

Rovio Entertainment Interim Report January–March 2019



**Kati Levoranta, CEO
René Lindell, CFO**

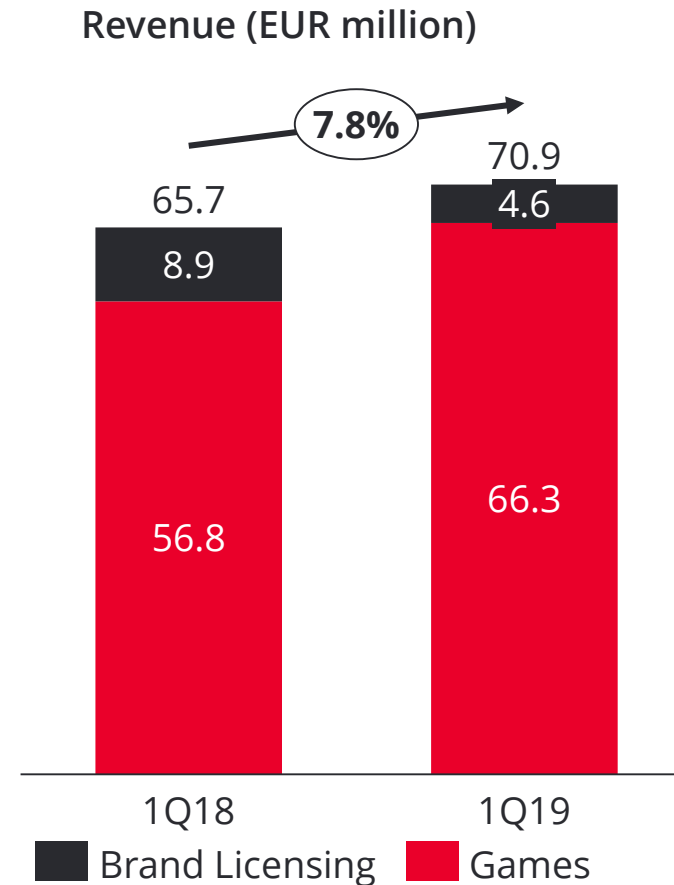
April 25, 2019

First Quarter of 2019 in an Eggshell

- Games revenue growth 16.6% year-on-year
- Successful Angry Birds Dream Blast launch, quarterly run rate over EUR 11 million
- Angry Birds 2 growth 48% year-on-year
- Stable monetization (ARPPDAU and MARPPU)
- Good profitability, 10.5% (14.6%) adjusted operating profit margin in spite of high user acquisition investments and lower licensing revenues
- Operative cash flow EUR 3.3 million, EUR 128.8 million cash at hand

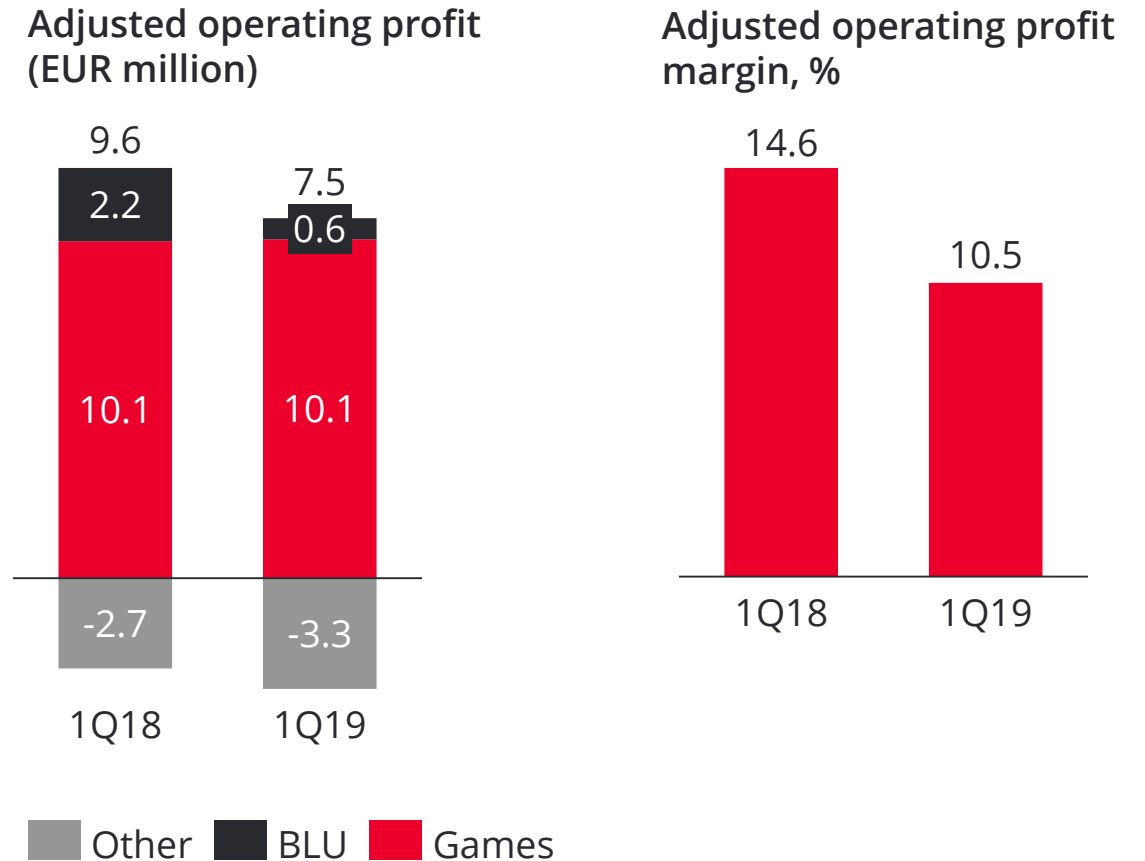
Rovio group revenue grew 7.8%

- Group 1Q19 revenue EUR 70.9 million (65.7) or 7.8% growth y-o-y
- Games revenue grew 16.6% to EUR 66.3 million (56.8), in comparable currencies growth was 11%
- Games revenue growth driven by Angry Birds 2 and new Angry Birds Dream Blast
- Brand Licensing segment revenue declined to EUR 4.6 million (8.9), due to low revenues of the first Angry Birds Movie



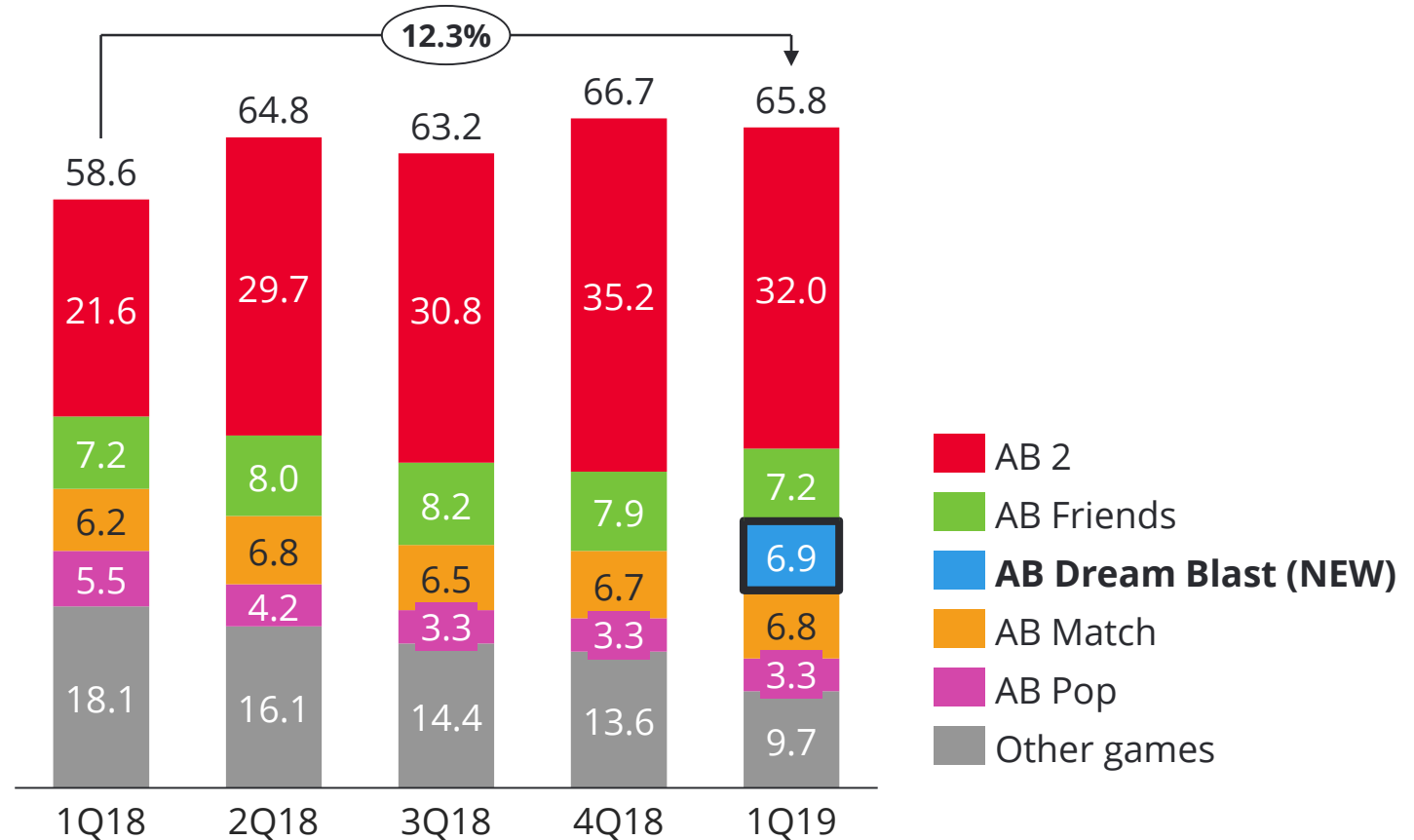
Adjusted operating profit margin 10.5%

- Group adjusted operating profit EUR 7.5 million (9.6), and operating profit margin 10.5% (14.6%)
- Games adjusted operating profit stable EUR 10.1 million in spite of record user acquisition investments
- Profitability lower compared to last year mainly due to declined revenue from the first Angry Birds Movie



Games gross bookings grew 12.3%

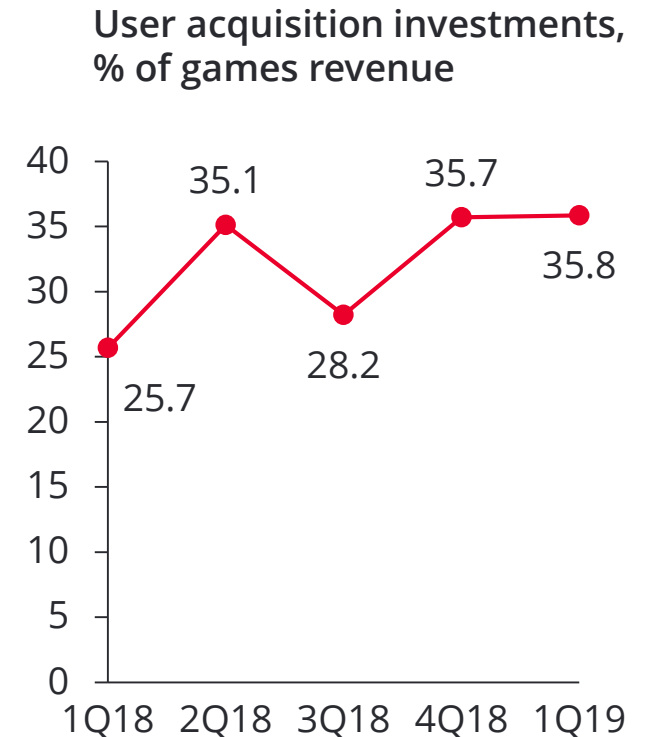
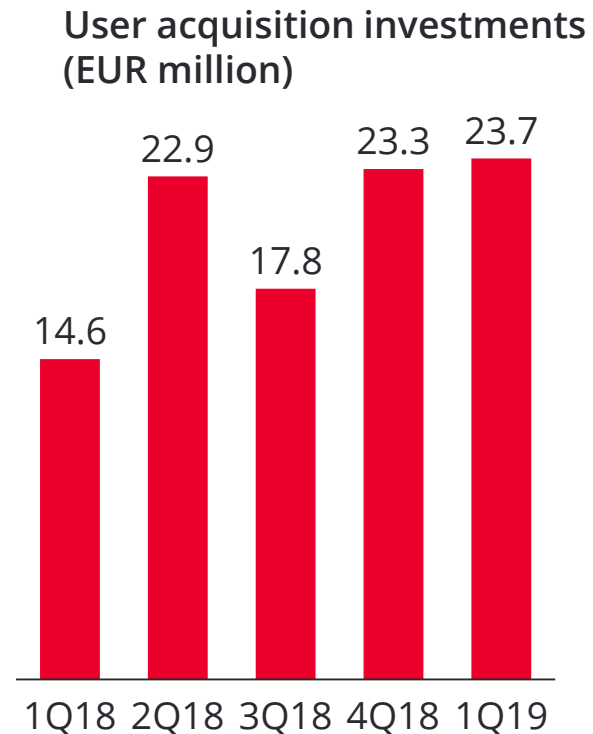
Games gross bookings (EUR million)



- Games gross bookings EUR 65.8 million (58.6) and 12.3% year-on-year growth and approximately 7% in comparable currencies
- Angry Birds 2 grew 48% year-on-year
- Angry Birds Dream Blast – good start with EUR 6.9 million in less than 3 months and reaching EUR over 11 million quarterly run-rate in March
- Angry Birds Friends, Angry Birds Match and Angry Birds POP performed steadily

User acquisition 35.8% of games revenue

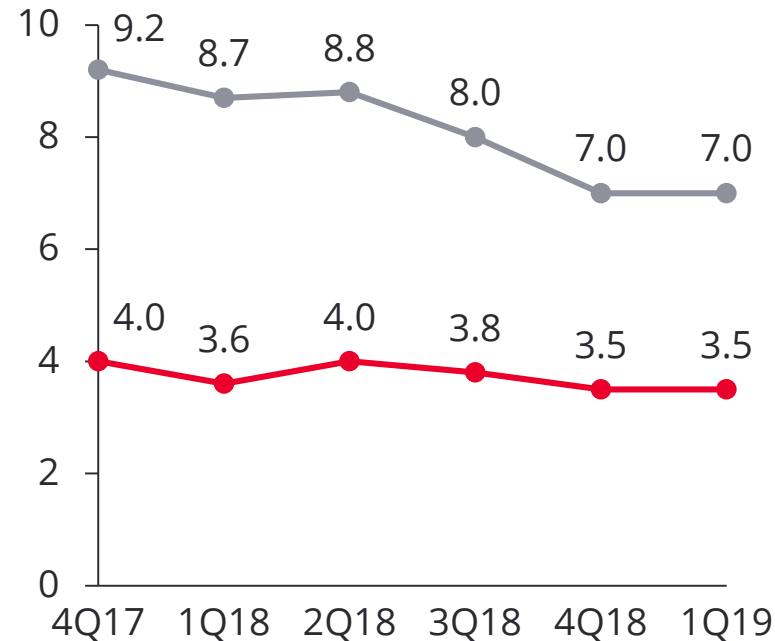
- 1Q19 user acquisition investments were EUR 23.7 million (14.6) or 35.8 % (25.7%) of games revenue
- User acquisition investments shifted towards Angry Birds Dream Blast during the quarter while Angry Birds 2 investments were at a lower level
- Expecting to keep UA investments at similar or somewhat higher level during 2Q19



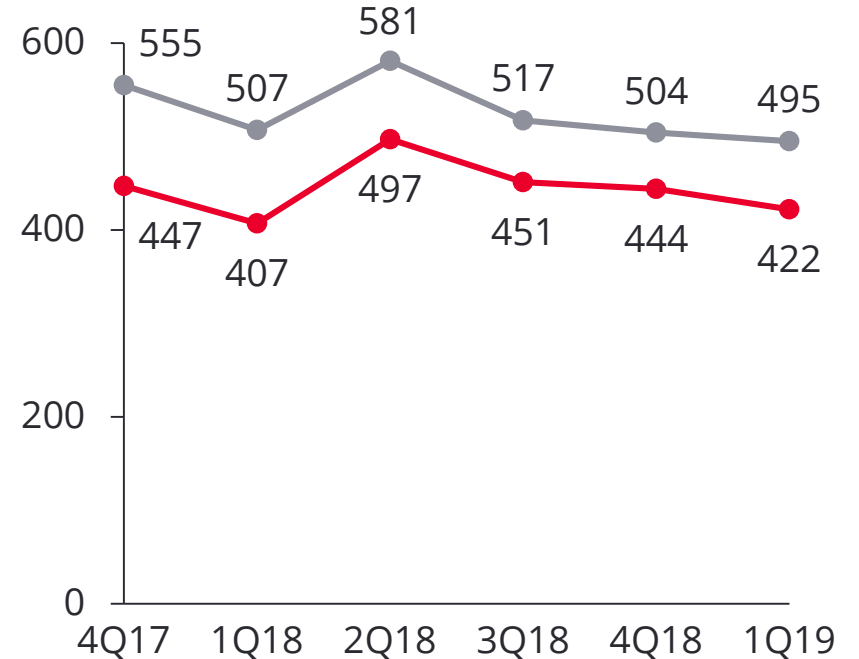
DAU and MUP for Top 5 games stable

- Daily active users in 1Q19 at similar level as in 4Q18
- New users in Angry Birds Dream Blast offset decline in Angry Birds 2 and older games
- Monthly unique payers for top 5 games similar to 4Q18

DAU (Daily Active User), millions



MUP (Monthly unique Payers), thousands

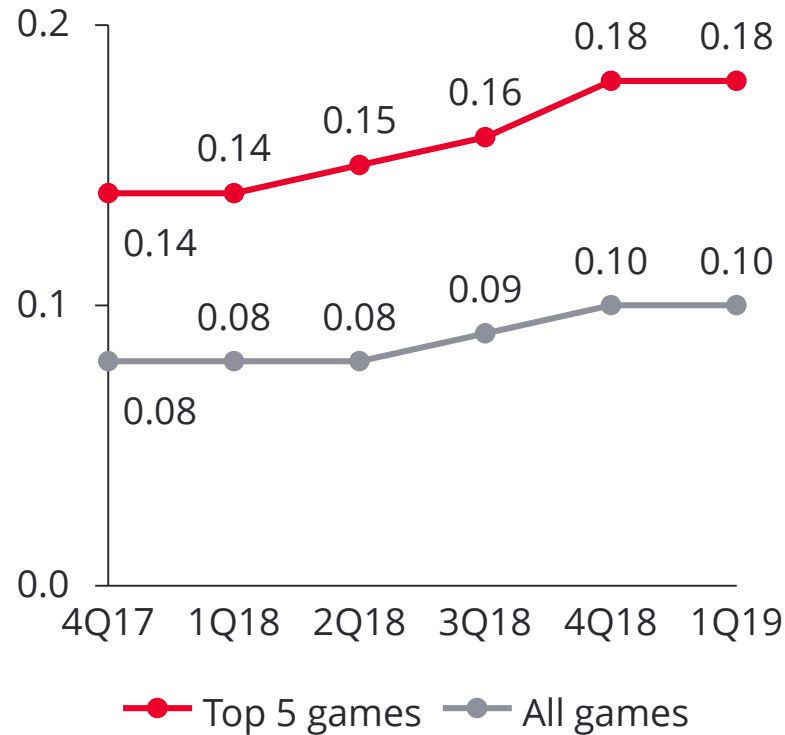


● Top 5 games ● All games

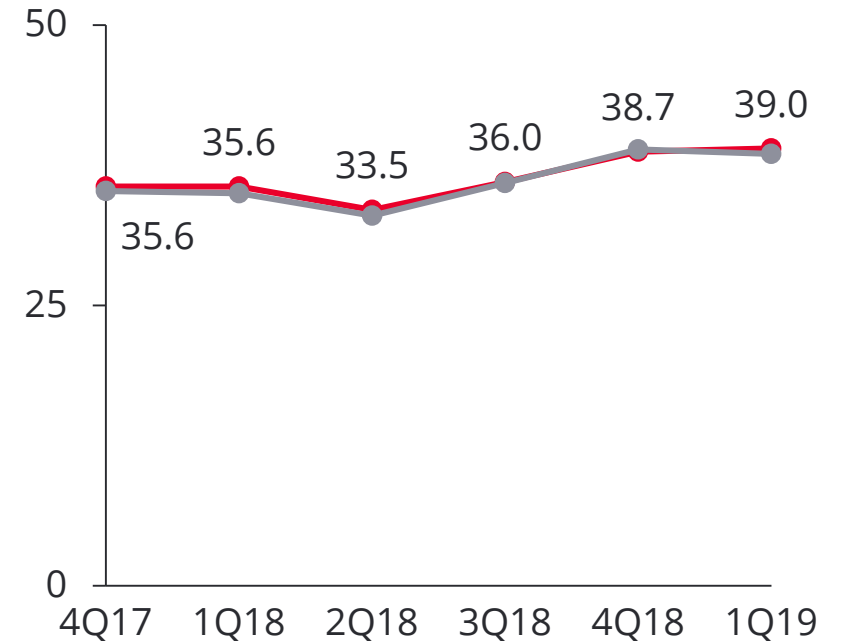
ARPDAAU and MARPPU stable

- ARPDAAU for top 5 games EUR 0.18 as in 4Q18
- MARPPU for top 5 games grew to EUR 39.0 (38.7 in 4Q18)

ARPDAAU (Average Revenue Per Daily Active User), EUR



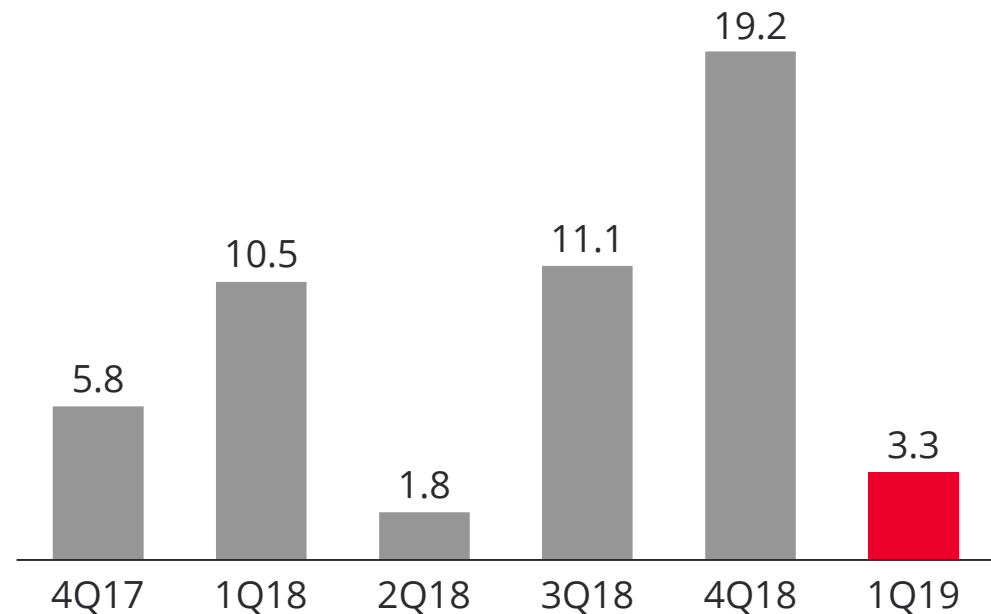
MARPPU (Monthly Average Revenue per Unique Payer), EUR



Cash flow

- Operating cash flow EUR 3.3 million in Q1 (10.5).
- Lower cash flow than previous quarter as expected due to timing of working capital changes
- Cash balance at end of 1Q19 EUR 128.8 million (end of 4Q18: EUR 123.6 million)

Operating cash flow (EUR million)



2019 Outlook

In 2019, Rovio expects group revenue to grow to **EUR 300 – 330 million** and adjusted operating profit margin to be between **9 and 11 percent**

Strategy

We continue to execute our strategy

Grow Games business

- Prioritize top live games in UA and resourcing
- Increase investments in new games development
- Aim to launch at least one more new game in 2019

Grow the Angry Birds brand and Licensing business

- Angry Birds Movie 2 premiere in August 2019
- 10th year anniversary
- Planning a long form TV animation series

Leverage strong consolidation platform

- Screen and evaluate potential M&A targets
- Focus on free-to-play mobile games
- Investment in Play Ventures fund

Explore the future of gaming

- Investigate and invest in new technologies and platforms
- Explore external funding and strategic partnerships for Hatch

New Games

- Angry Birds Dream Blast launched globally January 24th, 2019
- Angry Birds AR: Isle of Pigs in pre-registration in Apple App Store
- 14 new games in development, two of which in soft launch
- At least one new game expected to be launched globally in 2019
- PlayRaven is expected to soft launch one strategy game in 2019



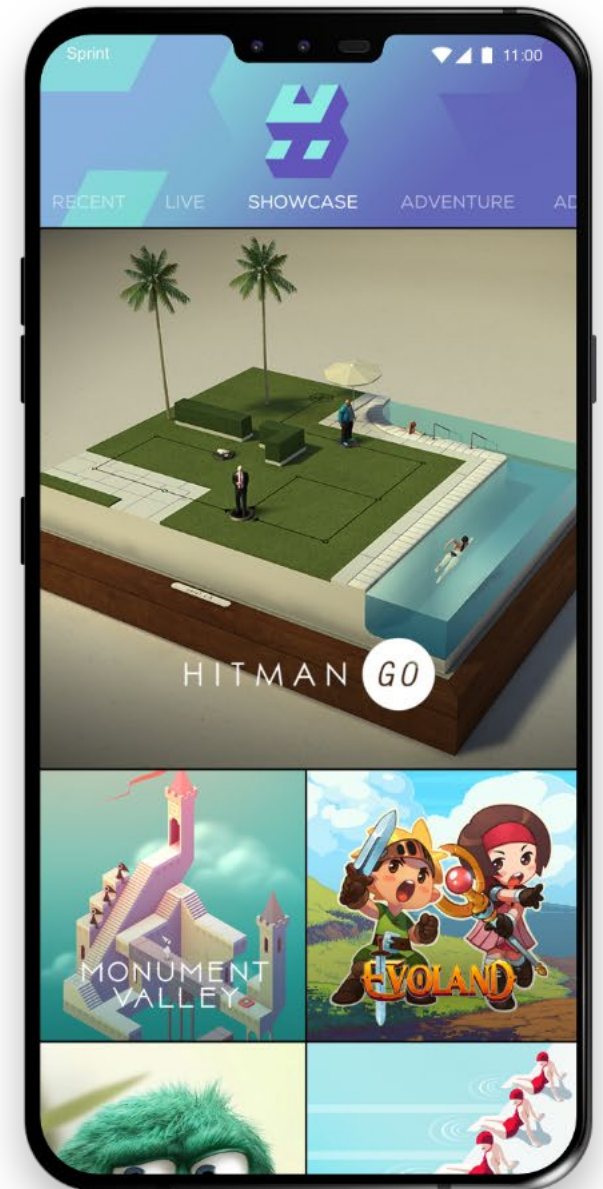
THE ANGRY BIRDS MOVIE 2



IN THEATERS IN FINLAND AUGUST 9, 2019

Hatch

- Hatch can be downloaded from app stores for Android devices in Japan, South Korea and many European countries
- Hatch is partnering e.g. with NTT DOCOMO (Japan), Samsung (South-Korea), Sprint (USA) and Elisa (Finland)
- To accelerate growth and expansion to new markets, Hatch continues to seek external funding and further strategic partnerships
- As part of the funding round Rovio is prepared to reduce its ownership below 50%



Q&A

