

We craft joy.

Rovio Entertainment

Half-Year Report January – June 2021

Today's speakers



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Q221 and H121 Highlights.

- Games revenue grew +6% y-o-y in comparable currencies in Q2 and +8% in H121.
- Growth driven by live games performance:
 - Small Town Murders
 - Angry Birds Friends
- Growth games stable VS shelter-at-home Q2-20 revenue boost
- Lower profitability due to higher user acquisition investments for Small Town Murders and to support the launch of Darkfire Heroes.



Q221 and H121 Highlights.



- Darkfire Heroes launched globally April 15.
- Hardhead Squad, soft launched June 2020, was cancelled.
- In June : partnership with Moomin Characters and Gutsy Animations.
- Puzzle studio soft launched Angry Birds Journey (January) and Supernatural Cities (April).

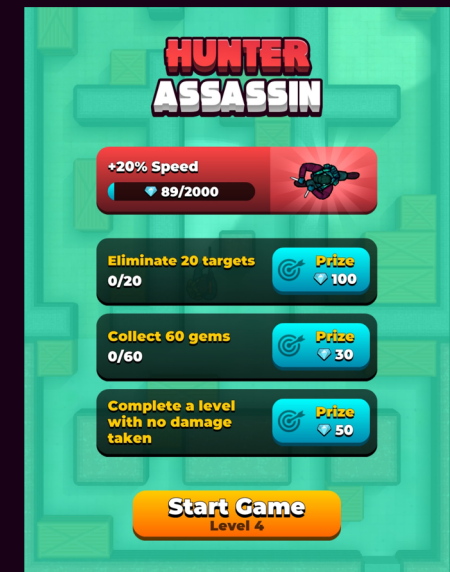
Angry Birds Reloaded on Apple Arcade reached #1 download position.

Rovio to acquire hyper-casual game publisher Ruby Games

Company overview

- Founded in 2018 in Izmir, Turkey
- 34 personnel, CEO/Founder Mert Can Kurum (100% ownership)
- Published 13 games:
 - 8 reached Top 10 US
 - 3 reached Top 1 US
- Top game Hunter Assassin the world's 6th most downloaded game in 2020 with 181MM downloads
- Profitable with high EBITDA margin

Hunter Assassin – 6th most downloaded game in 2020



+600M
Downloads

\$22M
Jun-21 LTM
revenue

\$7.3M
Jun-21 LTM
Adj. EBITDA

33.5%
Jun-21 LTM
Adj. EBITDA-%

Transaction rationale

1

New growth vector through expansion to fast growing and dynamic hyper-casual market

2

Highly skilled talent

- Ruby Games has built a talented and agile team over the years who thrive working in the ambitious and competitive hyper-casual market environment. Employees are highly motivated and have years of experience in game development.

3

Expanding network of Players and Games

- Adding hyper-casual games to Rovio's portfolio and expanding geographic and audience footprint enables synergies in e.g cross-promotion across a larger network of players

4

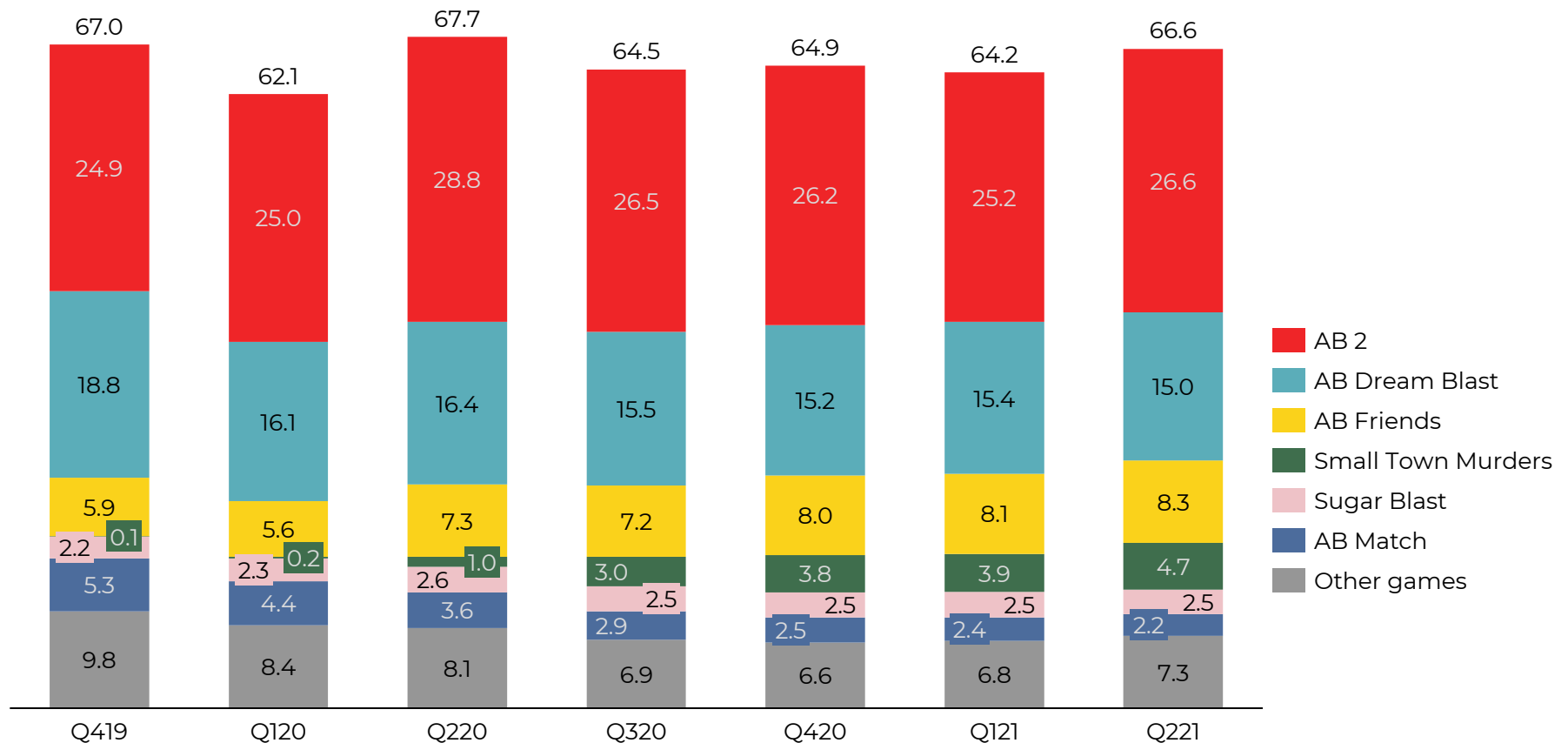
Diversifying Rovio's revenue stream.

- Extends Rovio's ads business and increase new IP (non-Angry Birds) revenue



Q221: Good performance across live games

GAMES GROSS BOOKINGS (EUR MILLION)



Emerging titles proceed as expected.

ANGRY BIRDS
JOURNEY

Improving the Angry Birds Journey continues. The game has now moved to monetisation phase in soft launch process.

Supernatural
City

Narrative based match-3 game Supernatural City has moved in the soft launch retention phase.

6 studios, 7 games in development, 2 in soft launch.

New!
Ruby Games



PUZZLE

- 7 live games
- 3 games in dev
- 2 games in SL



STRATEGY

Game cancelled:
reassigning teams



ADVANCED CASUAL

- 1 live game
- 2 games in dev



RPG

- 1 live game



HYPER CASUAL

Numerous projects



FUTURE OF GAMING

- 1 internal project
- 1 external project



Brand update

Angry Birds brand is an asset in a market dominated by paid digital advertising:

- Generates Organic Traffic
- Lowers CPIs

Strategy :

1. Solid Angry Birds Pipeline



2. Moomin partnership



Rovio establishes long-term partnership with Moomin

- Rovio becomes an exclusive partner to develop and publish Moomin IP based games for any platform and has exclusive rights for all mobile platforms.
- First mobile game inspired by Moominvalley visuals is in development. Expected to soft launch later in 2021.

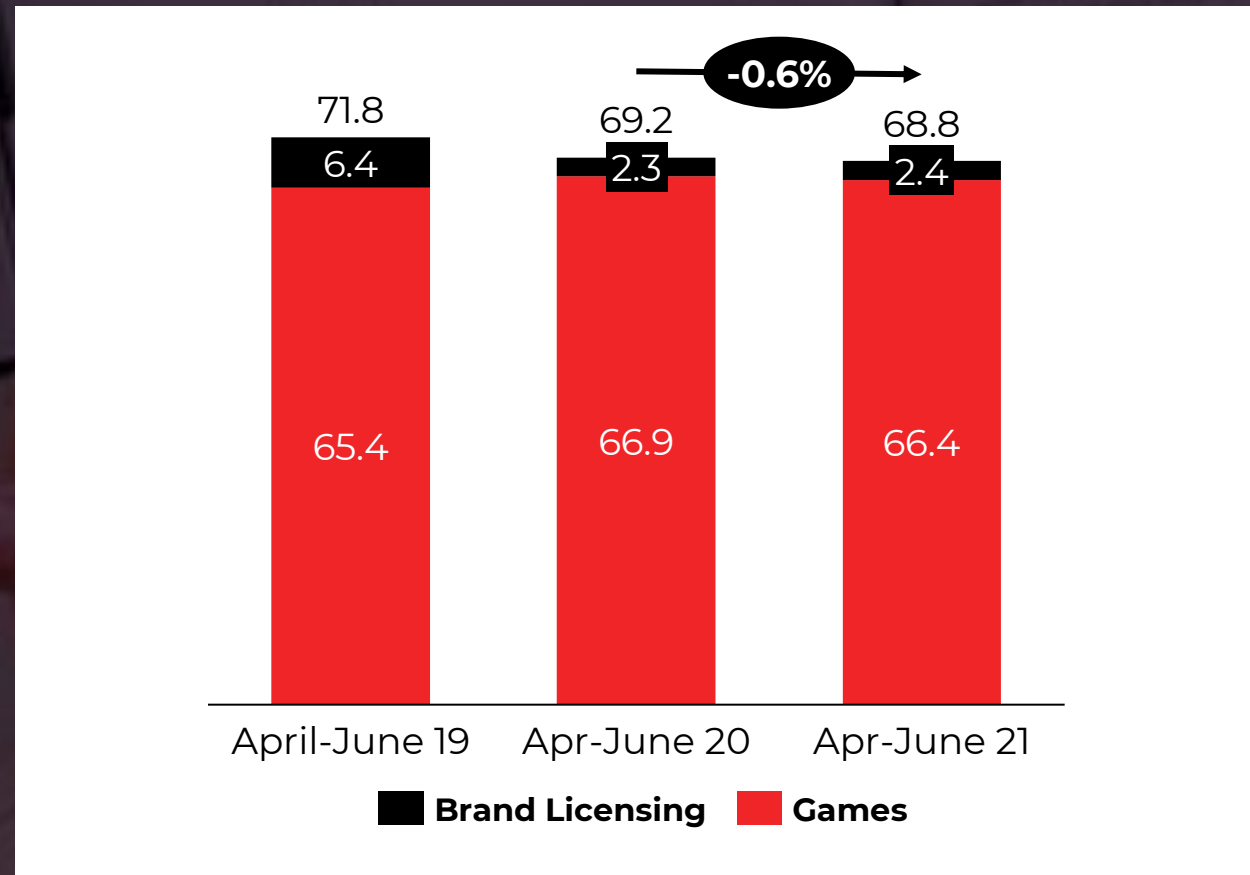


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Q221 Financials

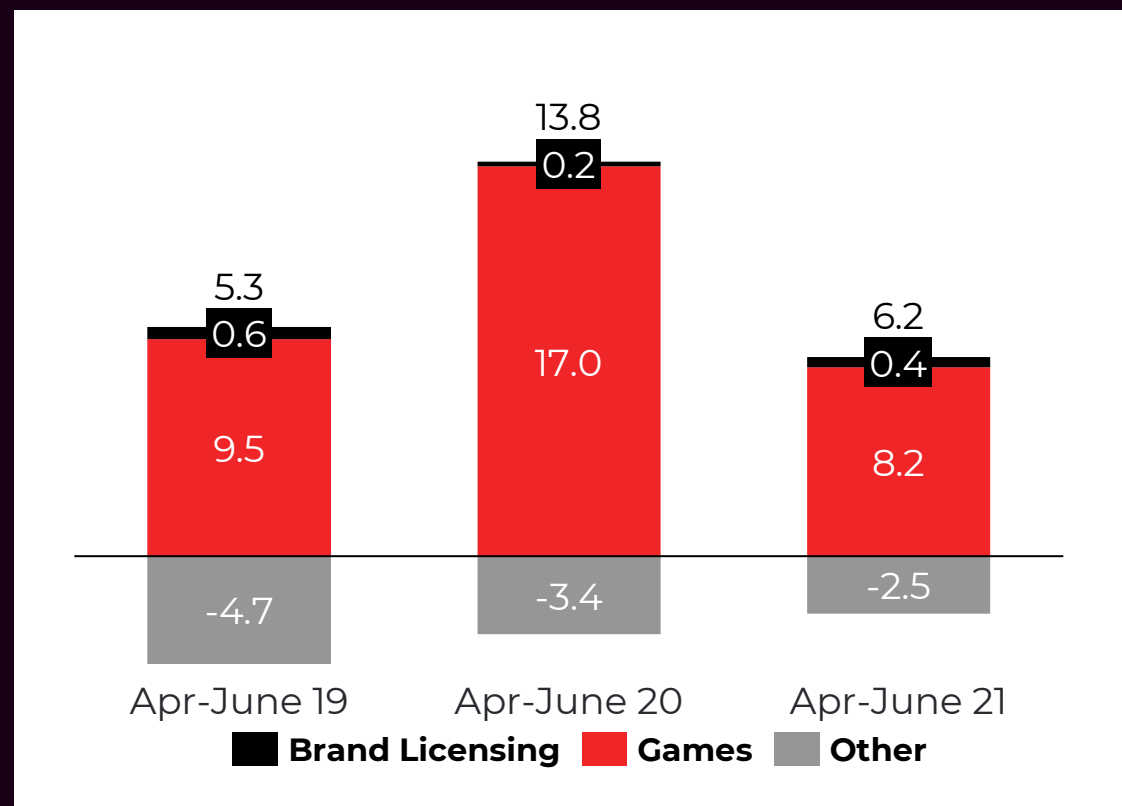
Q221: Group revenue -0.6%, in comparable currencies Games +6%

REVENUE (EUR MILLION)

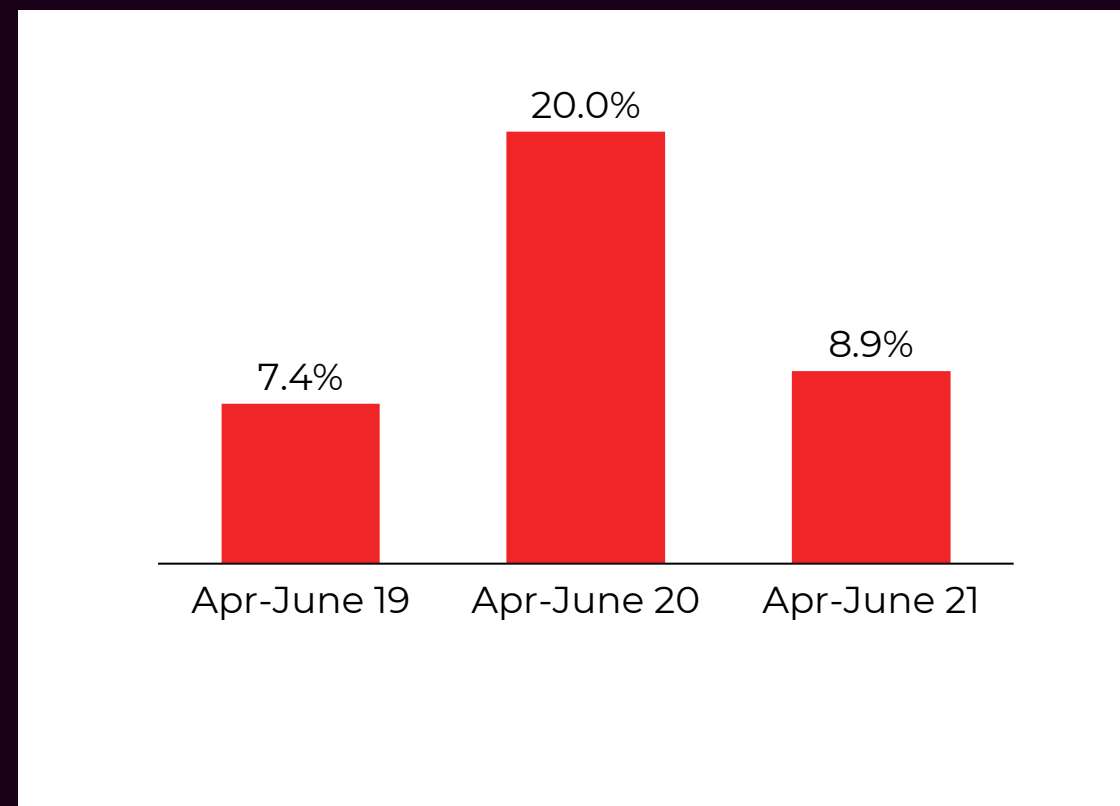


Q221: Profitability impacted by an increase in UA and OPEX

ADJUSTED OPERATING PROFIT(EUR MILLION) (*)



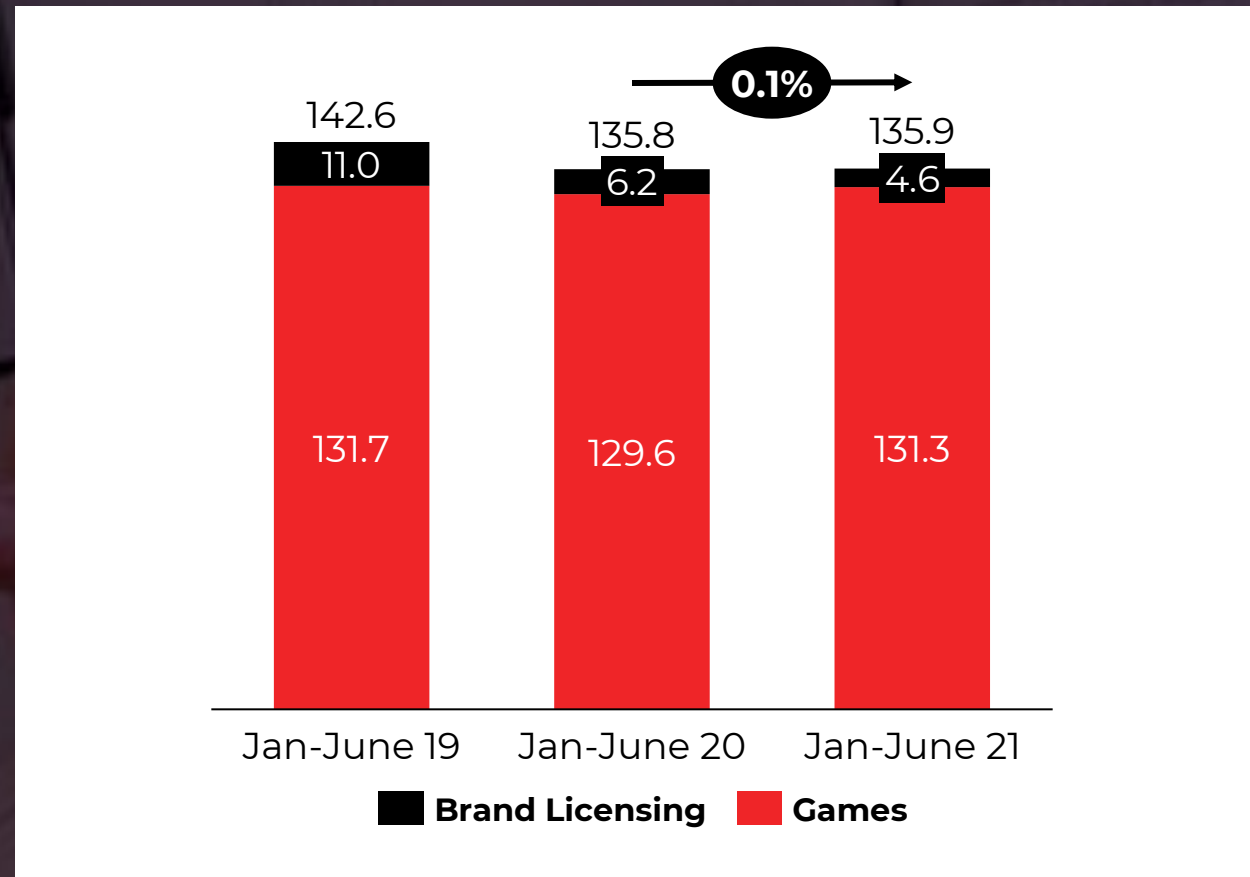
ADJUSTED OPERATING PROFIT MARGIN (%)



(*) Adjustments in April-June 2020 were EUR -0.2m. There were no adjustments in April-June 2021 and April-June 2019.

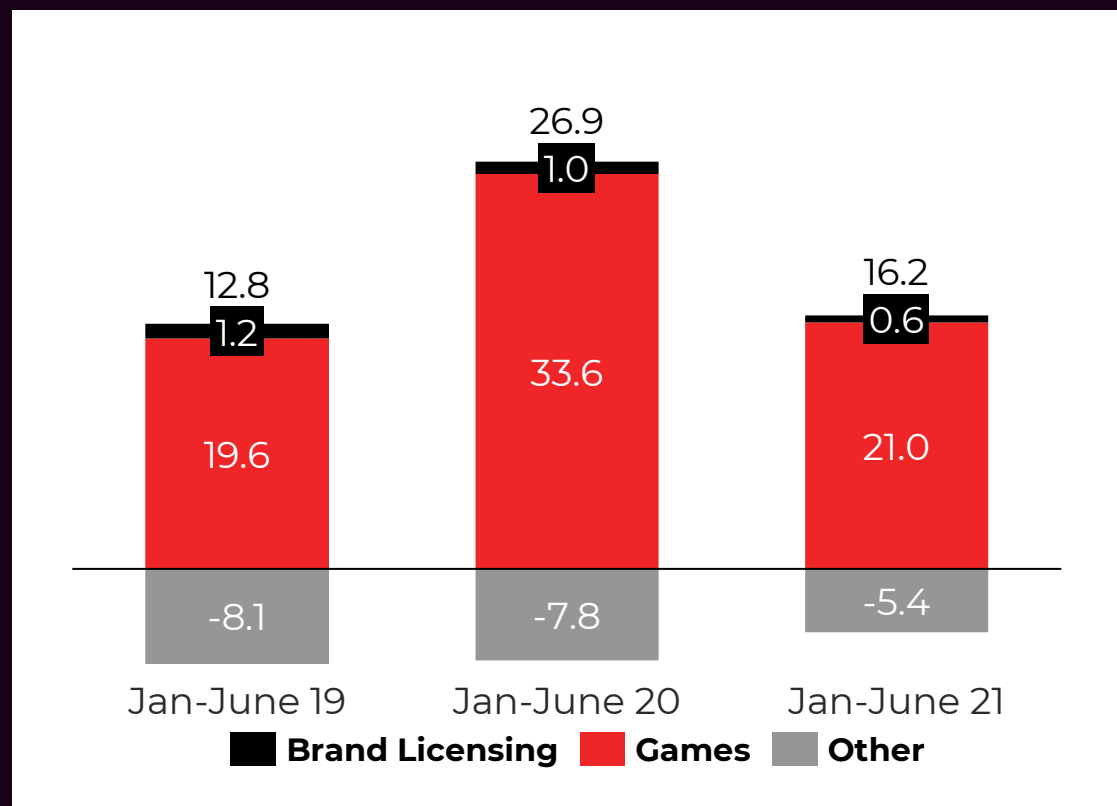
H121: Group revenue +0.1%, in comparable currencies Games +8%

REVENUE (EUR MILLION)

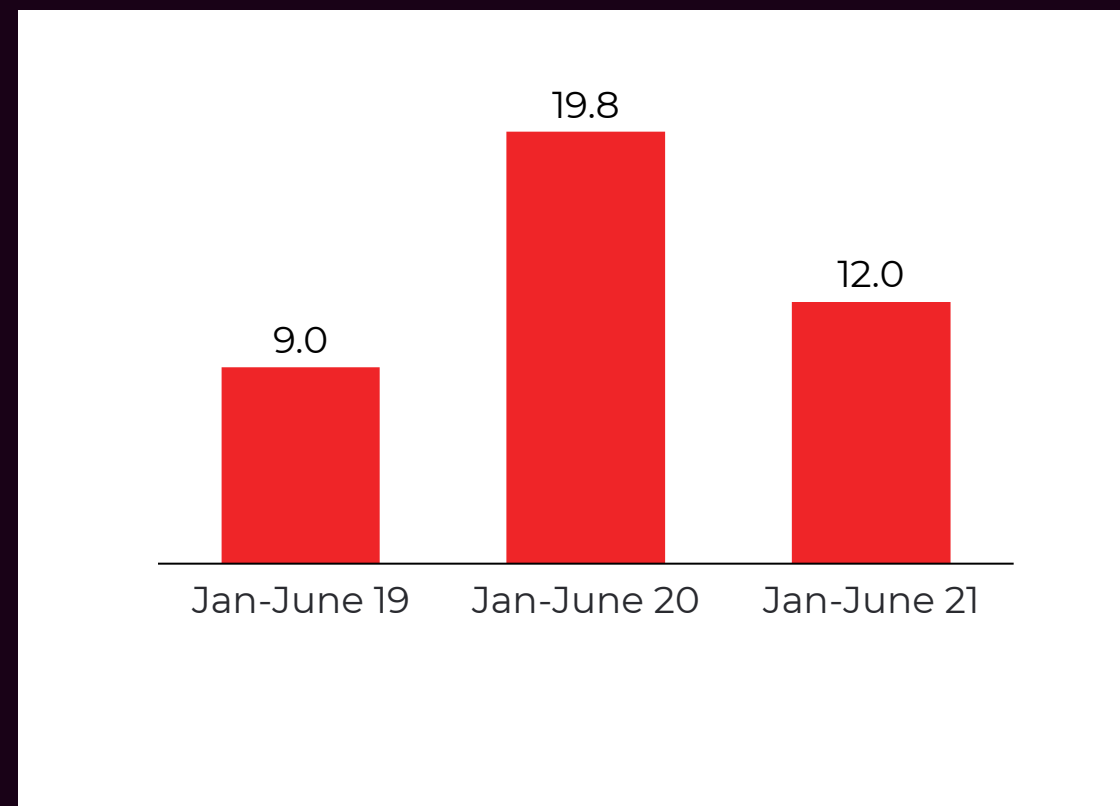


H121: Profitability impacted by an increase in UA and OPEX

ADJUSTED OPERATING PROFIT(EUR MILLION) (*)



ADJUSTED OPERATING PROFIT MARGIN (%)

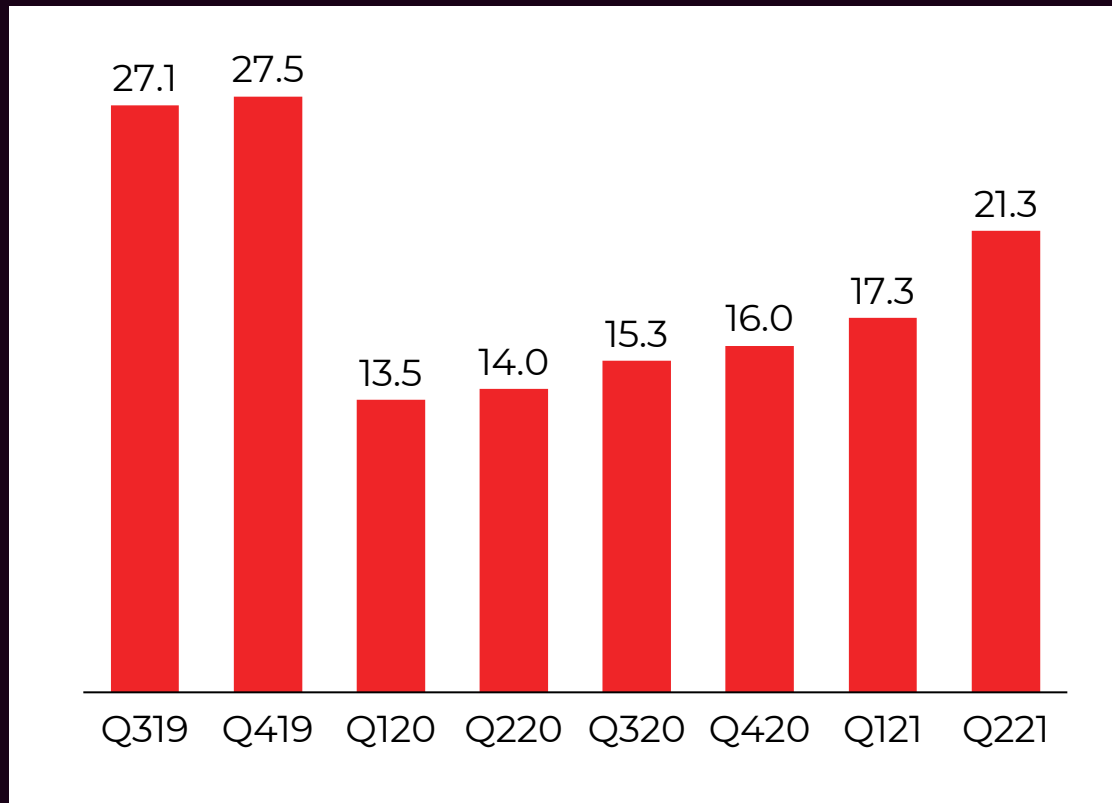


(*) Adjustments in the Jan-June 2021 were EUR 0.6m. In the Jan-June 2020 period adjustments were EUR 0.1m. There were no adjustments in the Jan-June 2019 period.

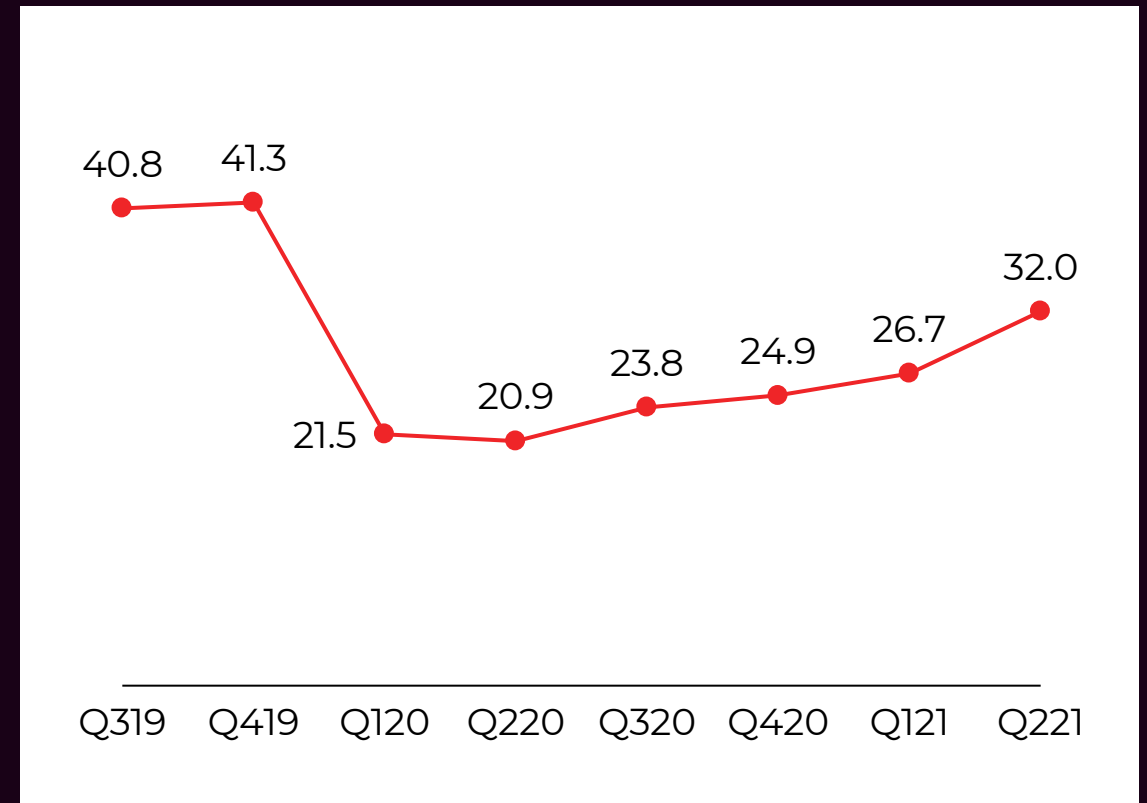
Q221: Increase in UA investments

UA ramped up with Darkfire Heroes launch in April

USER ACQUISITION INVESTMENTS (EUR MILLION)

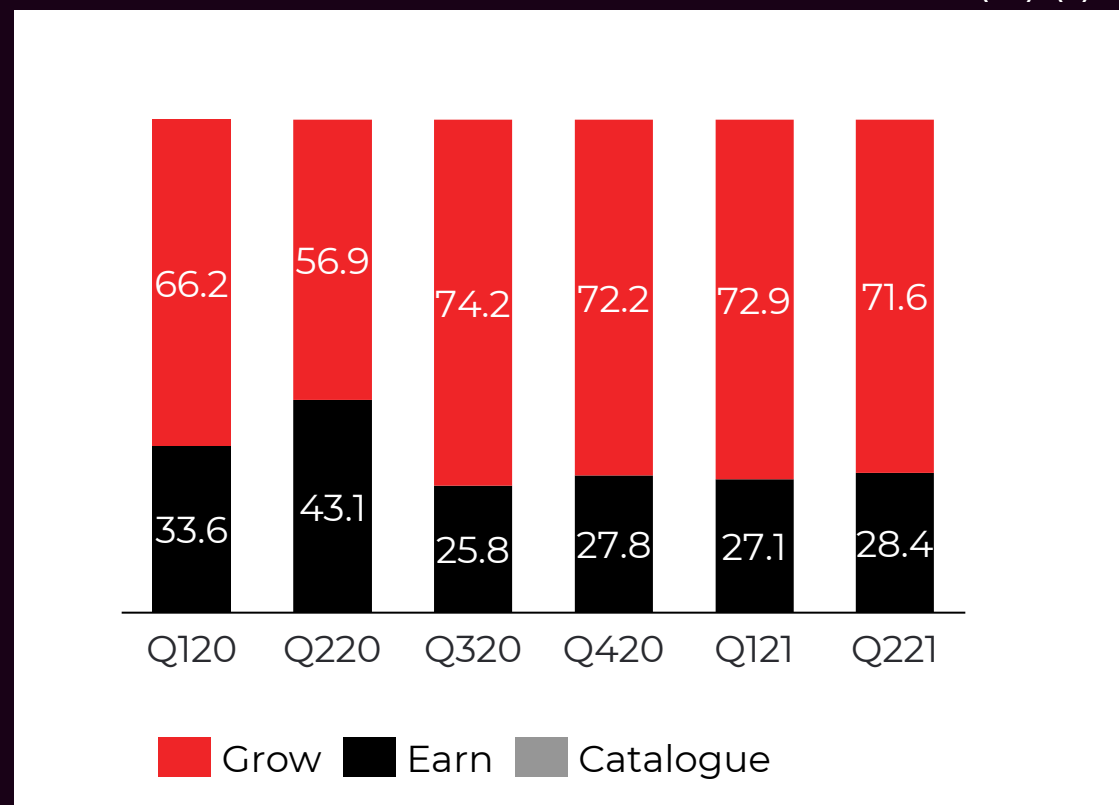


USER ACQUISITION AS % OF GAMES REVENUE

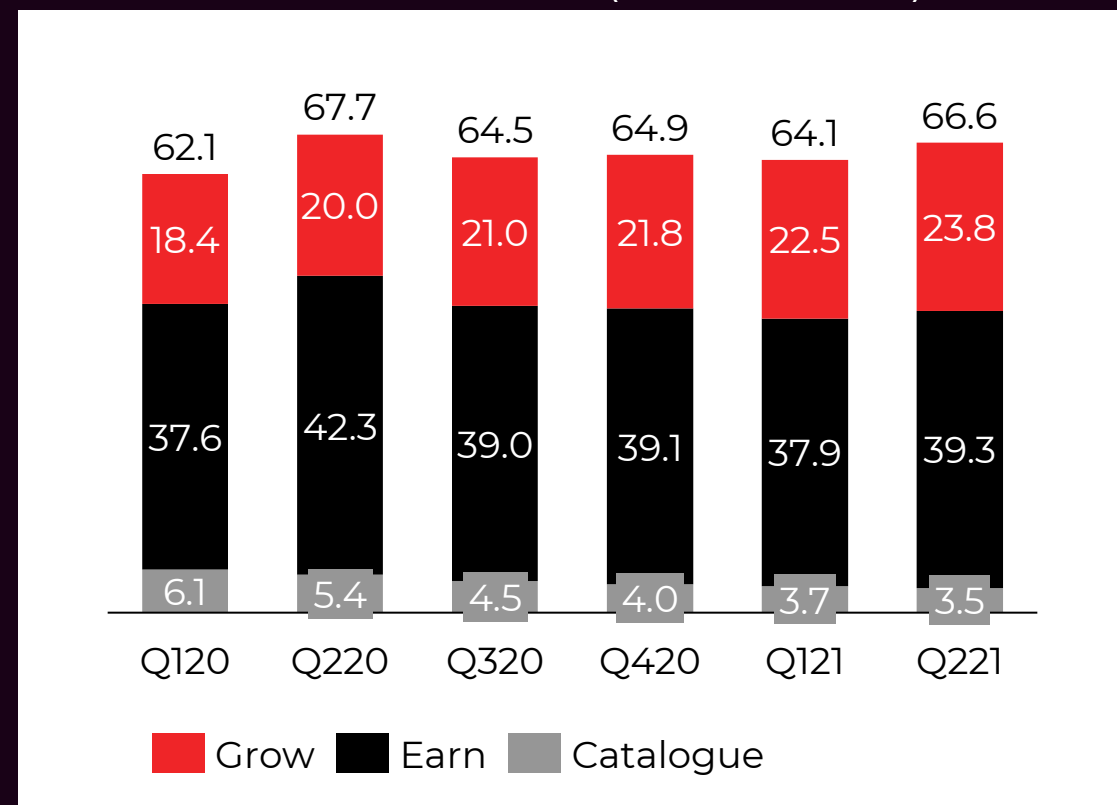


Q221: Growth and Earn games growing q-o-q

SHARE OF TOTAL UA PER GAME CATEGORY (%) (*)



GAMES GROSS BOOKINGS (EUR MILLION)



(*) Games categories per life-cycle:

Grow: Sugar Blast, Angry Birds Dream Blast, Small Town Murders, Darkfire Heroes + games in soft launch

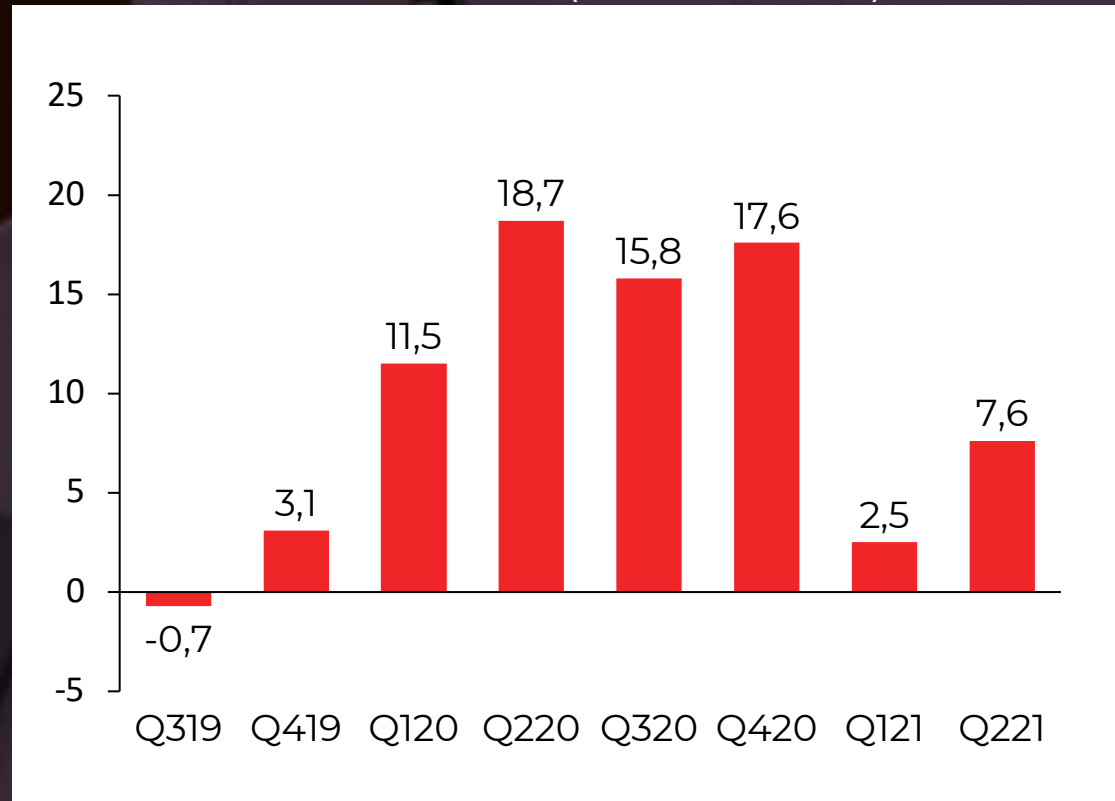
Earn: Angry Birds 2, Angry Birds Friends, Angry Birds Match, Angry Birds Pop

Catalogue: Other games

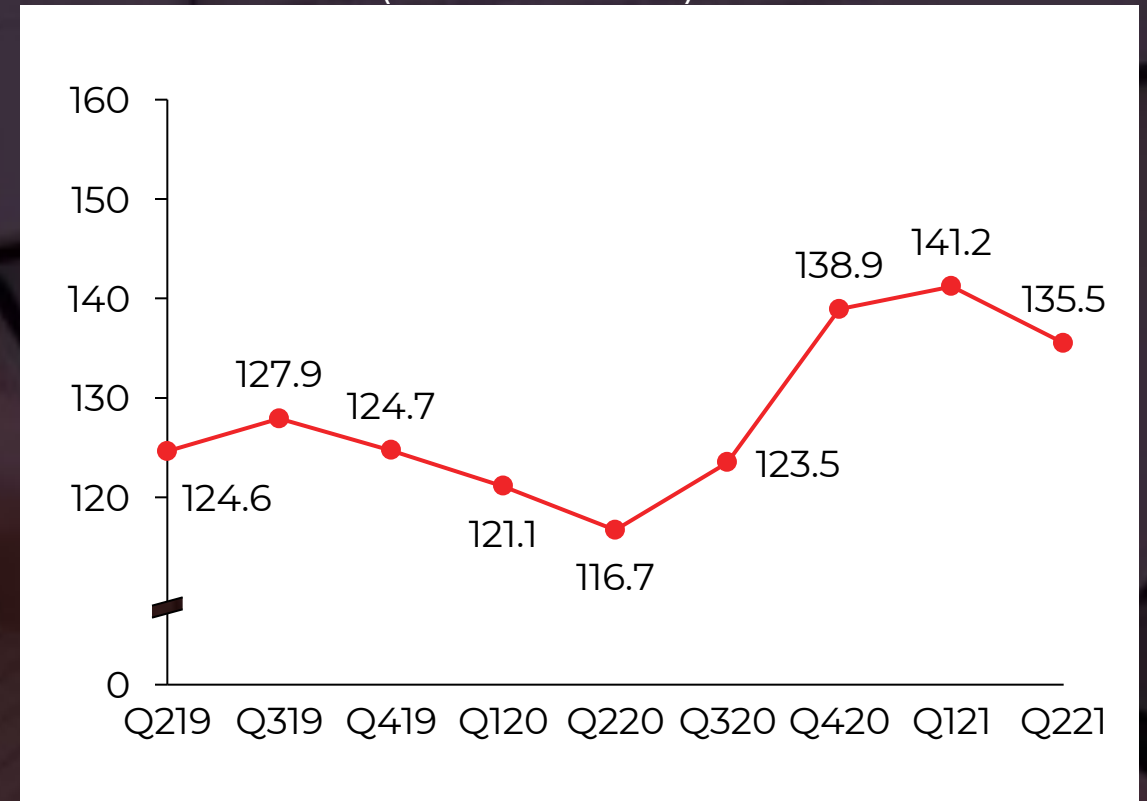
Q221: Operating cash flow impacted by lower profit

EUR 8.8 million dividends paid in April, EUR 5.0 million invested in Gutsy Animation

OPERATING CASH FLOW (EUR MILLION)



CASH BALANCE (EUR MILLION)



Outlook 2021 – No changes

The mobile gaming market continues to grow with casual gaming being a major growth driver. The ongoing changes in consumer behavior and underlying market trends are accelerated by the COVID pandemic and plays an important role in both current games' operation and new game development. This combined with industry changes like Apple's privacy policy fuels the near-term uncertainty in the market environment.

We will focus on improving the performance of our key live games and on launching new innovative products. We continue to show diligence in our UA spend. Depending on market conditions, the performance of our investments, and the launch of new games, we aim to increase our UA investments to build growth for the coming years. This may have implications on short-term profitability.

We will continue investing in our Future of Gaming initiatives, taking advantage of the trends we see in consumer behavior and building our positioning in the rapidly evolving market.

In addition, we seek growth through synergistic acquisitions that can deliver long-term value growth.

Pro forma income statement of Rovio and Ruby Games YTD Q2 2021

IFRS unaudited EUR million	Rovio (as reported) YTD Q2 '21)	Ruby Games YTD Q2 '21	Rovio (Pro forma) YTD Q2 '21
Revenue	135.9	6.4	142.4
Adjusted EBITDA	21.0	2.9	23.9
Adjusted EBITDA margin	15.5%	45.1%	16.8%
Adjusted EBIT	16.2	2.9	19.1
Adjusted EBIT margin	12.0%	44.6%	13.4%

Note: Pro forma income statement represents a view of how Rovio group financials would have looked like if the transaction would have been completed on January 1st, 2021. The financials are unaudited and are presented only as additional information.

Q&A



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Thank you!

We will be back with the next earnings call on October 30th!

<https://investors.rovio.com/en>



A dark, top-down view of a meeting table. Two laptops are open, one on the left and one on the right. A red coffee cup sits between them. Several hands are visible, some resting on the table, others holding pens. The overall scene is dimly lit, with the white text 'ROVIO' standing out prominently in the center.

 ROVIO