

We craft joy.

Rovio Entertainment Investor Presentation

February 2023

Agenda.

1. Rovio overview
2. Mobile gaming market
3. Strategy
4. Games
5. Angry Birds
6. Beacon – Our Growth Platform
7. Financials
8. Investment highlights

We craft joy.

Rovio overview.

Our mission.

“
We craft joy with player-focused gaming experiences that last for decades.
”



Rovio is a mobile-first games company.

Games since 2003

Founded in
2003

Publicly listed since
2017

Creator of
ANGRY BIRDS
2009

Strong game portfolio

+50
Games published
since 2009

8
Games in
live operations

5
Games
published >
€100M revenue



Angry Birds 2



Angry Birds
Dream Blast



Angry Birds
Friends



Angry Birds
Pop!



Angry Birds
Classic

Large reach

6.3M
Daily active users

+5B
Downloads

Top 3
Publisher in all-time
downloads

Strong foundation to build on and become even stronger.



ANGRY BIRDS



RELIABLE GAME
PORTFOLIO &
STRONG
PIPELINE



TALENTED
TEAMS



BEACON
GROWTH
PLATFORM



STRONG
FINANCIAL
POSITION

Strong line-up of studios.

We have grown
the number of
studios to 8

Organic and
inorganic
expansion

Genre mastery
with casual focus



HISTORIC FOOTHOLD



ESPOO
PUZZLE



STOCKHOLM
ADVANCED
CASUAL

NEW ORGANIC STUDIOS



MONTREAL
X-PLATFORM
GAMING



TORONTO
CASUAL



MONTREAL
HYBRID-
CASUAL



BARCELONA
PUZZLE

STUDIOS FROM ACQUISITION



COPENHAGEN
CASUAL RPG



IZMIR
RUBY GAMES

Focus on sustainability in three areas.



**Safe &
responsible gaming**



**People &
society**



**Climate &
environment**

Way of working

Continuous improvement
Long-term perspective
Shared value creation

Foundation

Rovio
strategy

Mission &
values

Materiality
analysis



We support various good causes through donations, programs and in-game activities.

unicef  | for every child



staff for 



ONE SPECIAL DAY 



World Health Organization

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Mobile gaming market.

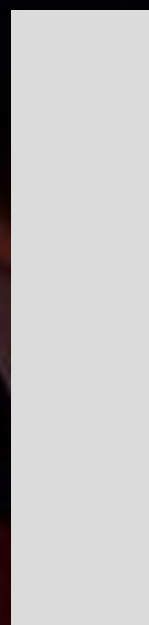
Gaming is mainstream entertainment.

Gaming is larger than video streaming (e.g., Netflix), box office and recorded music combined

Today almost everyone plays

GLOBAL REVENUE BY ENTERTAINMENT MARKET IN 2021 (USD)

\$193B



Gaming

Video
streaming

\$127B

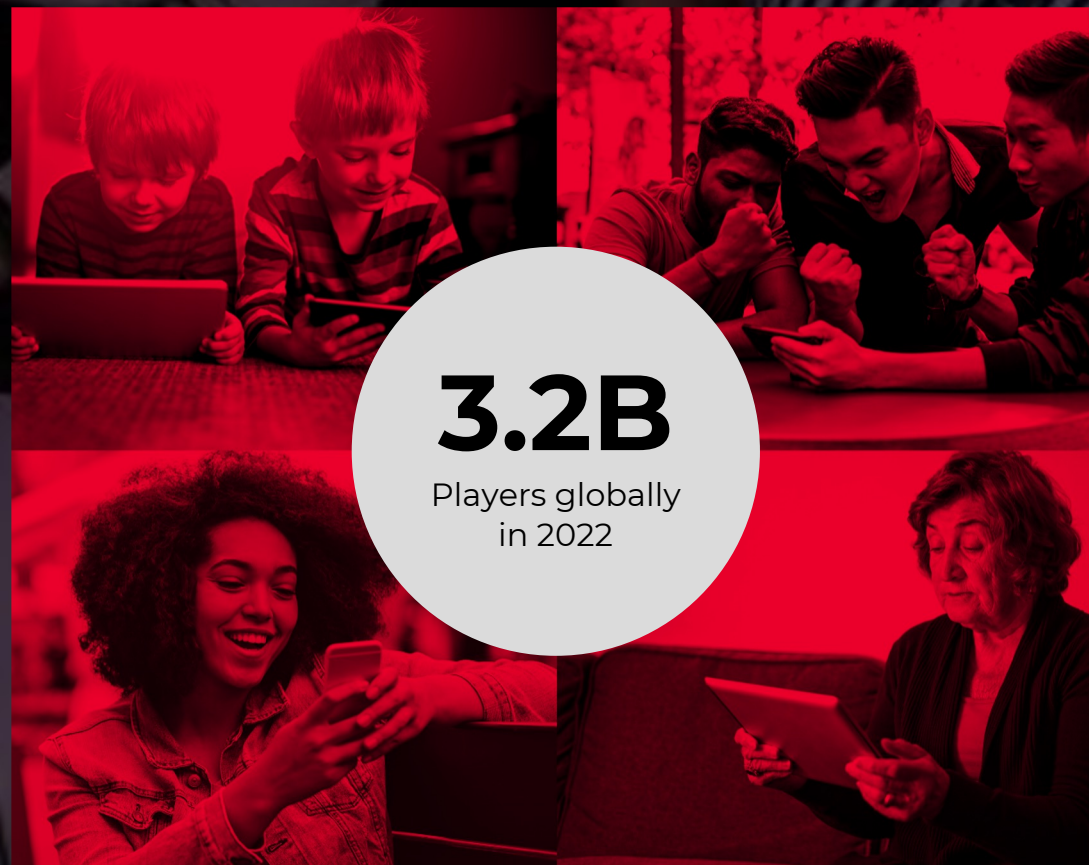
59

42

26

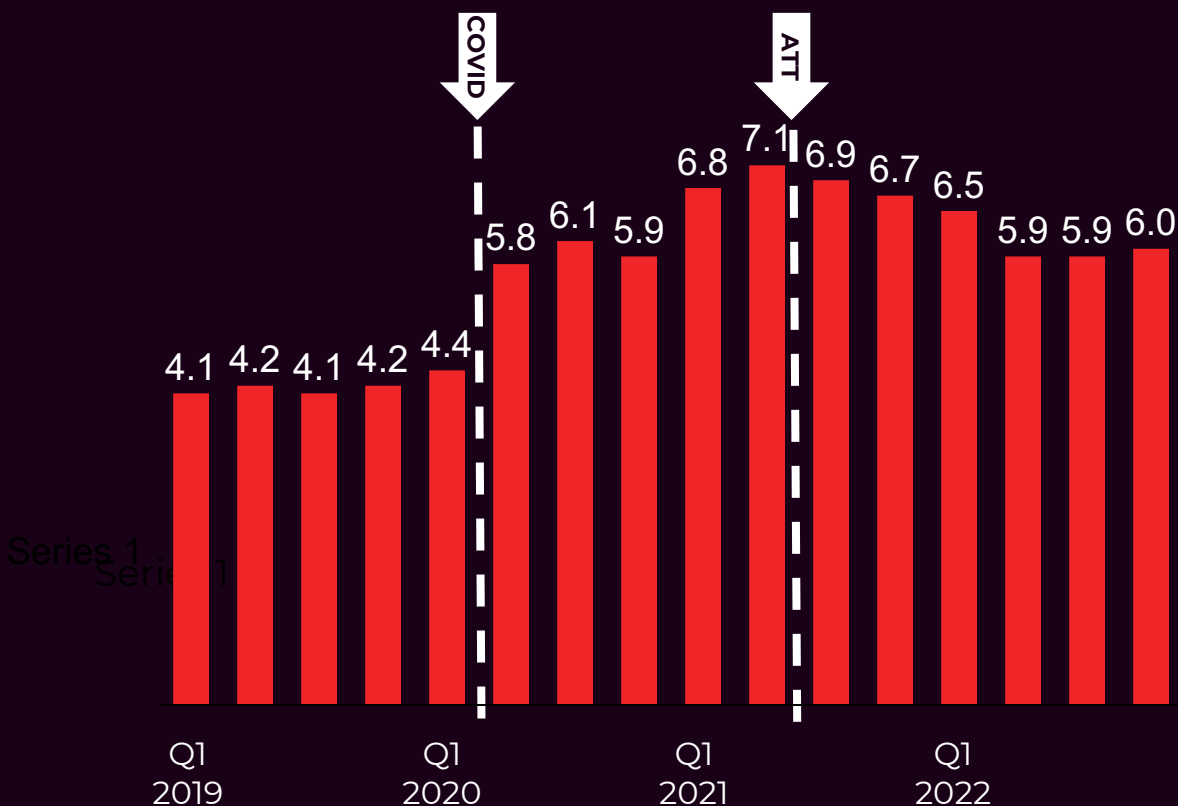
Film box
office¹

Recorded
music

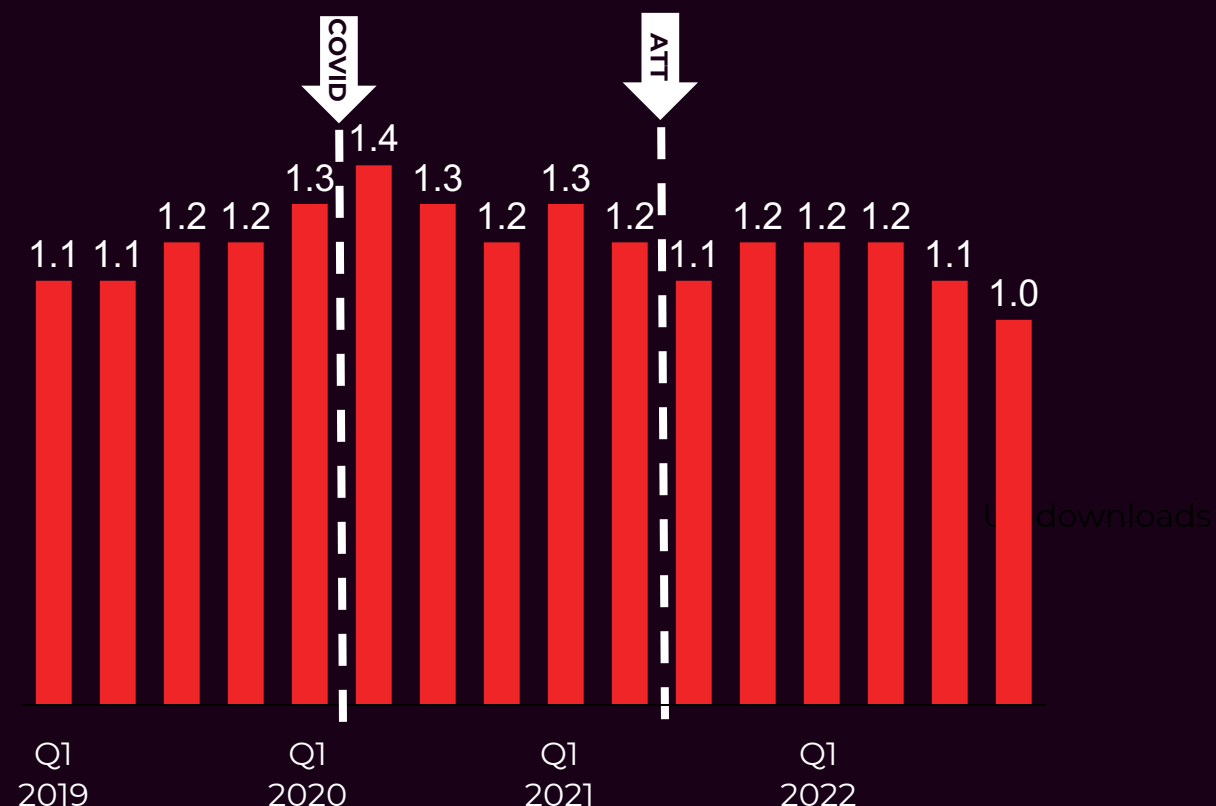


Short-term market forces are causing some headwinds to mobile gaming...

USA gross IAP* revenue (USD in Bn)

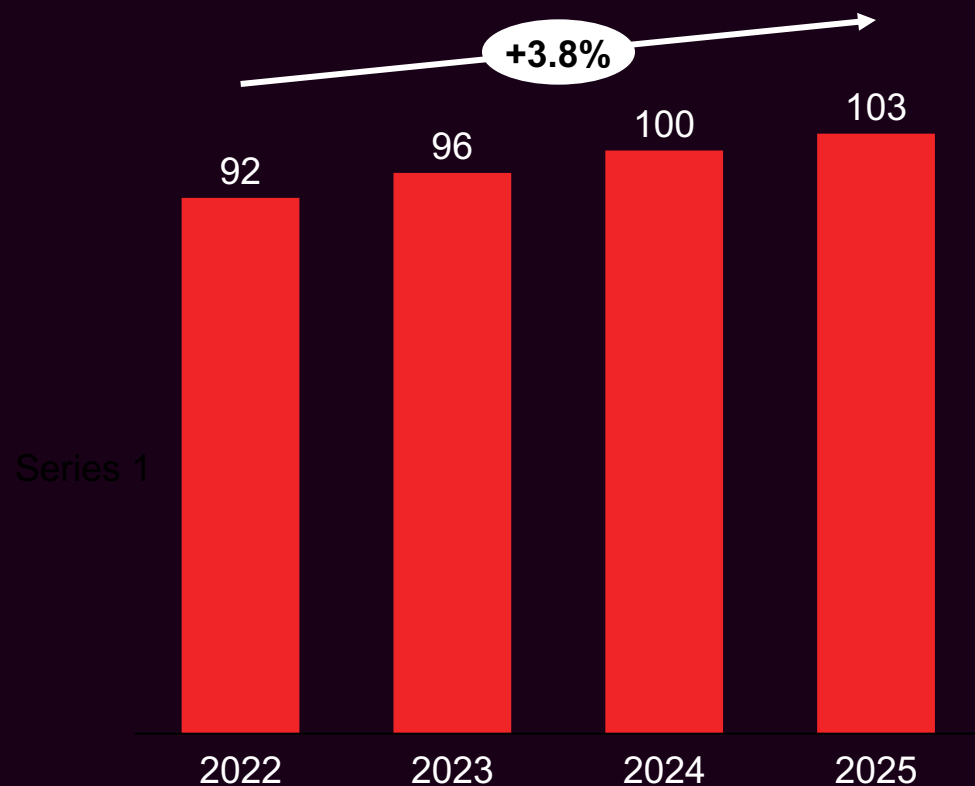


USA downloads (Bn)



...but in long-term, mobile gaming market is highly attractive for a world-class content developer – Rovio.

Global mobile gaming market growth estimate (USD in Bn)



Newzoo Global Mobile Market Report (January 2023)

Largest gaming segment	The most accessible platform
------------------------	------------------------------

The entertainment of today & future



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Strategy.

We have a clear strategic focus...

BRANDS

- Strengthen the use of Angry Birds
- Develop new IP with potential to become a gaming brand

AMBITIOUS & INNOVATIVE GAMES

- Only launch games with great potential
- X-platform gaming and exploration of market trends

CASUAL GAMING

- Leverage core capabilities & expertise
- Maximize the value of network of users

BEACON GROWTH PLATFORM

- Technology, data and people to successfully develop, analyze, launch and scale games
- Value for all game teams – organic and acquired

...with several growth areas to deliver long-term value.

Free-to-play mobile

- Double down on top live games
- Launch new successful games
- Leverage stronger network of players
 - Club Red release (loyalty program & online hub)

M&A

- Focus on free-to-play mobile gaming studios and IPs/brands in line with our strategy
- Real synergetic value created through Beacon

X-platform gaming

- Expand Angry Birds beyond mobile (cross-platform gaming)
- Revenue 2024+

**Long-term
value creation
& growth**



M&A: what we are looking for.

Three types of targets

1	New IP / Brand
2	Established F2P mobile gaming studios
3	Scalable game(s) we could help to grow further

A good fit with our philosophy of making great games



Genre mastery



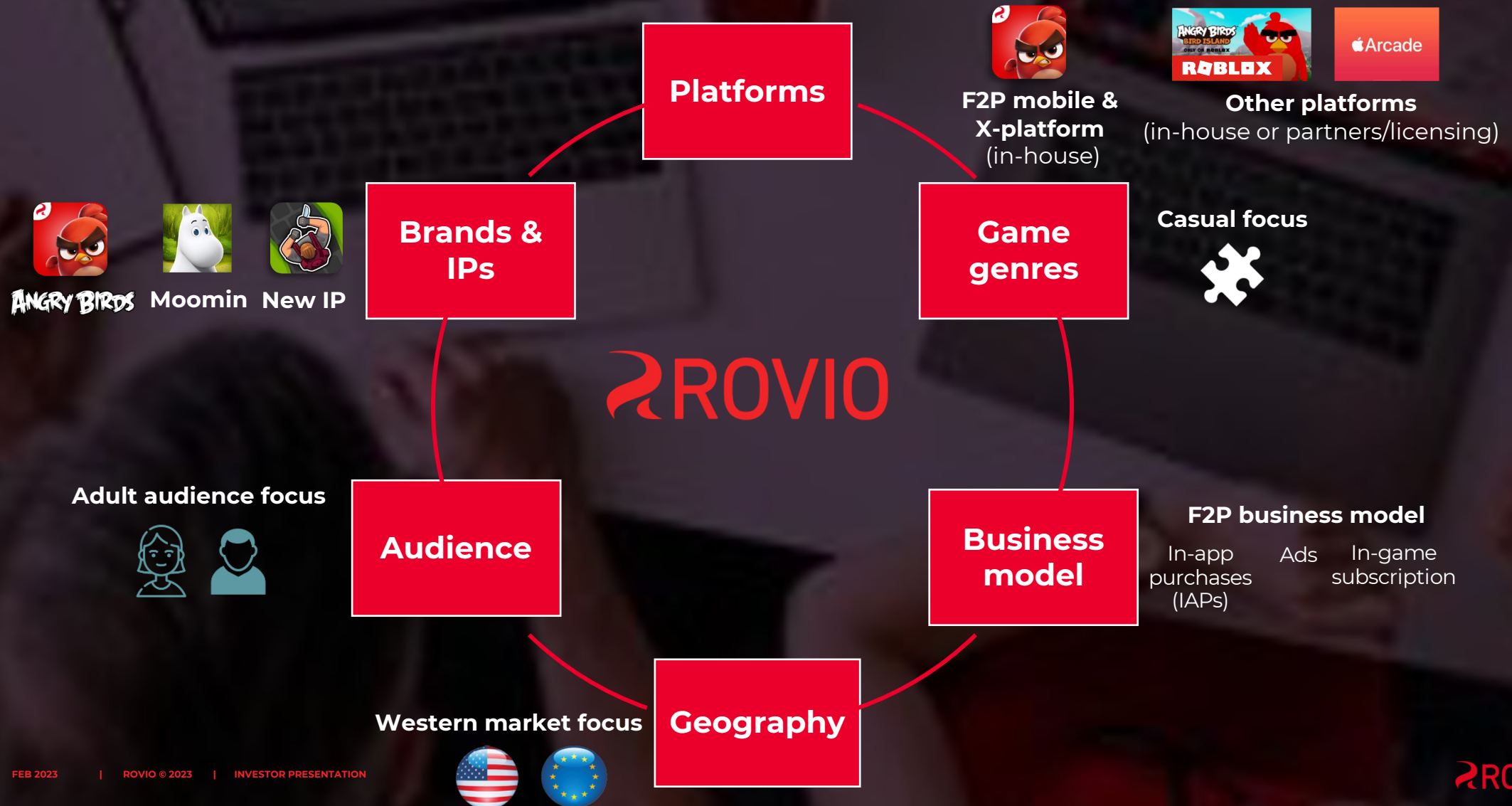
Innovation



Team & cultural fit



Our current business position.



Our business model is mainly based on free-to-play games.

Games: free-to-play (F2P) business model

Rovio develops games and runs paid and organic user acquisition campaigns mainly in digital media channels to acquire users for its games



Players download games from application stores for free



Players make **in-application purchases (IAP)**

78%

Group revenue*

Players watch **ads** in the game

16%

Group revenue*

Games: custom contracts

Distribution contracts that are signed with partners who pre-download Rovio's games onto their own devices or distribute Rovio's games through their distribution platforms



Includes minimum guarantee and revenue share to Rovio

2%

Group revenue*

Brand licensing

Rovio licenses Angry Birds brand to product manufacturers and content creators directly or through agents

Manufacturers make the products and are responsible for distribution. Content creators create content and are responsible for distribution

Royalties from licensing

4%

Group revenue*

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Games.

Game portfolio.

GAMES WITH DIFFERENT IPS, GENRES AND PHASES OF LIFE CYCLE

GROW



Angry Birds Journey



Angry Birds Dream Blast

+ games in soft launch

EARN



Angry Birds 2



Angry Birds Friends



Angry Birds Match



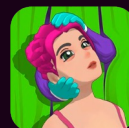
Small Town Murders

CATALOGUE



+ others

HYPERCASUAL



Ruby Games

9 new games in development – 4 in soft launch.

New game pipeline



Moomin: Puzzle & Design
Casual Puzzle & Decorate game
in soft launch



Two Hunter Assassin games
Hunter Heroes – multiplayer game
Hunter Assassin 2 – single player



"Angry Birds NEXT"
Angry Birds flying beyond mobile with
multiplayer cross-platform game



Key highlights



Moomin
Enters next soft launch
test in Japan in Q1'23



**Hunter Assassin 2 and
Hunter Heroes**
Continue in soft launch



Wizard Hero
Entered soft launch with
promising early results



Bad Piggies 2
Approaching soft launch



Angry Birds RPG game
New game from
Copenhagen



Novel Angry Birds game
First game from Toronto



Bad Piggies 2
Sequel to a fan
favorite Bad Piggies



Match-3 game
New game from
Puzzle Studio

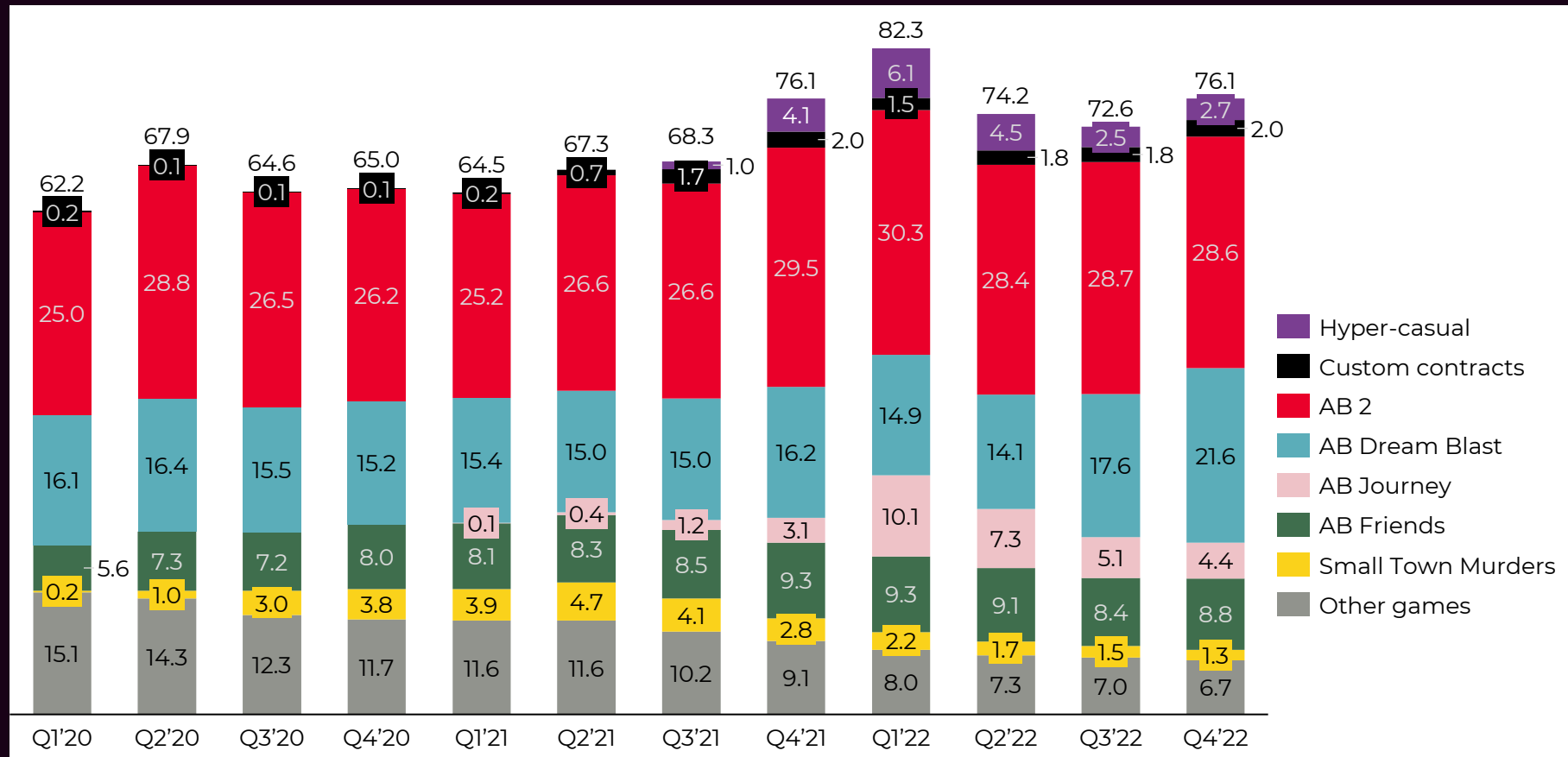


Wizard Hero
Hybrid-casual game from
Ruby in soft launch

Q4'22: Live games performed well in a soft market.

Strong performance of AB Dream Blast continued

GAMES' GROSS BOOKINGS AND CUSTOM CONTRACTS (EUR MILLION)



- Games' gross bookings increased by 9.8% in 2022, driven by:
 - Growth of our top live games
 - Launch of Angry Birds Journey
 - Ruby Games acquisition
- Comparable gross bookings increased by 5.4% in Q4 compared to Q3

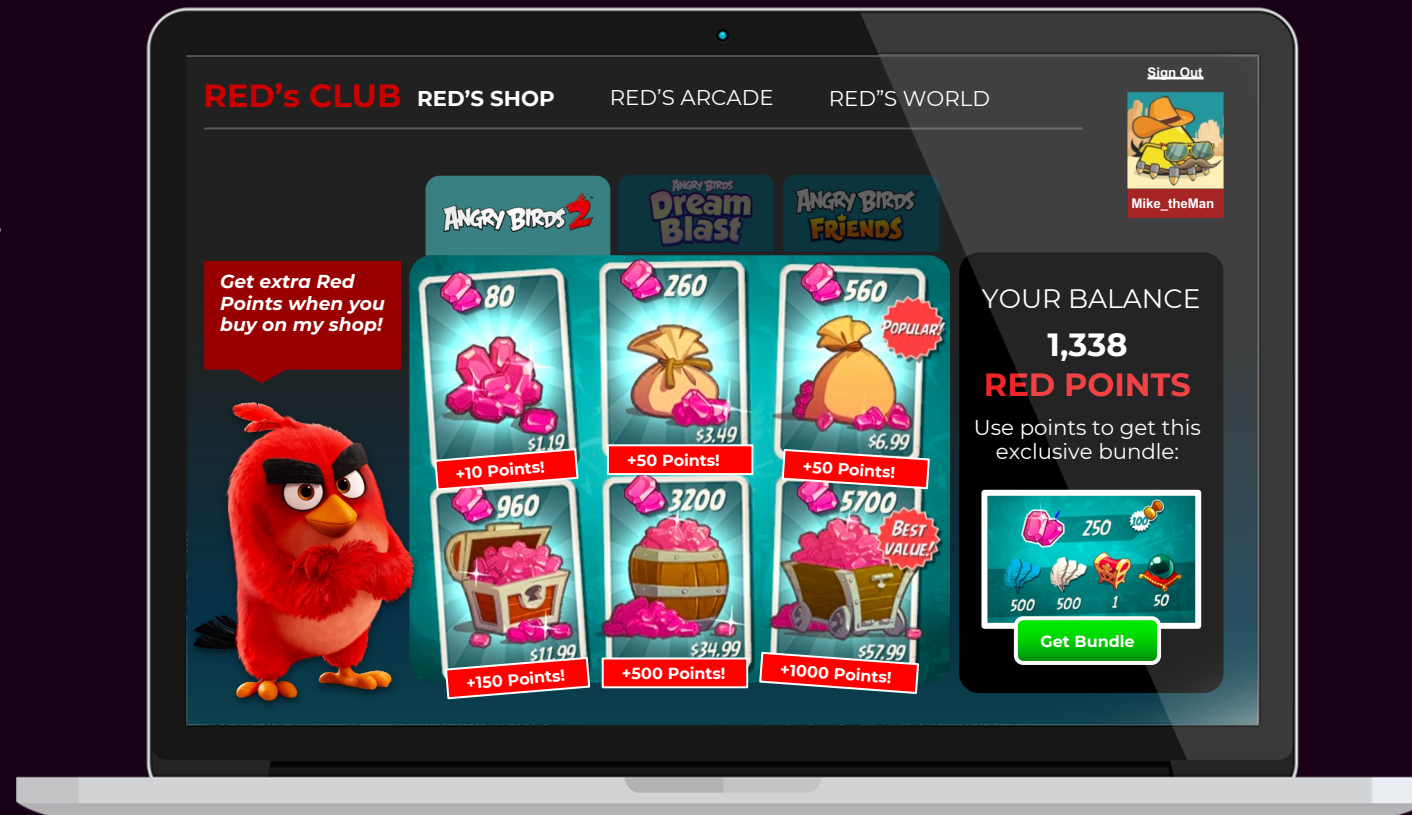
Red's Club: building a loyalty program and an online hub.

Reward players for loyalty, engagement and spending

Built around a Rovio account: “Red ID”

- Save progress across devices & platforms
- Participate in a loyalty program for rewards
- Web shop
- Play on web

Phased rollout starting in Q2 2023



Concept art

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Angry Birds.

Angry Birds franchise.

5B+

GAME
DOWNLOADS

2B+

CONSUMER
PRODUCTS
SOLD

500M

MOVIE
FRANCHISE
IN USD

6M

ANGRY BIRDS
YOUTUBE
SUBSCRIBERS

ANGRY BIRDS

Angry Birds
animations

ANGRY BIRDS 2



ANGRY BIRDS
RELOADED

09

10

11

12

13

14

15

16

17

18

19

20

21

22

1st licensed
merchandise

1 billion game
downloads

**THE
ANGRY BIRDS
MOVIE**

**THE
ANGRY BIRDS
2 MOVIE**

**ANGRY BIRDS
JOURNEY**
ROVIO

Four main touchpoints.



WATCH



LICENSE



ANGRY BIRDS
RELOADED

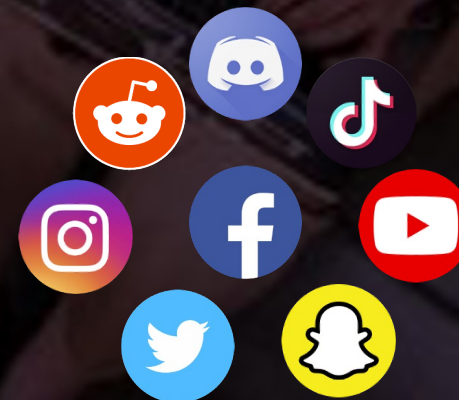
ANGRY BIRDS
JOURNEY

ANGRY BIRDS 2

ANGRY BIRDS
Dream
Blast

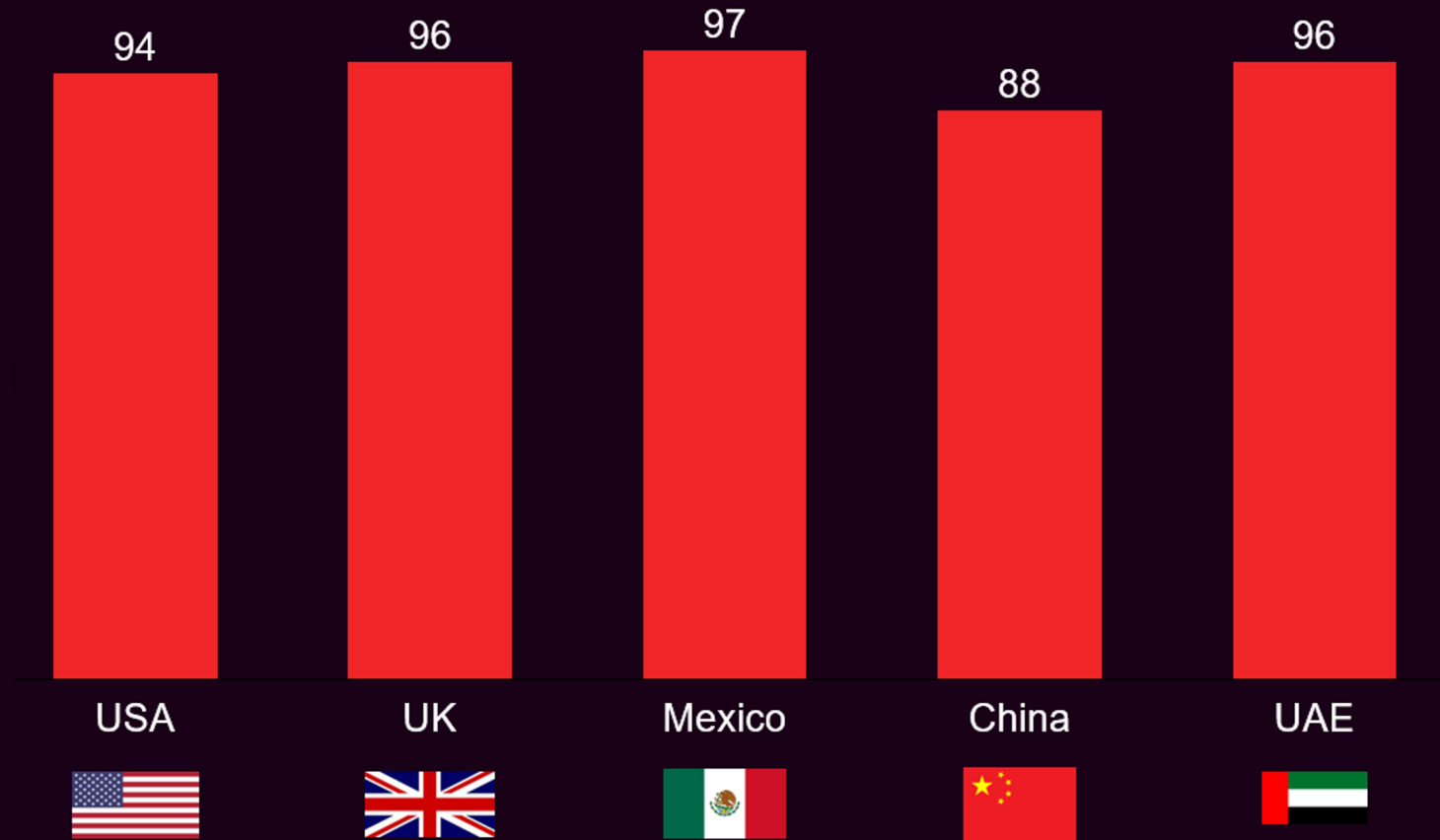
ROVIO CLASSICS
ANGRY BIRDS

PLAY

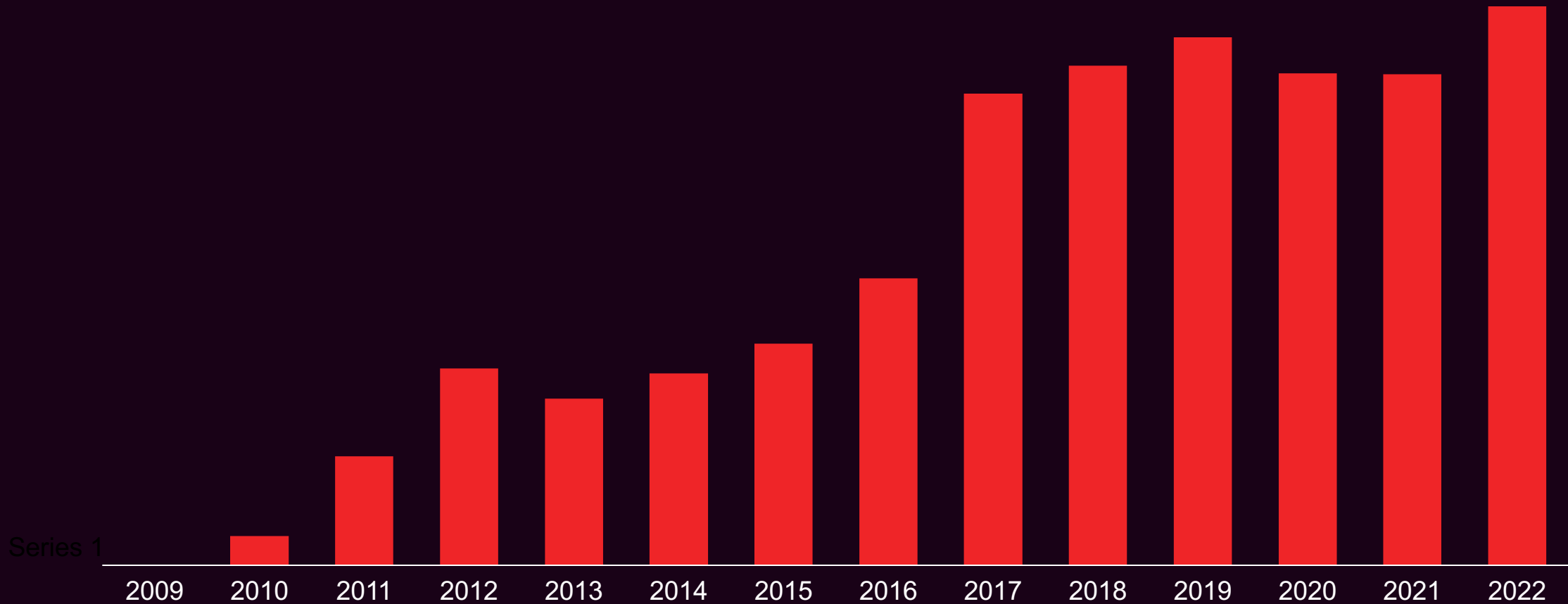


ENGAGE

High brand awareness globally.



Never been stronger – growing Angry Birds games' revenues.



Growth plans across target audiences.

For Kids

- Continued investment in animated content with top-tier partners
- Focus on quality partnerships like Microsoft/Minecraft to create opportunities for Play

For Teens

- Strategic focus - create compelling, social and streamable game(s) with a focus on organic and community
- Continue to invest in growing Angry Birds presence on leading social platforms by using Red as “the face of mobile gaming”



For Adults

- Continue to invest in and grow our successful live games
- Continue to create mass-market friendly quality Angry Birds experiences
- Continue to form mass-market brand partnerships

+ *Red's Club* for players & fans across audiences



We craft joy.

Beacon.

Beacon growth platform.



**HELPING ALL OF OUR
GAME TEAMS**

**TALENT & KNOW-HOW
+
LIVE GAME TECHNOLOGY**

CLEAR RESULTS POST ATT*

Over 11 years of work & investments

*App Tracking Transparency, privacy policy introduced by Apple in 2021

Plug into a full suite of market leading tech to operate, optimize and scale your game.

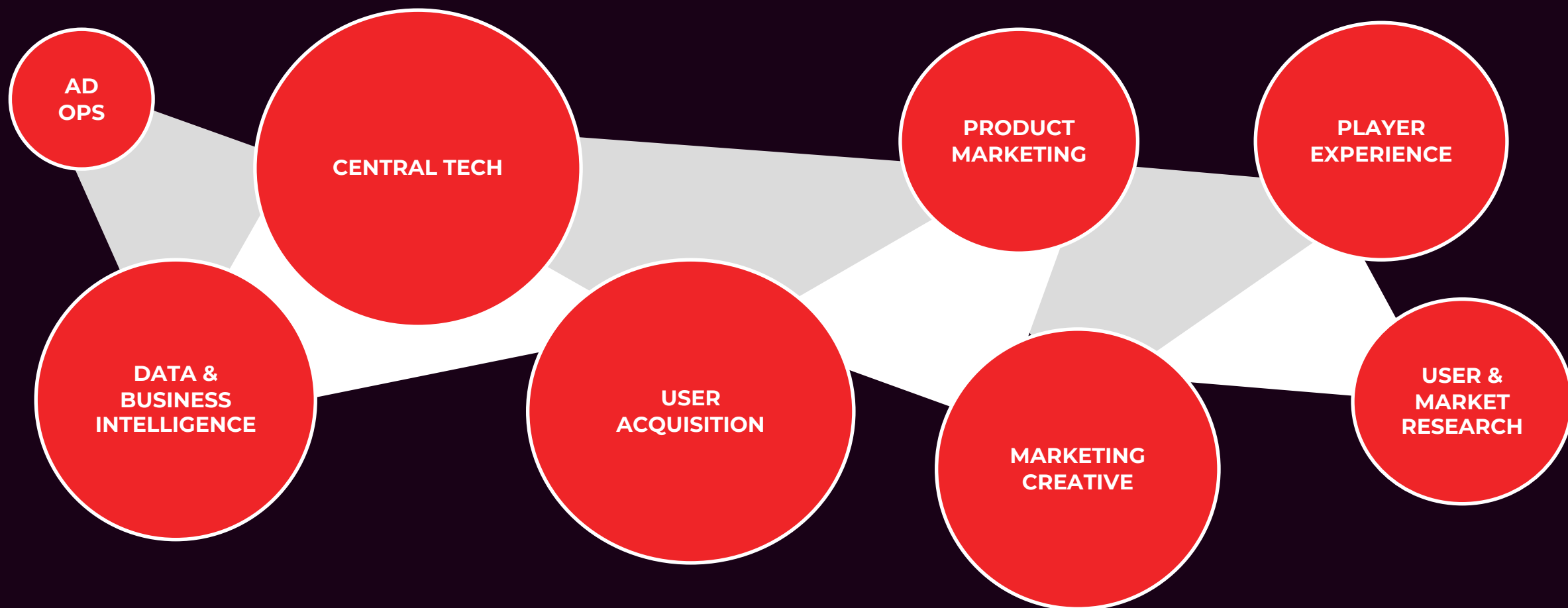
DATA LAKE
Single Source of Truth



Player Identity
Analytics
Attribution
AB Testing
Live Operations
Payments
Personalization
Audience Segmentation
Ads Mediation
Cross Promotion
Push Messaging
Surveys
Privacy Framework
Game Server Infrastructure
Machine Learning / AI



Rely on close to 100 experienced pros with deep know-how to support your growth.



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Financials.

Long-term targets (set in May 2022).

Faster than market revenue growth

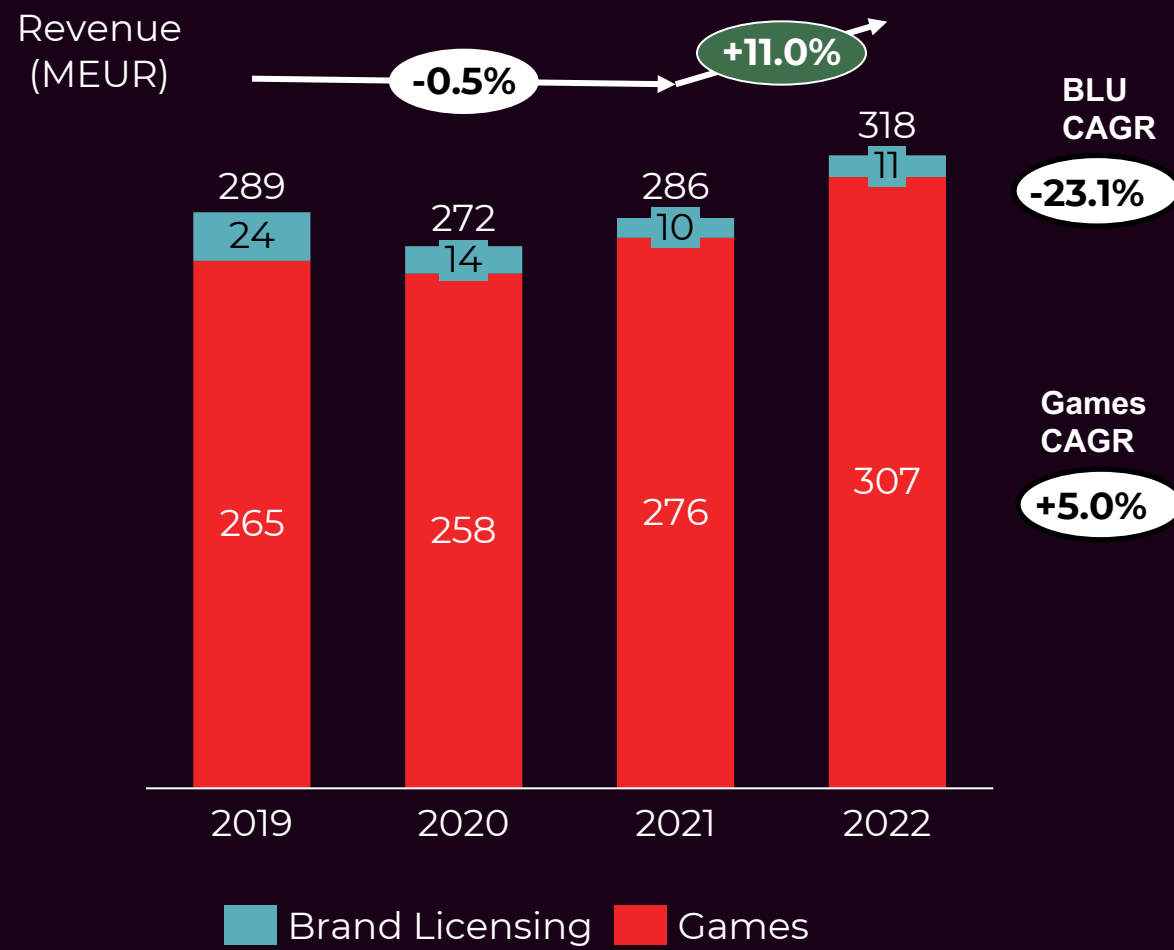
Adjusted EBITDA growth in line with long-term revenue growth

Dividend payout: approximately 30% of adjusted net profit (Same)

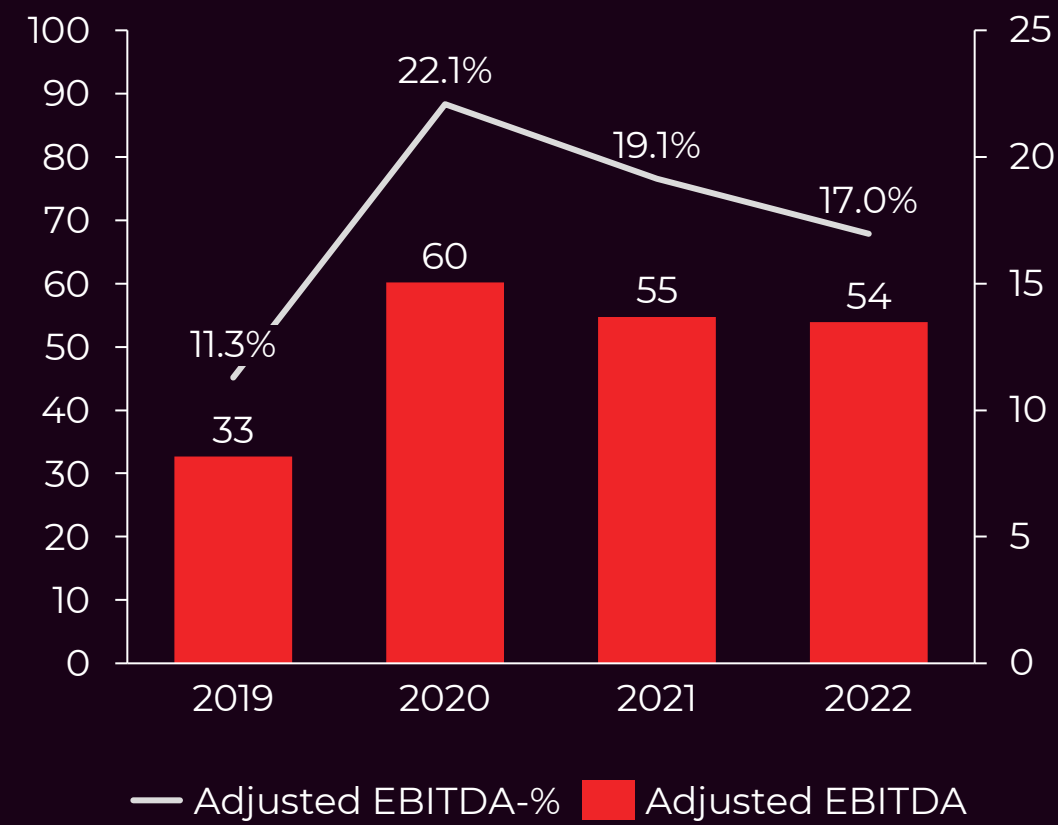


Note: Relevant market for target setting is defined as the Western mobile gaming market.

Revenue back to growth, solid EBITDA.

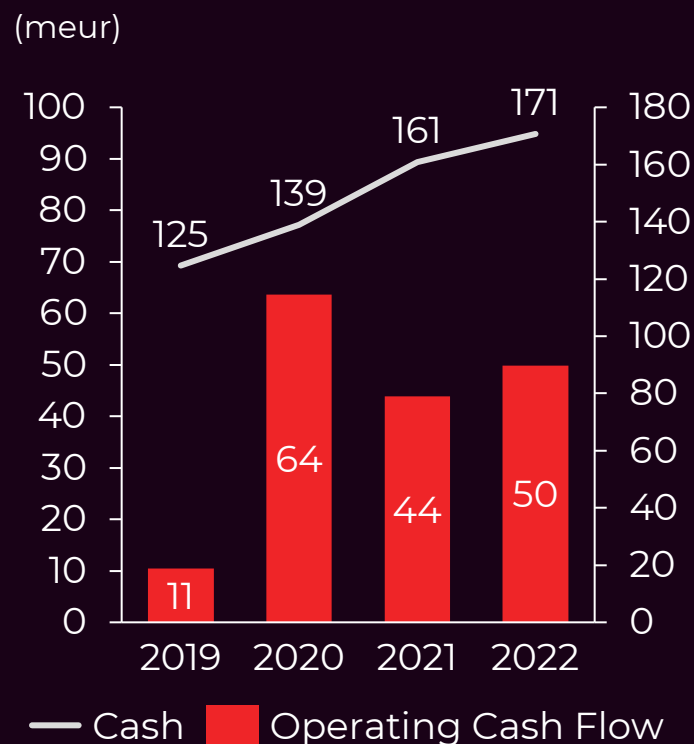


Adjusted EBITDA (MEUR)

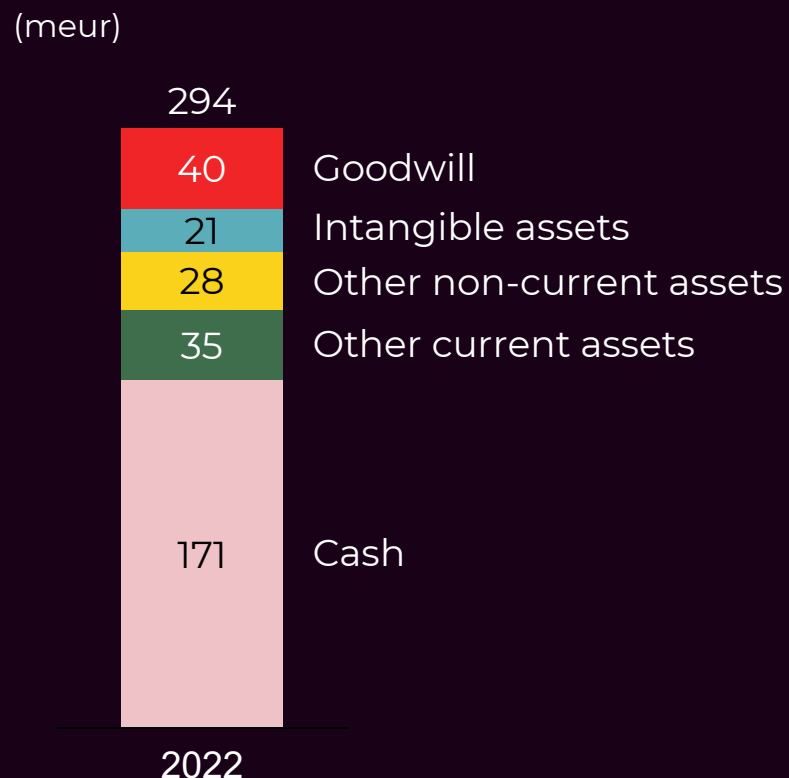


Strong financial position.

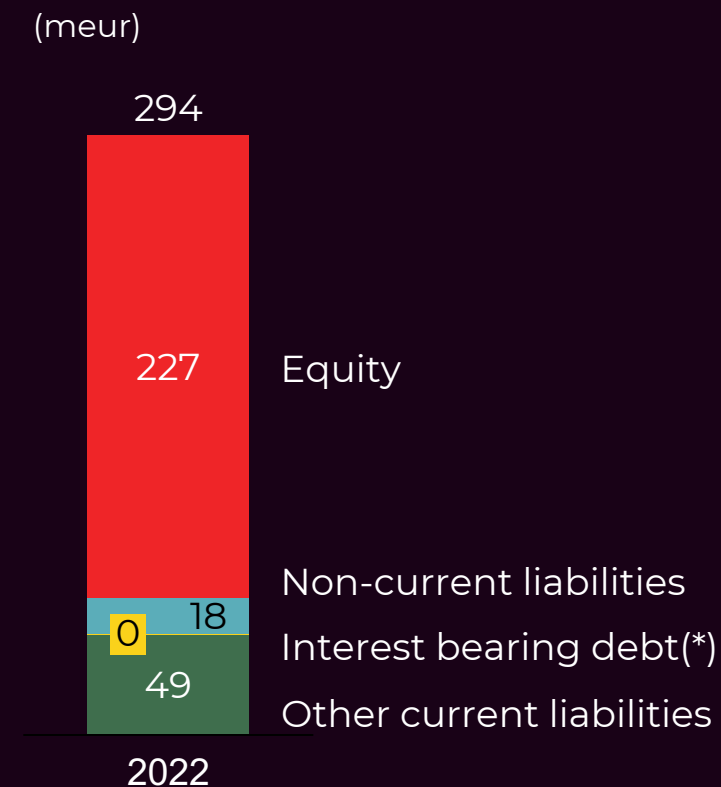
Strong cash flow and cash position



Asset light balance sheet



Virtually debt free

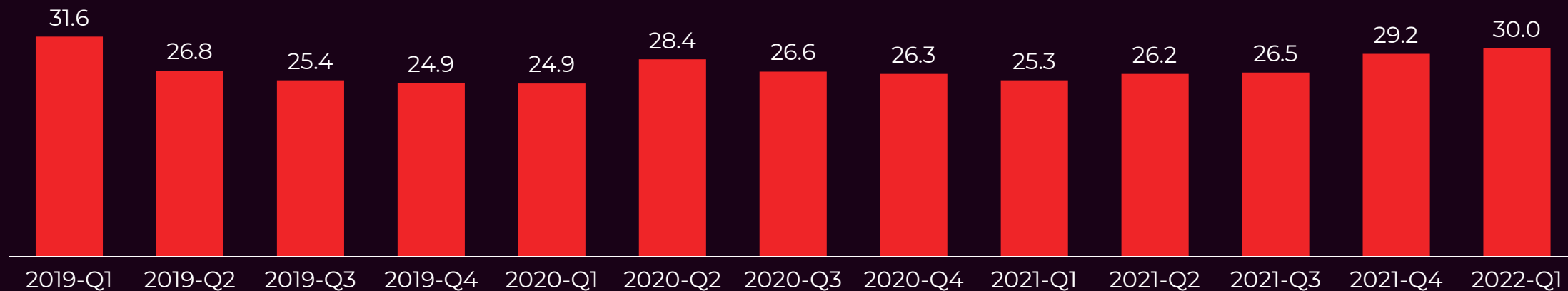


(*) Total interest-bearing debt 0.1meur

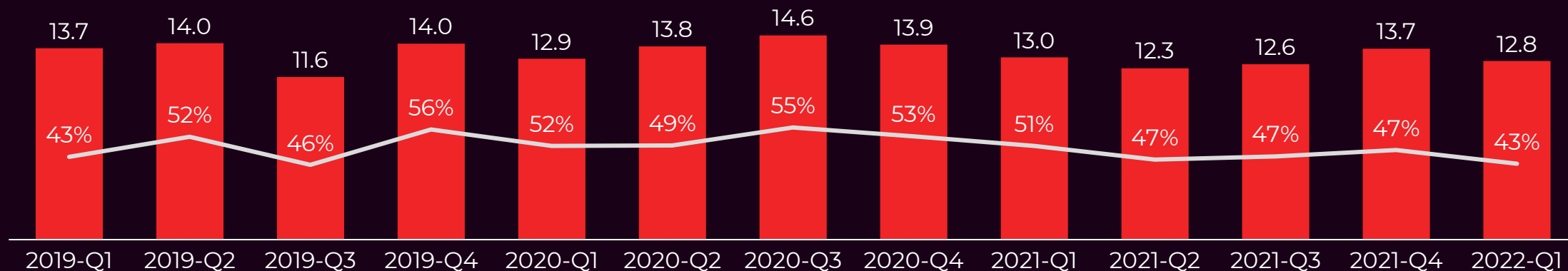
Flagship game Angry Birds 2.

Q1-19 to Q1-22: 49% profit margin, 13.3meur profit per quarter. UA cost 21% x revenue.

Revenue (MEUR)



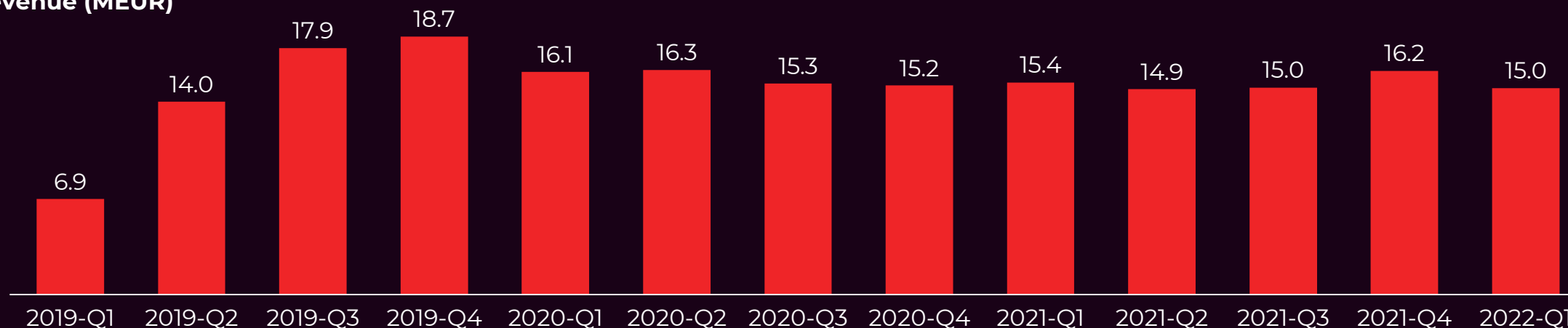
Direct contribution (MEUR) and margin (%)



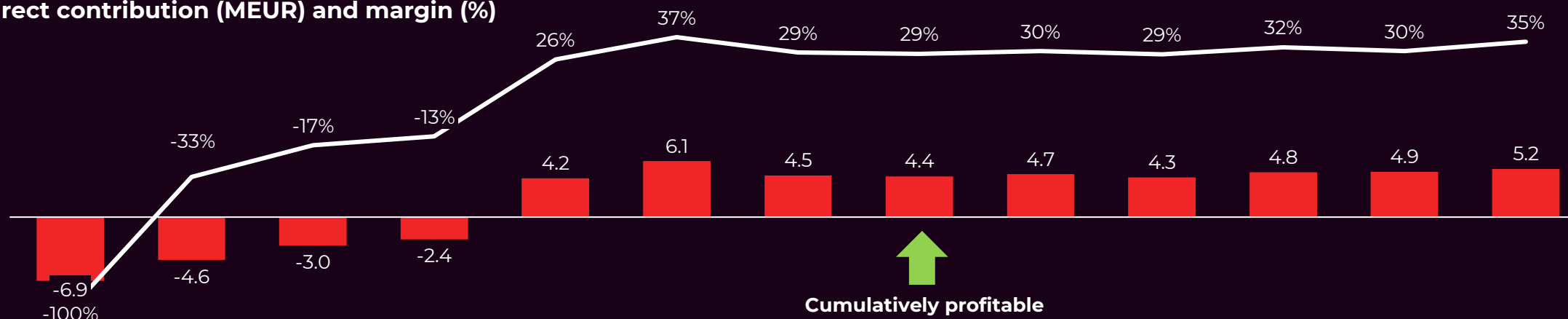
Second largest game Angry Birds Dream Blast.

Q1-19 to Q1-22: 32% profit margin, 4.9meur profit per quarter. UA cost 36% x revenue.

Revenue (MEUR)



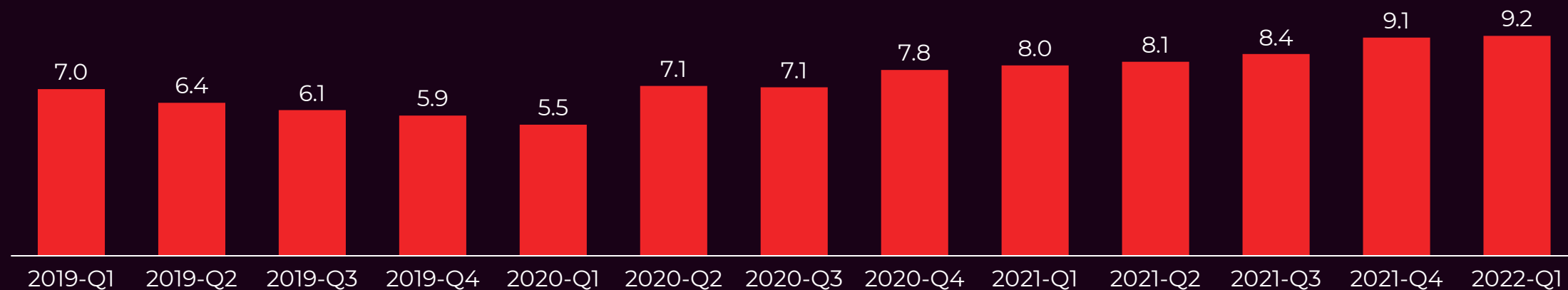
Direct contribution (MEUR) and margin (%)



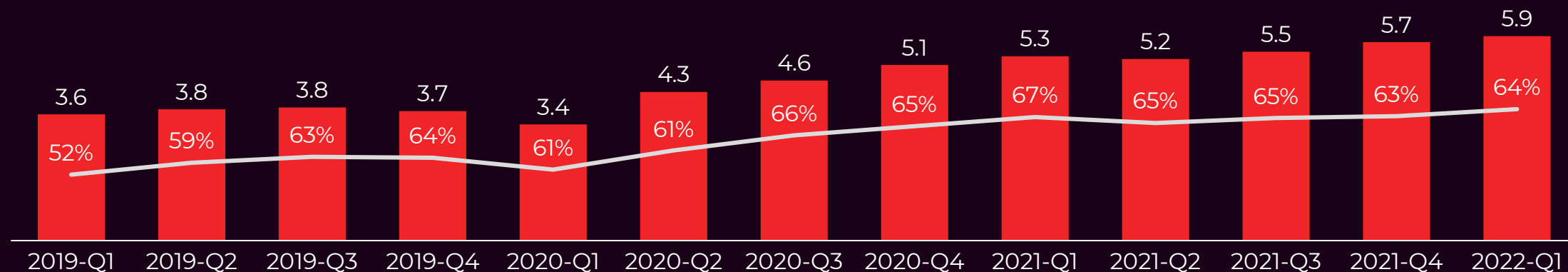
Oldest active live game Angry Birds Friends.

Q2-20 to Q1-22: 64% profit margin, 5.2meur profit per quarter, no UA cost.

Revenue (MEUR)



Direct contribution (MEUR) and margin (%)



Outlook for 2023.

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

Additional information on user acquisition investments in Q1 2023:

User acquisition investments in Q1 2023 are expected to be 29–34% of games' revenues.

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Investment highlights.

Investment highlights.

1. Angry Birds' world class brand awareness since 2009. Our cradle-to-grave strategy with highly targeted products brings in new players of all ages.
2. Our game portfolio is strong and reliable, with various games creating engagement for years to come.
3. Rovians are passionate game creators with a consistent track record for creating top grossing games.
4. We have invested for over a decade in Beacon, a powerful growth platform enabling synergies across our studios – organic or acquired.
5. Our strong balance sheet and operating cash flow allow investments for future growth.



IR contacts & financial reporting in 2023.

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Financial reporting in 2023:

Interim report January–March 2023 on April 28
Half-year report January–June 2023 on August 11
Interim report January–September 2023 on October 27

Annual Report 2022 on March 13 at the latest

Annual General Meeting 2023 on April 3

