position

EUR million	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
Non-current assets	86.7	93.2	89.0
Property, plant and equipment	1.7	1.3	1.6
Intangible assets	19.9	23.1	20.8
Goodwill	39.1	40.9	39.8
Right-of-use assets	4.7	6.6	5.4
Investments	9.6	9.7	12.1
Non-current receivables	3.3	3.4	0.9
Deferred tax assets	8.4	8.3	8.4
Current assets	193.1	218.2	205.3
Trade receivables	29.2	24.8	25.3
Prepayments and accrued income	7.9	8.2	8.0
Other current financial assets	3.2	0.8	1.3
Money market funds	50.7	49.6	59.9
Cash and cash equivalents	102.1	134.7	110.8
Total assets	279.8	311.4	294.3
EQUITY AND LIABILITIES			
Equity			
Issued capital	0.7	0.7	0.7
Reserves	51.9	51.9	51.9
Translation differences	3.1	4.6	4.7
Treasury shares	-35.6	-35.5	-35.9
Fair value reserve	3.9	4.1	3.9
Retained earnings	189.6	189.3	178.6
Profit for the period	14.1	15.2	22.9
Equity holders of the parent company	227.8	215.0	226.8
Non-controlling interests	0.0	0.0	0.0
Total equity	227.8	215.0	226.8
Liabilities			
Non-current liabilities	17.0	22.4	18.0
Interest-bearing loans and borrowings	0.0	0.3	0.1
Contingent consideration liabilities	12.2	14.4	12.0
Lease liabilities	2.4	4.2	3.0
Deferred tax liabilities	2.3	3.4	2.8
Current liabilities	35.0	74.0	49.5
Trade and other payables	9.2	12.5	12.1
Interest-bearing loans and borrowings	0.1	0.1	0.1
Contingent consideration liabilities	0.3	29.8	0.3
Lease liabilities	2.3	2.6	2.6
Other current financial liabilities	1.2	1.9	0.7
Advances received	1.2	1.5	1.4
Deferred revenue	6.9	6.9	7.1
Income tax payable	0.6	2.5	1.9
Provisions	0.0	0.0	0.3
Accrued liabilities	13.2	16.2	23.0
Total liabilities	52.0	96.3	67.5
Total equity and liabilities	279.8	311.4	294.3

Consolidated statement of changes in equity

Attributable to the equity holders of the parent on June 30, 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				15.2			15.2		15.2
Option subscriptions		5.9					5.9		5.9
Other comprehensive income					1.1	4.5	5.7		5.7
Cash dividends				-8.9			-8.9		-8.9
Share-based payments			1.3	-1.6			-0.2		-0.2
Jun 30, 2022	0.7	51.9	-35.5	189.3	4.1	4.6	215.0	0.0	215.0

Attributable to the equity holders of the parent on June 30, 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
Balance at Jan 1, 2023	0.7	51.9	-35.9	201.5	3.9	4.7	226.8	0.0	226.8
Profit for the period				14.1			14.1		14.1
Option subscriptions							0.0		0.0
Treasury shares acquisition							0.0		0.0
Other comprehensive income						-1.6	-1.6		-1.6
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax							0.0		0.0
Cash dividends				-9.9			-9.9		-9.9
Share-based payments			0.3	-1.9			-1.7		-1.7
Jun 30, 2023	0.7	51.9	-35.6	203.7	3.9	3.1	227.8	0.0	227.8

Consolidated statement of cash flows

EUR million	4-6/ 2023	4-6/ 2022	1-6/ 2023	1-6/ 2022	1-12/ 2022
Operating activities					
Profit (loss) before tax	7.9	12.5	17.1	20.1	30.6
Adjustments:					
Depreciation and amortization on tangible and intangible assets	3.0	3.8	6.3	7.4	14.7
Net foreign exchange differences	-0.5	-2.0	-0.4	-2.3	-1.7
Gain on disposal of property, plant and equipment	0.0	0.0	-0.0	-0.0	0.0
Finance costs	-0.6	0.0	-1.0	0.2	-0.3
Other non-cash items	-2.6	-0.1	-2.4	3.0	5.6
Change in working capital:					
Change in trade and other receivables and prepayments	5.8	2.6	-1.4	2.3	1.1
Change in trade and other payables	-3.0	0.2	-13.2	6.5	11.6
Interest received	1.1	0.1	1.9	0.1	1.3
Interest paid	-0.2	-0.1	-0.4	-0.3	-0.6
Income tax paid (received)	-2.5	-1.6	-6.8	-7.6	-12.3
Net cash flows from operating activities	8.5	15.3	-0.3	29.3	49.9
Investing activities					
Purchase of tangible and intangible assets	-2.2	-1.1	-4.6	-3.2	-7.0
Other investments	0.0	0.0	0.0	0.0	-0.3
Proceeds from sales of tangible and intangible assets	0.0	0.0	0.0	0.0	0.0
Loans granted, investments	0.0	0.0	0.0	0.0	0.0
Proceeds from sales of other investments	0.0	0.0	0.0	0.0	2.0
Acquisition of subsidiaries, net of cash acquired	0.0	0.0	0.0	0.0	-19.6
Net cash flows used in investing activities	-2.2	-1.1	-4.6	-3.2	-24.9
Financing activities					
Finance lease repayments	-0.7	-0.7	-1.4	-1.4	-2.7
Proceeds from and repayments of borrowings	0.0	-0.4	0.0	-0.4	-0.5
Share subscriptions based on option rights	0.0	5.9	0.0	5.9	5.9
Acquisition of treasury shares	0.0	0.0	0.0	0.0	-10.7
Share-based payments	0.0	0.0	0.0	0.0	0.0
Dividends paid to equity holders of the parent	-9.9	-8.9	-9.9	-8.9	-8.9
Net cash flows from/(used in) financing activities	-10.6	-4.2	-11.3	-4.9	-17.0
Change in cash and cash equivalents	-4.3	10.0	-16.2	21.2	8.0
Net foreign exchange difference and value changes in money market funds	-1.7	2.0	-1.7	2.3	1.9
Cash and cash equivalents at beginning of period	158.8	172.3	170.7	160.8	160.8
Cash and cash equivalents at the end of the period	152.8	184.3	152.8	184.3	170.7
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	102.1	134.7	102.1	134.7	110.8
Money market funds at the end of period	50.7	49.6	50.7	49.6	59.9
Cash and cash equivalents at the end of the period	152.8	184.3	152.8	184.3	170.7

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 Half Year Financial Report has been prepared in accordance with IAS 34, Interim Financial Reporting. 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 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, 2022.

2. Notes to the statement of profit or loss

Rovio has previously defined 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).

2.1 Geographical distribution of revenue

The Group's business is very international. North America, and the United States in particular, is Rovio's largest market. The geographical distribution of revenue is presented below.

For in-app purchases and advertising revenue, the revenue has been allocated to the geographical markets based on gross bookings, which can be monitored on a country-specific basis. Revenue from custom contracts is presented based on the customer's home country. Revenue deferrals and other adjustment items have been allocated to the geographical markets in proportion to gross bookings, as they are estimated to largely follow the same structure.

The brand licensing revenue has been allocated to the geographical markets based on reported royalties and, for terminating contracts, according to the partner's home country. Revenue from content sales (movie, short form animations) has been allocated to the geographical markets based on the home country of the distribution partner or contractual partner.

EUR Million	4-6/ 2023	4-6/ 2022	1-6/ 2023	1-6/ 2022	1-12/ 2022
NAM	48.2	55.5	99.9	114.7	221.3
LATAM	1.0	0.9	2.0	2.0	3.8
EMEA	15.2	14.0	30.1	29.9	59.1
APAC	8.2	8.0	16.6	16.8	33.5
Total	72.6	78.4	148.7	163.4	317.7

2.2 Disaggregation of revenue from contracts with Customers

EUR million						
Revenue stream	Timing of revenue recognition	4-6/ 2023	4-6/ 2022	1-6/ 2023	1-6/ 2022	1-12/ 2022
In-application purchases	At a point in time and over time	57.3	60.6	117.9	125.9	247.2
Subscription payments	Over time	0.1	0.5	0.3	0.5	1.0
Custom contracts	Over time	1.6	1.8	3.3	3.3	7.1
Advertising	At a point in time	11.8	12.9	23.1	28.4	51.3
IP Licensing and tangible sales	At a point in time and over time	0.6	0.4	1.2	1.1	3.1
Animation broadcasting and distribution	At a point in time	1.2	2.2	2.9	4.2	8.0
Group revenue		72.6	78.4	148.7	163.4	317.7

3. Notes to the statement of financial position

3.1 Non-Current Assets – Intangible Assets

Reconciliation of beginning and ending balances by classes of assets:

EUR million	Development costs - Games	Trademarks	Development costs - Movie	Development costs - Other	Total
Cost					
At January 1, 2022	30.3	2.3	62.9	35.3	130.7
Additions	2.2	0.2	0.0	0.3	2.7
Disposals	0.0	-0.0	0.0	0.0	-0.0
Translation differences	0.1	0.0	0.0	1.1	1.2
At June 30, 2022	32.6	2.4	62.9	36.6	134.5
At January 1, 2023	36.4	2.5	62.9	35.6	137.4
Additions	1.5	0.1	0.0	0.1	1.7
Disposals					
Reclassification	-2.6	-0.1	0.0	1.1	-1.6
Translation differences	0.0	0.0	0.0	-0.7	-0.7
At June 30, 2023	35.3	2.5	62.9	36.2	136.8
Amortization and impairment					
At January 1, 2022	26.1	1.4	54.0	24.4	105.9
Amortization	1.4	0.1	2.3	1.8	5.6
Impairment	0.0	0.0	0.0	0.0	0.0
At June 30, 2022	27.5	1.5	56.2	26.2	111.5
At January 1, 2023	32.9	1.7	57.6	24.4	116.6
Amortization	1.5	0.1	1.0	2.1	4.6
Impairment					
Translation differences	0.0	0.0	0.0	-0.6	-0.6
At June 30, 2023	34.4	1.8	58.6	25.9	120.7
Carrying amount					
At June 30, 2022	5.0	0.9	6.7	10.5	23.1
At June 30, 2023	0.9	0.8	4.3	10.3	16.3
At December 31, 2022	3.5	0.8	5.2	11.2	20.8

Development expenses still in production at June 30, 2023 amounted to EUR 3.7 million.

3.2 Non-Current Assets – Tangible Assets

There were no material changes in tangible assets during the first half of 2023.

EUR million	Machinery and equipment
Cost,	
At January 1, 2022	6.8
Additions	0.4
Disposals	0.0
Translation differences	0.1
At June 30, 2022	7.3
At January 1, 2023	7.8
Additions	0.6
Disposals	0.0
Translation differences	-1.8
At June 30, 2023	6.5
Depreciation and amortization	
At January 1, 2022	-5.5
Depreciation charge for the period	-0.4
Disposals	0.0
Translation differences	-0.1
At June 30, 2022	-6.0
At January 1, 2023	-6.2
Depreciation charge for the period	-0.4
Disposals	0.0
Translation differences	1.8
At June 30, 2023	-4.8
Carrying amount	
At June 30, 2022	1.3
At June 30, 2023	1.7
At December 31, 2022	1.6

3.3 Non-Current Assets – Right of use assets

EUR million	Property	Machinery and equipment	Total
At January 1, 2022	14.0	0.9	14.9
Additions	1.0	0.0	1.0
Disposals	0.0	0.0	0.0
At June 30, 2022	14.9	0.9	15.8
At January 1, 2023	14.9	0.9	15.8
Additions	0.4	0.0	0.5
Disposals	0.0	0.0	0.0
Translation differences	-0.2	0.0	-0.2
At June 30, 2023	15.3	0.9	16.3
Amortization and impairment			
At January 1, 2022	7.3	0.8	8.1
Amortization	1.2	0.0	1.3
Disposals	0.0	0.0	0.0
At June 30, 2022	8.4	0.8	9.2
At January 1, 2023	9.6	0.8	10.4
Amortization	1.2	0.0	1.2
Disposals	0.0	0.0	0.0
Translation differences	-0.2	0.0	-0.2
At June 30, 2023	10.8	0.8	11.6
Carrying amount			
At June 30, 2022	6.5	0.1	6.6
At June 30, 2023	4.6	0.1	4.7
At December 31, 2022	5.4	0.1	5.4

4. Financial assets and liabilities measured at fair value

All assets and liabilities for which fair value is measured are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Fair value measured at the quoted price in the active market
- Level 2 – Fair value that is calculated using the observable price other than categorized in Level 1 directly or indirectly
- Level 3 – Fair value that is calculated based on valuation techniques which include inputs that are not based on observable market data.

All Rovio Group's financial assets and liabilities are classified to be measured at amortised cost, or at fair value through profit or loss, or at fair value through other comprehensive income, with no effect on profit or loss.

Financial assets carried at amortised costs consist of cash and cash equivalents and trade receivables. Rovio Group's financial instruments measured at amortised cost are classified at level 2. With regards to short-term financial assets and short-term financial liabilities, their fair value approximates the carrying amount.

Financial assets at fair value through profit or loss consist of money market investments. In the non-current asset, convertible capital loan receivable and a private equity investment in Gutsy Animations Oy are recognised at fair value through profit or loss.

Financial assets recognized at fair value through other comprehensive income consist of a capital investment in the Play Ventures fund. Changes in the fair value of the fund are presented in the fair value reserve in equity.

The fair value of the contingent consideration on the acquisition date is recognized as part of the consideration transferred for the acquiree. Contingent consideration liabilities are measured at fair value at the end of each reporting period. Any changes in fair value will be recognized in profit or loss.

EUR million

Fair value hierarchy	30.6.2023				30.6.2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Asset								
Non-current assets								
Investments	-	-	9.6	9.6	-	-	9.7	9.7
Loan receivables	-	-	2.5	2.5	-	-	2.5	2.5
Non-current receivables	-	0.8	-	0.8	-	0.9	-	0.9
Total	-	0.8	12.1	12.9	-	0.9	12.2	13.1
Current assets								
Trade receivables	-	29.2	-	29.2	-	24.8	-	24.8
Other current financial assets	-	0.8	-	0.8	-	0.6	-	0.6
Money market funds	-	50.7	-	50.7	-	49.6	-	49.6
Cash and cash equivalents	-	102.1	-	102.1	-	134.7	-	134.7
Total	-	182.8	-	182.8	-	209.7	-	209.7
Liabilities								
Non-current liabilities								
Interest bearing loans and borrowings	-	0.0	-	0.0	-	0.3	-	0.3
Contingent consideration liabilities	-	-	12.2	12.2	-	-	14.4	14.4
Lease liabilities	-	2.4	-	2.4	-	4.2	-	4.2
Total	-	2.5	12.2	14.7	-	4.5	14.4	18.9
Current liabilities								
Interest-bearing loans and borrowings	-	0.1	-	0.1	-	0.1	-	0.1
Contingent consideration liabilities	-	-	0.3	0.3	-	-	29.8	29.8
Trade and other payables	-	9.2	-	9.2	-	12.5	-	12.5
Lease liabilities	-	2.3	-	2.3	-	2.6	-	2.6
Total	-	11.5	0.3	11.8	-	15.1	29.8	45.0

Reconciliation of level 3 financial assets and liabilities measured at fair value

EUR million	2023	2022
Assets		
Fair value at January 1	12.1	10.8
Purchases	0.0	0.0
Other investments	0.0	0.0
Changes in fair value - through other comprehensive income	0.0	1.4
Fair value at June 30	12.1	12.2

	2023	2022
Liabilities		
Fair value at January 1	12.4	41.0
Additions, business acquisition	0.0	0.0
Changes in fair value – through profit and loss	0.1	3.2
Fair value at June 30	12.5	44.2

5. Changes in contingent liabilities or contingent assets

Future non-cancellable other commitments are as follows.

EUR million	On June 30, 2023	On June 30, 2022	On December 31, 2022
Venture Capital investment commitment	0.4	0.4	0.4
Total	0.4	0.4	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.

6. 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.

7. Calculation of earnings per share

	4-6/ 2023	4-6/ 2022	1-6/ 2023	1-6/ 2022	1-12/ 2022
Earnings per share, EUR	0.09	0.13	0.19	0.20	0.30
Earnings per share, diluted, EUR	0.09	0.13	0.18	0.20	0.30
Shares outstanding at the end of the period (thousands)	76,179	75,540	76,179	75,540	76,107
Weighted average adjusted number of shares during the financial period, basic (thousands)	76,179	74,747	76,149	74,583	75,218
Weighted average adjusted number of shares during the financial period, diluted (thousands)	77,307	75,939	77,247	75,374	76,091