

Rovio Entertainment Corporation

Financial Statement Bulletin

February 19, 2021

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FINANCIAL STATEMENT BULLETIN 2020

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Good profitability and cash flows continued

October–December 2020 highlights

- Rovio group revenue was EUR 68.5 million (71.6) and declined 4.3% year-on-year due to lower brand licensing revenues and impact from FX
- Group adjusted operating profit grew to EUR 7.5 million (0.2) and adjusted operating profit margin increased to 10.9% (0.3%) due to lower level of user acquisition year-on-year
- Games revenue declined 3.4% year-on-year to EUR 64.4 million (66.7) due to FX. In comparable currencies, games revenue grew approximately by 2%. The Games gross bookings were EUR 64.9 million (67.0) and declined 3.2% year-on-year. In comparable currencies, the gross bookings grew approximately by 2%
- Scaling up of Rovio's newest game Small Town Murders' continued and its gross bookings reached EUR 3.8 million and a yearly run-rate of EUR 15 million
- Angry Birds Friends game made its best quarter since Q3 2018 with gross bookings growing to EUR 8.0 million (5.9)
- User acquisition investments were EUR 16.0 million (27.5), or 24.9% of the Games segment's revenue (41.3%)
- Angry Birds Legends game was cancelled, and EUR 4.6 million assets were written-off
- Brand Licensing revenue was EUR 4.1 million (4.9) and declined 16.2% year-on-year
- Group adjusted operating profit excluding Hatch Entertainment was EUR 9.1 million (3.2) and adjusted operating profit margin excluding Hatch Entertainment was 13.3% (4.5%)
- Operating cash flow was EUR 17.6 million (3.1)
- Earnings per share was EUR 0.04 (-0.01)
- Rovio's head of Games Alexandre Pelletier-Normand was appointed as Rovio CEO starting from 1st January 2021.

January-December 2020 highlights

- Rovio group revenue was EUR 272.3 million (289.1) and declined 5.8% year-on-year
- Group adjusted operating profit grew to EUR 47.2 million (18.3) and adjusted operating profit margin increased to 17.3% (6.3)
- Games revenue declined 2.5% year-on-year to EUR 258.2 million (264.8). In comparable currencies, games revenue declined approximately by 1%. The Games gross bookings were EUR 259.2 million (263.2) and declined by 1.5% year-on-year. In comparable currencies, the gross bookings were stable year-on-year.
- User acquisition investments were EUR 58.7 million (99.7), or 22.7% of the Games segment's revenue (37.7%)
- Brand Licensing revenue was EUR 14.0 million (24.3) and declined 42.5% year-on-year
- Group adjusted operating profit excluding Hatch Entertainment was EUR 54.6 million (29.2) and adjusted operating profit margin excluding Hatch Entertainment was 20.1% (10.1%)
- Operating cash flow was EUR 63.6 million (10.5)
- Earnings per share was EUR 0.43 (0.17)

Key figures

EUR million	10-12/ 2020	10-12/ 2019	Change, %	1-12/ 2020	1-12/ 2019	Change, %
Revenue	68.5	71.6	-4.3%	272.3	289.1	-5.8%
EBITDA	12.2	2.6	364.8%	60.0	32.3	85.6%
EBITDA margin	17.8%	3.7%	-	22.0%	11.2%	-
Adjusted EBITDA	12.2	2.9	320.0%	60.1	32.6	84.3%
Adjusted EBITDA margin, %	17.8%	4.1%	-	22.1%	11.3%	-
Operating profit	2.9	-0.1	3186.4%	42.5	18.1	135.4%
Operating profit margin, %	4.3%	-0.1%	-	15.6%	6.3%	-
Adjusted operating profit	7.5	0.2	3963.9%	47.2	18.3	157.2%
Adjusted operating profit margin, %	10.9%	0.3%	-	17.3%	6.3%	-
Profit before tax	2.3	-0.7	438.0%	40.7	17.7	129.8%
Capital expenditure	1.1	0.8	32.8%	3.9	3.1	26.4%
User acquisition	16.0	27.5	-41.8%	58.7	99.7	-41.1%
Return on equity (ROE), %	24.4%	10.8%	-	24.4%	10.8%	-
Net gearing ratio, %	-77.6%	-65.7%	-	-77.6%	-65.7%	-
Equity ratio, %	82.3%	80.5%	-	82.3%	80.5%	-
Earnings per share, EUR	0.04	-0.01	555.2%	0.43	0.17	157.3%
Earnings per share, diluted EUR	0.04	-0.01	553.8%	0.43	0.17	157.1%
Net cash flows from operating activities	17.6	3.1	458.7%	63.6	10.5	505.0%
Employees (average for the period)	479	468	2.3%	470	450	4.4%

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 dominated in-app-purchases in United States and global ad network sales.

Dividend proposal

The parent company's distributable funds amount to EUR 185.326.802,90, of which the profit for the period is EUR 52,855,821.49. The Board of Directors proposes to the Annual General Meeting to be held on March 30, 2021 that a dividend of EUR 0.12 per share be paid (EUR 0.09 for 2019). Based on the number of shares outstanding as of the balance sheet date, December 31, 2020, the total amount of the dividend is EUR 8,817,510.60.

Alex Pelletier-Normand, CEO:

My experience as the Head of Games of Rovio has shown me that as a company, we have the right ingredients to be competitive in today's mobile gaming market. We have focused teams, deep know-how in the Casual segment - the largest segment in mobile games - a brand with a wide appeal and extremely high global awareness, a will to pioneer future paradigm changes in the market, and a strong balance sheet to fuel growth. I am honored to have been appointed as the CEO of such a company at the beginning of the year.

Rovio ended the year 2020 with stable key game bookings, good profitability, and strong cash flow. In the last quarter, games gross bookings grew year-on-year in comparable currencies. Working from home we continued to deliver on our strategy of putting our players first through great live services. I am happy to say that our operations and new game projects are progressing well despite the unusual circumstances brought on by the COVID pandemic. I want to thank all Rovians for their great efforts and perseverance in 2020. They adapted to the challenges brought by remote work fast, resolutely, and flawlessly. Our eagerness to approach new circumstances head-on is deeply representative of how we will tackle market evolutions.

In the fourth quarter, our largest game Angry Birds 2 gross bookings grew year-on-year and we launched a significant update - Arena 2.0 - that was especially targeted at the most engaged and competitive players, showing them a deeper sense of progression. This update was intended to act as a launchpad, opening new opportunities for evolutions, and allowing us to start the year 2021 in a good position. Angry Birds Dream Blast declined year-on-year, attributable to a much lower level of user acquisition. We are in the progress of renewing the game's visual progression system and introducing new events that we believe will increase player retention. Angry Birds Friends had its best quarter since Q3 2018, and we can now see that the investments we made on this game since 2019 are paying off. During the quarter we continued to gradually scale up our newest game Small Town Murders while introducing new content, new language versions and an end-game loop as important steps to enable increased player engagement and further scalability.

In 2020, we took steps forward on a strategic level. Firstly, we believe it is necessary to think about the shape that will take the industry in years ahead. To be at the forefront of those innovations, we set up a forward-looking studio in Montreal, exploring trends that will drive the games of tomorrow, including games being used as social networks, the switch towards a post-platform paradigm, and the emergence of the metaverse. Secondly, we acquired a studio in Copenhagen for which we identified strong synergies. The combination of the team's deep knowledge of the action RPG genre and Rovio's marketing and analytical support gave fruit to significant progress of their game during the fall. I am happy to announce that the studio's game Darkfire Heroes, which was in soft launch in 2020, is planned to be launched in April of this year.

Towards the end of the year, we shifted our Stockholm studio's strategy from mid-core towards advanced casual games to build upon the experiences of Angry Birds 2 as well as past RPG projects, aiming at crafting high appeal and high monetization games. Several new prototypes resulting from this strategy shift are currently being worked on.

We also put significant efforts across the whole Rovio to gear up for Apple's upcoming privacy policy change and ensuing App Tracking Transparency (ATT) requirement, which is expected to impact targeted advertising across the industry. We are ready for this change.

Lastly, the year ended with my nomination as CEO. Knowing the company very well given my previous role, I expect the transition to continue to unfold smoothly, with the support of Rovians. In 2021, we focus on executing our strategy on all fronts and keep putting our players first. Our live game portfolio is solid, and the new game pipeline is deep with numerous promising projects. At the same time, we are paving the way for the years ahead by continuing to invest into forward-looking products that take advantage of industry shifts that were accelerated by the pandemic. On the M&A front we engage with companies that have innovative games, clear synergies and talented teams that share our vision of the future. My highest priority is to work with fellow Rovians to drive long-term growth through delivering on our mission: craft joy with player-focused gaming experiences that last for decades.

2021 outlook

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.

Audiocast and conference call:

Rovio will host an English language audiocast and conference call on the fourth quarter and full year 2020 financial results, including a Q&A session for analysts, media and institutional investors at 14:00-15:00 EET on February 19, 2021. The audiocast can be viewed live at: <https://investors.rovio.com/en>, and later on the same day as a recording.

Conference call details:

PIN: 71333455#

Finland: +358 981710310

Sweden: +46 856642651

United Kingdom: +44 3333000804

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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 4.5 billion times so far. 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 and consumer products in brand licensing. Today, Rovio offers multiple mobile games, animations and produced The Angry Birds Movie in 2016. Its sequel, The Angry Birds Movie 2, was released in 2019. Rovio is headquartered in Finland and the company's shares are listed on the main list of NASDAQ Helsinki stock exchange with the trading code ROVIO. (www.rovio.com)

Rovio Entertainment Corporation

Financial Statement Bulletin 1–12/2020

A description of the accounting standards applied in the preparation of this Interim Report is provided in the notes to this Interim Report, in Note 1 Accounting principles.

Market review

According to market intelligence provider Newzoo's latest global games market report published in January 2021, the global mobile gaming market size in end-user generated revenue was estimated to be USD 86.3 billion in 2020 which represented 25.6% year-on-year growth driven by a heightened global gaming activity as a result of Covid-19 physical limitations. Newzoo estimates the global mobile gaming market to grow 10.9% in 2021.

In 2020-2023, the global mobile gaming market is expected to grow at 9.8% CAGR and the Western market at 7.8% CAGR.

Revenue and result

October-December 2020

In the fourth quarter 2020, Rovio group revenue was EUR 68.5 million (71.6) and declined 4.3% year-on-year due to lower brand licensing revenues and impact of FX. The Games segment revenue declined 3.4% year-on-year and amounted to EUR 64.4 million (66.7). In comparable currencies, games revenue grew by approximately 2%. The Games segment gross bookings were EUR 64.9 million (67.0) and declined 3.2% year-on-year. In comparable currencies, the games gross bookings grew 2% year-on-year. After the Covid-19 peak in the second quarter this year, we saw player engagement and revenues normalizing during the second half of the year.

In the reporting period, the gross bookings of Rovio's largest game Angry Birds 2 were EUR 26.2 million and was 5.2% higher year-on-year. Rovio's second largest game Angry Birds Dream Blast gross bookings were EUR 15.2 million, which was 19% lower year-on-year due to much lower level of user acquisition. Angry Birds Friends at EUR 8.0 million gross bookings had its best quarter of the year and grew 42.9% year-on-year.

The revenue of the Brand Licensing segment was EUR 4.1 million (4.9) and declined 16.2% year-on-year. The revenue consisted of EUR 3.0 million (2.1) from Content Licensing and EUR 1.1 million (2.8) from Consumer Products. The revenues of Content Licensing in Q4 were a bit higher year-on-year due to higher revenues from the first Angry Birds Movie. Although the revenues of the two Angry Birds movies are expected to decline over time, there are variations in the timing and in the size of the quarterly revenue streams.

The Group's adjusted EBITDA increased to EUR 12.2 million (2.9), or 17.8% (4.1%) of revenues.

The Group's adjusted operating profit increased to EUR 7.5 million (0.2) and adjusted operating profit margin increased to 10.9% (0.3%). Excluding Hatch Entertainment cost, the Group's adjusted operating profit increased to EUR 9.1 million (3.2) and adjusted operating profit margin 13.3% (4.5%). The adjustments in the reporting period amounted to EUR 4.6 million and were related to write-offs in conjunction with cancelling the Angry Birds Legends game project. The adjustments in October-December 2019 amounted to EUR 0.3 million and were related to the restructuring of Brand Licensing unit.

The Games segment's adjusted EBITDA increased to EUR 13.7 million (5.7) or 21.2% (8.5%) of revenues. Games EBITDA margin was higher compared to last year due to significantly lower user acquisition investments in the reporting period: EUR 16.0 million (27.5) or 24.9% of revenues (41.3%) as well due to stable revenues of key games despite lower user acquisition.

The Brand Licensing segment's adjusted EBITDA increased to EUR 2.9 million (1.8) and adjusted EBITDA margin was 70.7% (36.5%). The higher EBITDA of Brand Licensing in the reporting period was due to higher share of movie revenues.

The Group's profit before taxes was EUR 2.3 million (-0.7) and earnings per share EUR 0.04 (-0.01).

January-December 2020

During January-December 2020, Rovio group revenue was EUR 272.3 million (289.1) and declined 5.8% year-on-year due to lower brand licensing and games revenues.

The Games segment revenue was EUR 258.2 million (264.8) and declined 2.5% year-on-year. In comparable currencies, the decline was approximately 1%. The Games segment gross bookings were EUR 259.2 million (263.2) and declined 1.5% year-on-year. In comparable currencies, the games gross bookings were stable year-on-year.

The revenue of the Brand Licensing segment was EUR 14.0 million (24.3) and declined 42.5% year-on-year. The revenue consisted of EUR 9.1 million (16.2) from Content Licensing, the majority of which was income from the first Angry Birds Movie, and EUR 4.9 million (8.1) from Consumer Products.

The Group's adjusted EBITDA increased to EUR 60.1 million (32.6), or 22.1% (11.3%) of revenues.

The Group's adjusted operating profit increased to EUR 47.2 million (18.3) and adjusted operating profit margin increased to 17.3% (6.3%). Excluding Hatch Entertainment, the Group's adjusted profit increased to EUR 54.6 million (29.2) and adjusted operating profit margin 20.1% (10.1%). The adjustments during the reporting period amounted to in total of EUR 4.7 million and were related to restructuring of Brand Licensing and Hatch Entertainment, the acquisition of Darkfire Games studio (in total EUR 0.1 million) and the cancelling of the Angry Birds Legends game project with EUR 4.6 million asset write-off. The adjustments in January-December 2019 amounted to EUR 0.3 million and were related to the restructuring of Brand Licensing unit.

The Games segment's adjusted EBITDA was EUR 65.8 million (35.6) or 25.5% (13.4%) of revenues. The user acquisition investments in the reporting period were EUR 58.7 million (99.7) or 22.7% of games revenues (37.7%).

The Brand Licensing segment's adjusted EBITDA was EUR 8.9 million (13.8) and adjusted EBITDA margin was 64.1% (57.8%). The decrease in EBITDA from last year was due to lower revenues.

The Group's profit before taxes was EUR 40.7 million (17.7) and earnings per share EUR 0.43 (0.17).

Financing and investments

Rovio's capital expenditure was EUR 1.1 million (0.8) in the fourth quarter of 2020. Rovio refers to the user acquisition costs of the Games segment as investments, but pursuant to accounting regulations, they are recognized as expenses rather than investments due to their average payback period being about a year.

The Games segment's capital expenditure was EUR 0.6 million (0.4) in the fourth quarter and related to external game development. The Other-segment's investments were EUR 0.5 million (0.3) for the quarter and consisted mainly of machinery and equipment.

Cash flow from financing amounted to EUR -0.4 million (-5.1) in the fourth quarter and consisted mainly of proceeds from EUR 0.7 million of finance lease repayments offset by share subscriptions of EUR 0.3 million.

At the end of 2020, Rovio's total interest-bearing loans and financial liabilities amounted to EUR 10.5 million (14.4) consisting of EUR 1.9 million product development loans from Business Finland (the Finnish Funding Agency for Innovation) as well as EUR 8.6 million leasing liabilities.

Rovio's cash and cash equivalents and money market funds at the end of the review period amounted to EUR 138.9 million (124.7).

Development per business segment

Games

October-December 2020

The Games segment's revenue in the reporting period amounted to EUR 64.4 million (66.7). Revenue decreased year-on-year by 3.4%. In comparable currencies, revenue increased approximately by 2%. Gross bookings decreased 3.2% to EUR 64.9 million (67.0). In comparable currencies, games gross bookings increased by 2% year-on-year.

Rovio's largest game Angry Birds 2 declined 1% from Q3 2020 to EUR 26.2 million but grew 5% year-on-year. Rovio's top five games were Angry Birds 2, Angry Birds Dream Blast, Angry Birds Friends, Small Town Murders and Angry Birds Match. The largest 5 games remained the same as in the previous quarter.

The Games segment's adjusted EBITDA increased by 141.0% and was EUR 13.7 million (5.7). The adjusted EBITDA increase was mainly a result of lower user acquisition investments year-on-year and only a slight drop in revenues despite the reduction in user acquisition.

The Games segment's user acquisition investments decreased year-on-year to EUR 16.0 million (27.5), or 24.9% (41.3%) of the Games segment's revenue in the reporting period to adhere with the 12-month payback requirement. Compared to the previous quarter, the Angry Birds 2 user acquisition investments were slightly increased, while the investments for Angry Birds Dream Blast and Small town Murders were stable.

The user acquisition investments in the fourth quarter were divided between the different categories of games as follows: 72.2% into the "Grow" -category (Angry Birds Dream Blast, Sugar Blast and Small Town Murders) and 27.8% into the "Earn" -category (Angry Birds 2, Angry Birds Match, Angry Birds Friends), of which practically all was invested into Angry Birds 2.

The Games segment's capital expenditure in the fourth quarter amounted to EUR 0.6 million (0.4)

January-December 2020

The Games segment's full year 2020 revenue amounted to EUR 258.2 million (264.8). Revenue decreased year-on-year by 2.5%. In comparable currencies, the decrease was approximately 1%. Gross bookings decreased by 1.5% to EUR 259.2 million (263.2). In comparable currencies, year-on-year gross bookings was stable.

The Games adjusted EBITDA increased by 84.7% to EUR 65.8 million (35.6). The adjusted EBITDA increase was driven by reduced user acquisition investments that were partly offset by an increase in personnel expenses.

The Games segment's user acquisition investments decreased to EUR 58.7 million (99.7), or 22.7% (37.7%) of the Games segment's revenue in the reporting period to adhere with the 12-month payback requirement.

The Games segment's capital expenditure in the reporting period amounted to EUR 2.4 million (1.1).

EUR million	10-12/ 2020	10-12/ 2019	Change, %	1-12/ 2020	1-12/ 2019	Change, %
Gross bookings	64.9	67.0	-3.2 %	259.2	263.2	-1.5 %
Revenue	64.4	66.7	-3.4 %	258.2	264.8	-2.5 %
Adjusted EBITDA	13.7	5.7	141.0 %	65.8	35.6	84.7 %
Adjusted EBITDA margin, %	21.2 %	8.5 %	-	25.5 %	13.4 %	-
EBITDA	13.7	5.7	141.0 %	65.8	35.6	84.7 %
EBITDA margin, %	21.2 %	8.5 %	-	25.5 %	13.4 %	-
User acquisition	16.0	27.5	-41.8 %	58.7	99.7	-41.1 %
User acquisition share of revenue, %	24.9 %	41.3 %	-	22.7 %	37.7 %	-
Capital expenditure	0.6	0.4	35.7 %	2.4	1.1	122.8 %

Key performance indicators of the Games segment

The key performance indicators of the Games segment use gross bookings in place 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 based on 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 the reported revenue. The reconciliation of gross bookings to revenue is presented in the notes.

In the fourth quarter of 2020, the Games segment's gross bookings decreased by -3.2% to EUR 64.9 million (67.0) but increased by approximately 2% year-on-year in comparable currencies.

The number of daily active users for all games decreased from 4.5 million to 4.4 million. For top 5 games, the number of active users stayed at the previous quarters level at 3.2 million (3.2).

The amount of monthly unique payers (MUP) increased by 6% to 404 thousand (380 thousand in Q3) for the top 5 games and by 5% to 467 thousand for the whole portfolio (445 thousand in Q3).

The average revenue per daily active user stayed at the previous quarter level, at 16 cents for the whole portfolio and 19 cents for the top-5 games. MARPPU decreased back to Q1 level, 39.8 EUR for the top-5 games and 39.9 for the whole portfolio.

EUR million	10-12/ 2020	7-9/ 2020	4-6/ 2020	1-3/ 2020	10-12/ 2019	7-9/ 2019
Gross bookings top 5	55.7	55.1	58.6	53.7	57.6	57.3
Gross bookings total	64.9	64.5	67.7	62.1	67.0	65.1

Million	10-12/ 2020	7-9/ 2020	4-6/ 2020	1-3/ 2020	10-12/ 2019	7-9/ 2019
DAU top 5	3.2	3.2	3.7	3.7	4.1	3.8
DAU all	4.4	4.5	5.1	5.4	5.9	5.9
MAU top 5	17.6	18.1	20.1	19.7	21.0	20.7
MAU all	27.3	29.4	32.5	36.5	37.3	40.7

Thousand	10-12/ 2020	7-9/ 2020	4-6/ 2020	1-3/ 2020	10-12/ 2019	7-9/ 2019
MUP top 5	404	380	390	393	426	428
MUP all	467	445	453	454	497	489

EUR	10-12/ 2020	7-9/ 2020	4-6/ 2020	1-3/ 2020	10-12/ 2019	7-9/ 2019
ARPPU top 5	0.19	0.19	0.17	0.16	0.15	0.16
ARPPU all	0.16	0.16	0.15	0.13	0.12	0.12
MARPPU top 5	39.8	42.6	44.9	39.6	38.3	38.0

MARPPU all	39.9	42.5	44.7	39.6	38.3	37.7
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Game-specific performance in the Games segment

Following the drop after the peak in player engagement due to Covid-19 in Q2, the gross bookings stayed very close to the Q3 levels across the portfolio. Most significant changes were the Angry Birds Friends increase to EUR 8.0 million and Small Town Murders increase to EUR 3.8 million in Q4 gross bookings. Angry Birds Friends recorded its highest quarterly gross bookings since Q3 2018.

Angry Birds 2, Rovio's largest game, declined from the previous quarter by 1% to EUR 26.2 million, but grew 5% year-on-year. The user acquisition investments for the game increased slightly in Q4 2020.

Rovio's second biggest game in the reporting period was Angry Birds Dream Blast with gross bookings of EUR 15.2 million. The Q4 gross bookings decreased slightly from the previous quarter and year-on-year. The user acquisition investments were on the same level as in the previous quarter.

Rovio's third biggest game in the reporting period was Angry Birds Friends with gross bookings of 8.0 million, growing 10% compared to the previous quarter and 35% year-on-year.

Small Town Murders, which was released in June 2020 remained Rovio's fourth biggest game in the quarter. It generated gross bookings of EUR 3.8 million in the reporting period.

Angry Birds Match recorded gross bookings of EUR 2.5 million and was Rovio's fifth biggest game in the quarter. The drop in Angry Birds Match revenue was due to lower user acquisition investments.

Sugar Blast, which was launched in September 2019, generated EUR 2.5 million gross bookings in the fourth quarter and was stable compared to the previous quarter.

The Other games category generated total gross bookings of EUR 6.6 million during the quarter (6.9).

Gross bookings, EUR million	10-12/2020	7-9/2020	4-6/2020	1-3/2020	10-12/2019	7-9/2019
AB 2	26.2	26.5	28.8	25.0	24.9	25.0
AB Dream Blast	15.2	15.5	16.4	16.1	18.8	17.8
AB Friends	8.0	7.2	7.3	5.6	5.9	6.2
Small Town Murders	3.8	3.0	1.0	0.2	0.1	
AB Match	2.5	2.9	3.6	4.4	5.3	5.7
Sugar Blast	2.5	2.5	2.6	2.3	2.2	0.5
Other games	6.6	6.9	8.1	8.4	9.8	9.9
Total	64.9	64.5	67.7	62.1	67.0	65.1

Brand Licensing

October-December 2020

The revenue of the Brand Licensing segment in the reporting period October-December 2020 was EUR 4.1 million (4.9) and declined 16.2% year-on-year. The revenue consisted of EUR 3.0 million (2.1) from Content Licensing and EUR 1.1 million (2.8) from Consumer Products. The revenues of Brand Licensing declined due to lower consumer products sales. The revenues from the first Angry Birds Movie were larger than expected in this quarter and thus content licensing grew 42% year-on-year. The revenues of the movies are expected to decline over time; however, the revenue streams can have high variation on a quarterly basis.

The Brand Licensing segment's adjusted EBITDA in the reporting period was EUR 2.9 million (1.8) and adjusted EBITDA margin was 70.7% (36.5%). The higher EBITDA in the reporting period was due to higher movie revenues.

January-December 2020

During January-December 2020, the revenue of the Brand Licensing segment was EUR 14.0 million (24.3) and declined 42.5% year-on-year which was a lower than expected due to higher revenues from first Angry Birds Movie in the last quarter. The Brand licensing revenues consisted of EUR 9.1 million (16.2) from Content Licensing, the majority of which was income from the first Angry Birds Movie, and EUR 4.9 million (8.1) from Consumer Products. The revenues of Brand Licensing declined due to lower revenues from the first Angry Birds Movie as well as due to lower consumer products sales.

The Brand Licensing segment's adjusted EBITDA was EUR 8.9 million (14.0) and adjusted EBITDA margin was 64.1% (57.8 %). The lower EBITDA in the reporting period was due to lower revenues.

EUR million	10-12/ 2020	10-12/ 2019	Change, %	1-12/ 2020	1-12/ 2019	Change, %
Revenue	4.1	4.9	-16.2%	14.0	24.3	-42.5%
Consumer products	1.1	2.8	-60.8%	4.9	8.1	-39.8%
Content licensing	3.0	2.1	42.0%	9.1	16.2	-43.9%
Adjusted EBITDA	2.9	1.8	62.4%	8.9	14.0	-36.3%
Adjusted EBITDA margin, %	70.7%	36.5%	-	64.1%	57.8%	-
EBITDA	2.9	1.5	92.4%	8.8	13.8	-36.2%
EBITDA margin, %	70.7%	30.8%	-	62.9%	56.7%	-
Capital expenditure	0.0	0.1	-67.0%	0.3	0.7	-47.8%
Amortization	3.6	1.5	142.9%	8.1	9.4	-14.3%

Other segment

Hatch Entertainment

Hatch Entertainment Ltd, Rovio's subsidiary, develops cloud-based game streaming technology and service for mobile and smart TVs.

In 2019, Rovio announced that alternative financial structures and partnerships would be explored for Hatch. During the first quarter of 2020 Rovio announced its decision to end the financing round that was started in 2019 and that strategic alternatives for Hatch will be further evaluated.

The competition in game streaming intensified during 2019 while 5G networks and devices rollout has been slower than expected. Due to the changes in the operating environment Hatch Entertainment decided to focus its strategy. During 2020 Hatch focused on Hatch Kids, a subscription and streaming based digital entertainment and edutainment service tailored for children and families, that was in soft launch on Android in six countries and on iOS in Finland during the reporting period. Hatch restructured its operations during the first half of 2020 to align with the updated strategy with annualized cost savings of approximately EUR 6 million.

The new cost level is actualized from June 2020 onwards. Hatch operating profit impact during the fourth quarter of 2020 was EUR -1.6 million (-3.1) and during January-December EUR -7.6 million (-10.9).

Consolidated statement of financial position

Consolidated statement of financial position. EUR million	31 Dec 2020	31 Dec 2019
Non-current assets	38.6	44.9
Current receivables	31.0	47.6
Money market funds	50.5	70.2
Cash and cash equivalents	88.4	54.6
Total assets	208.5	217.3
Equity	165.4	168.0
Financial liabilities	10.5	14.4
Advances received and deferred income	7.5	8.6
Other payables	25.1	26.3
Total equity and liabilities	208.5	217.3

Rovio's consolidated statement of financial position amounted to EUR 208.5 million on December 31, 2020 (217.3), with equity representing EUR 165.4 million (168.0) of the total. Cash and cash equivalents amounted to EUR 138.9 million (124.7). The cash deposits amounted to EUR 50.5 million and the cash equivalents to EUR 88.4 million, consisting of investments in money market funds. The increase in cash and cash equivalents during the year 2020 was mainly attributable to cash from operating activities of EUR 63.6 million which was partially offset by acquisition costs of treasury shares of EUR 30.7 million and dividend payments of EUR 6.9 million.

Total advances received, and deferred income were 7.5 million (8.6).

On December 31, 2020 Rovio's non-current assets were EUR 38.6 million (44.9). The intangible asset decrease is due to amortization, mainly of development expenses of the first Angry Birds Movie. Rovio recognizes amortization on the first Angry Birds movie in each reporting period in an amount that corresponds to 67% of movie's revenue for the period. Amortization for the Angry Birds Movie 2 corresponds to 100% of the movie's revenue for the period. During the reporting period, Angry Birds Legends game was cancelled, and the assets were written-off in total of EUR 4.6 million thus decreasing the non-current assets. An additional EUR 1.3 million amortization was done on the Angry Birds Movie 2 assets due to lower total euro dominated cash flow estimates for the movie.

Rovio's net debt on December 31, 2020 amounted to negative EUR 128.4 million. Rovio's debt consisted of loans from Business Finland (the Finnish Funding Agency for Innovation) of EUR 1.9 million, as well as EUR 8.6 million in leasing debt.

Cash flow and financing

Consolidated statement of cash flows, EUR million	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Cash flow from operating activities	17.6	3.1	63.6	10.5
Cash flow from investing activities	-1.4	-0.8	-4.7	-3.9
Cash flow from financing activities	-0.4	-5.1	-43.7	-6.1
Change in cash and cash equivalents	15.9	-2.7	15.2	0.6
Net foreign exchange difference and value changes in money market funds	-0.5	-0.4	-1.1	0.5
Cash and cash equivalents at the beginning of the period	123.5	127.9	124.7	123.6
Cash and cash equivalents at the end of the period	138.9	124.7	138.9	124.7

Rovio's net cash flow from operating activities amounted to EUR 17.6 million (3.1) in the fourth quarter and EUR 63.6 million (10.5) for the full year 2020. The increase year-on-year was mainly due to larger change in working capital and increase in net profit.

Cash flows used in investing activities amounted to EUR -1.4 million (-0.8) in the fourth quarter and EUR -4.7 million (-3.9) for the full year 2020. The increase in the fourth quarter is mostly attributable to capital expenditure in Games of EUR 0.6 million and Other segment of EUR 0.5 million, which include the Play Ventures gaming fund investment of EUR 0.2 million and investments in machinery and equipment.

Cash flows used in financing activities amounted to EUR -0.4 million (-5.1) in the fourth quarter and EUR -43.7 million (-6.1) for the full year 2020. The cash flows used in financing activities in the fourth quarter consisted of finance lease payments of EUR -0.7 million offset by the share subscription payments on option rights of EUR 0.3 million. The increase year-on-year was mainly due to acquisition of treasury shares of EUR -30.7 million, dividend payments of EUR -6.9 million, finance lease repayments of EUR -2.7 million and repayments of borrowings of EUR -4.0 million.

Personnel

From October to December 2020, Rovio's average number of employees was 479 (468). The Games business unit employed 397 people (355), the Brand Licensing business unit 13 people (32), administrative functions 48 people (37) and Hatch Entertainment 20 people (45).

	10-12/ 2020	10-12/ 2019	Change, %	1-12/ 2020	1-12/ 2019	Change, %
Employees (average for the Period)	479	468	2.4%	470	450	4.4%
Employees (end of period)	480	466	3.0%	480	466	3.0%

Flagging notifications

Rovio received the following flagging notifications during the reporting period:

On December 21, 2020 Rovio Entertainment Corporation (the "Company") received a notification pursuant to Chapter 9, Section 5 of the Securities Markets Act from Moor Holding AB. According to the notification, the holding of Moor Holding AB in the Company's shares and votes has risen above the 15 percent threshold on 18 December 2020. The shareholders of Oivor AB have on 18 December 2020 resolved to distribute as dividends shares in Rovio Entertainment Corporation held by Oivor AB to its shareholders. As a result, the ownership of Rovio Entertainment Corporation shares and votes of Oivor AB has decreased to less than 5 percent and the ownership of Moor Holding AB (which is beneficially owned by Kaj Hed) in Rovio Entertainment Corporation shares and votes has increased to 15.88 percent.

On December 21, 2020 Rovio Entertainment Corporation (the "Company") received a notification pursuant to Chapter 9, Section 5 of the Securities Markets Act from Oivor AB. According to the notification, the holding of Oivor AB in the Company's shares and votes has decreased below the 5 percent threshold on 18 December 2020. The shareholders of Oivor AB have on 18 December 2020 resolved to distribute as dividends shares in Rovio Entertainment Corporation held by Oivor AB to its shareholders. As a result, the ownership in Rovio Entertainment Corporation shares and votes of Oivor AB has decreased to less than 5 percent. The previous ownership of shares and votes the Company notified by Oivor AB of 40.65 % was based on the previous total amount of shares and votes in the Company of 79,447,542 as at 19 December 2018. Prior to the distribution of the dividend, the amount of shares and votes held by Oivor AB in the Company amounted to 32,297,528 shares and votes, which amounted to 39.71 % of the total amount of 81,328,590 shares and votes in the Company.

On December 21, 2020 Rovio Entertainment Corporation (the "Company") received a notification pursuant to Chapter 9, Section 5 of the Securities Markets Act from Adventurous Solutions AB. According to the notification, the holding of Adventurous Solutions AB in the Company's shares and votes has risen above the 5 percent threshold on 18 December 2020. The shareholders of Oivor AB have on 18 December 2020 resolved to distribute as dividends shares in Rovio Entertainment Corporation held by Oivor AB to its shareholders. As a result, the ownership of Rovio Entertainment Corporation shares and votes of Oivor AB has decreased to less than 5 percent and the ownership of Adventurous Solutions AB (which is beneficially owned by Jonathan Hed) in Rovio Entertainment Corporation shares and votes has increased to 7.94 percent.

On December 21, 2020 Rovio Entertainment Corporation (the "Company") received a notification pursuant to Chapter 9, Section 5 of the Securities Markets Act from Brilliant Problems Oy. According to the notification, the holding of Brilliant Problems Oy in the Company's shares and votes has risen above the 5 percent threshold on 18 December 2020. The shareholders of Oivor AB have on 18 December 2020 resolved to distribute as dividends shares in Rovio Entertainment Corporation held by Oivor AB to its shareholders. As a result, the ownership of Rovio Entertainment Corporation shares and votes of Oivor AB has decreased to less than 5 percent and the ownership of Brilliant Problems Oy (which is beneficially owned by Camilla Hed-Wilson) in Rovio Entertainment Corporation shares and votes has increased to 7.94 percent.

On December 21, 2020 Rovio Entertainment Corporation (the "Company") received a notification pursuant to Chapter 9, Section 5 of the Securities Markets Act from Oy Impera Ab. According to the notification, the holding of Oy Impera Ab in the Company's shares and votes has risen above the 5 percent threshold on 18 December 2020. The shareholders of Oivor AB have on 18 December 2020 resolved to distribute as dividends shares in Rovio Entertainment Corporation held by Oivor AB to its shareholders. As a result, the ownership of Rovio Entertainment Corporation shares and votes of Oivor AB has decreased to less than 5 percent. Hedennan AB, a shareholder of Oivor AB, has on 18 December 2020 sold the shares in Rovio Entertainment Corporation received as dividend to Oy Impera Ab (which is beneficially owned by Mikael Hed). As a result, the ownership of Oy Impera Ab in Rovio Entertainment Corporation shares and votes has increased to 7.94 percent.

Shares and shareholders

On December 31, 2020, Rovio's share capital amounted to EUR 0.7 million and the number of shares was 81,328,590.

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

On December 31, 2020 Rovio Entertainment Corporation held 7 849 335 of its own shares.

Shareholder	Number of Shares	Percentage of shares and votes
ADVENTUROUS SOLUTIONS AB	6,459,500	7.9%
BRILLIANT PROBLEMS OY	6,459,500	7.9%
IMPERA OY AB	6,459,500	7.9%
Ilmarinen Mutual Pension Insurance Company	1,640,000	2.0%
Danske Invest Finnish Institutional Equity Fund	1,600,000	2.0%
Hed Niklas Peter	1,365,345	1.7%
Elo Mutual Pension Insurance Company	1,003,004	1.2%
The State Pension Fund	1,000,000	1.2%
Vesterbacka Jan-Peter Edvin	884,579	1.1%
Sijoitusrahasto Aktia Capital	875,074	1.1%
Total	27,746,502	34.00%
Other shareholders	45,732,753	56.30%
Rovio Entertainment Oyj	7,849,335	9.7%
Number of shares total	81,328,590	100%

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 long-term incentive program that consists of an employee share saving plan for employees in Finland and Sweden, a performance share plan for key employees including the CEO and members of the Leadership Team, and a restricted share plan for selected key employees. In addition to these, Rovio has a long-term incentive program consisting of an option plan for all employees, including the CEO and the Leadership Team.

On January 24, 2020 Rovio Entertainment Corporation announced that the Company establishes an Employee Share Savings (ESS) program. The objective of the ESS Plan 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 ESS Plan consists of annually commencing plan periods, each one consisting of a 12-month savings period and a holding period following the savings period. The first launch of ESS plan was offered to approximately 420 Rovio employees in Finland and Sweden (excluding employees in Hatch Entertainment Ltd).

The employees will have an opportunity to save a proportion of their salaries and invest those savings in Rovio shares. The savings will be used for acquiring Rovio shares quarterly after the publication dates of the respective interim reports. Dividends paid for the shares will be reinvested in additional shares to be purchased from the market on the next potential acquisition date. As a reward for the commitment, Rovio grants the participating employees one free matching share (gross) for every two savings shares acquired with their savings, including the proportion to be paid in cash to cover applicable taxes and tax-related costs. The prerequisites for receiving the matching shares are continued employment and holding of savings shares until the end of the holding period. In the first plan period, the savings shares and the matching shares will be acquired by purchasing shares from the markets.

Participation in the ESS plan is voluntary and the employees are invited to participate in one plan period at a time. The first plan period commenced on April 1, 2020 and will end on August 31, 2022. The holding period of the first plan period ends on August 31, 2022, after which matching shares will be paid out as soon as practicably possible. The total amount of all savings during the plan period may not exceed 2,100,000 euros. The Board of Directors will decide on potential following plan periods and their details separately.

On January 24, 2020 Rovio Entertainment Corporation announced that the Company has decided to establish a performance share plan for key employees including CEO and members of the leadership team. The objective of the Performance Share Plan is to motivate the 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 consists of three (3) annually commencing performance periods, covering the consecutive calendar years of 2020, 2021 and 2022. Each performance period is directly followed by a one-year waiting period. Waiting periods cover calendar years 2021, 2022 and 2023. The Performance Share Plan offers the participants a possibility to earn shares for reaching the required levels set for the performance criteria.

The performance criteria for the first performance period of the plan were Rovio's Adjusted Operating Profit (EBIT, %, Hatch Entertainment Ltd. excluded) and Relative Games Revenue Growth (%). The required performance levels will be decided by the Rovio Board of Directors on an annual basis for each performance period at a time. The potential rewards will be paid partly in shares and partly in cash after the end of each relevant waiting period in spring 2022, 2023 and 2024. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards. As a rule, no reward will be paid if a participant's employment or service ends before the reward payment.

The potential rewards on the basis of the performance period 2020 correspond to the value of an approximate maximum total of 738,000 Rovio Entertainment Corporation shares, including the proportion to be paid in cash. A total maximum of 565,500 shares (including the proportion to be paid in cash) subject to performance criteria we allocated under the plan as of December 31, 2020. The 2020 performance contributed to the realization of 50% of the maximum allocation.

The restricted share plan 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 restricted share plan is to commit 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 company's shares after specific restriction period, which differs from 12 to 36 months based on needs of business and with decision by Board of Directors.

The plan's reward will be paid to the participant as soon as possible after the restriction period. The payment of the reward requires that the participant's employment contract is valid, has not been discontinued or terminated, and it will continue until the end of the restriction period. The payment will be made in company shares and taxes and tax-related costs arising from the reward are deducted from the gross reward. The value of share shall be determined based on volume weighted average share price at the payment date. No payment shall be paid if the employment contract is terminated before the end of the restriction period.

The maximum number of shares that can be distributed through the restricted share plan is 1,300,000. Once the maximum number of shares has been allocated, the Board of Directors can decide on a new maximum number. Currently total 636,500 rights entitling to shares had been allocated under the restricted share plan as of December 31, 2020.

The option plan provided for the issuance of up to 5,000,000 options. The option plan included three lots of options that were allocated to 2017, 2018, and 2019. These options have a vesting period of two years. Each option entitles its holder to subscribe for one share. The option plan participants can execute their reward during a one-year subscription period following each vesting period through either subscribing for shares or selling options. The option plan participants generally lose the right to their reward if their employment terminates during the vesting period.

As of December 31, 2020, the 2018 and 2019 of options plans have an ongoing subscription or vesting period. The subscription price for the 2018 options is the trading volume-weighted average quotation of the shares on Nasdaq Helsinki during May 2 -31, 2018, and, for the 2019 options, the trading volume-weighted average quotation of the shares on Nasdaq Helsinki during May 2 -31, 2019.

A total of 628,835 options were allocated under the 2018 option program as of December 31, 2020 and a total of 966,250 options were allocated under the 2019 option program as of December 31, 2020.

On May 28, 2020 Rovio Entertainment Corporation announced that it will apply for the listing of its series 2018A and 2018B stock options, complying with its 2017-2019 option scheme, on the Nasdaq Helsinki Ltd (First North) as of June 1, 2020. The total number of the 2018A series option rights under the 2017-2019 option scheme is 1,616,667 and the total number of 2018B series option rights is 50,000. Each option right entitles its holder to subscribe to one (1) Rovio Entertainment Corporation new share or Company's treasury share. Rovio Entertainment Corporation's holds 721,417 series 2018A option rights and 39,500 series 2018B option rights.

Currently, the share subscription price under the 2018A series option rights is EUR 5.08 per share. The share subscription price under the 2018B series option rights is EUR 5.26 per share. In accordance with the terms and conditions of the option scheme, the subscription price has been reduced by the amount of dividends decided before the share subscription, on the record date of each dividend payment. The share subscription price shall, nevertheless, always amount to at least EUR 0.01. The adjustment based on the distribution of assets shall not apply to stock option sub-categories 2018B, as resolved by the Board of Directors.

In accordance with the terms and conditions of the option scheme, the share subscription period for series 2018A and 2018B option rights began on June 1, 2020 and the subscription period will end on May 31, 2021. The option rights 2018A and 2018B are freely transferable. The option holders can subscribe the shares during the subscription period by giving the payment and subscription details to their own bank. New shares subscribed with option rights 2018A and 2018B will be listed as additional lots of Company shares on the main list of Nasdaq Helsinki together with the old shares after the share capital increase has been registered.

Risks

As a result of the worldwide coronavirus pandemic Covid-19 the company's business environment has changed, and changes are expected to continue. The pandemic and especially the impact it has on the global economy, may affect Rovio's business and business performance either directly or indirectly.

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 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 revenues, size of user acquisition investments, and the Group's profit. Changes in governmental regulations in different countries can have both short- and long-term implications for the business.

Other significant risks relate to the demand for Angry Birds branded consumer products and other content that may impact the revenues of the Brand Licensing business unit.

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

More details on the risks, uncertainties, and Rovio's risk management can be found online at www.rovio.com and in the most recent published financial statements.

2021 outlook

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.

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 March 31, 2020. Strict precautionary measures were taken to ensure safety at the meeting despite the corona virus epidemic while at the same time ensuring the shareholders' possibility to exercise their rights.

The Annual General Meeting adopted all the proposals to the General Meeting by the Board of Directors, approved the financial statements for the financial year 2019, approved the remuneration policy 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 seven (7) members. Mr. Kaj Hed, Ms. Camilla Hed-Wilson, Mr. Kim Ignatius, Mr. Fredrik Löving, Mr. Jeferson Valadares, Mr. Björn Jeffery and Ms. Leemon Wu were elected members of the Board of Directors for the term of office ending at the closure of the Annual General Meeting in 2021. Mr. Kim Ignatius was elected Chairman of the Board of Directors. Mr. Kaj Hed was elected Vice Chairman of the Board of Directors.

The remuneration of the members of the Board of Directors was kept unchanged and monthly remuneration will be paid as follows: to the Chairman of the Board of Directors EUR 9,500, to the Vice Chairman 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 Chairman of the Audit Committee EUR 2,500. If the Chairman of the Audit Committee is the Chairman or Vice Chairman of the Board of Directors, no additional compensation will be paid. The company will compensate 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 auditor of 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 up to a maximum of 8,126,811 shares, which corresponds to approximately 10 percent of all the current 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 up to a maximum of 8,126,811 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 8,126,811 own shares held by the company.

Both authorizations will be in force until the closing of the next Annual General Meeting, however no longer than until June 30, 2021.

In its organizing meeting, which was held immediately after the General Meeting, the Board of Directors elected from amongst its members Mr. Kim Ignatius, (Chair), Ms. Camilla Hed-Wilson and Ms. Leemon Wu as members of the Audit Committee, and Ms. Camilla Hed-Wilson (Chair), Mr. Kim Ignatius and Mr. Fredrik Löving as members of the Remuneration Committee.

Share subscriptions with stock options

On November 9, 2020 Rovio announced that between 7 August 2020 and 22 October 2020, a total of 58,229 Rovio Entertainment Corporation's new shares have been subscribed for with the stock option program 2018. 57,512 new shares have been subscribed for with the 2018A stock options at a subscription price of EUR 5.08 and 717 new shares have been subscribed for with the 2018B stock options at a subscription price of EUR 5.26. The entire subscription price of EUR 295,932.38 shall be recorded into the invested unrestricted equity reserve. As a result of the share subscriptions, the number of Rovio Entertainment shares will increase to 81,328,590 shares.

Changes in management

On October 5, 2020 Rovio announced that Rovio's CEO Kati Levoranta will leave the company at the end of 2020.

On December 21st, Alexandre Normand-Pelletier, Rovio's Head of Games was appointed as Rovio CEO, starting on January 1st, 2021.

Dividend proposal

The parent company's distributable funds amount to EUR 185.326.802,90, of which the profit for the period is EUR 52,855,821.49. The Board of Directors proposes to the Annual General Meeting to be held on March 30, 2020 that a dividend of EUR 0.12 per share be paid (EUR 0.09 for 2019). Based on the number of shares outstanding as of the balance sheet date, December 31, 2020, the total amount of the dividend is EUR 8,817,510.60.

Annual General Meeting

Rovio Entertainment Corporation's Annual General Meeting will be held in Helsinki on March 30, 2021. More information is available online at <https://investors.rovio.com/en/releases-events/general-meetings/annual-general-meeting-2021>

Events after the review period

Rovio Entertainment Corporation has on January 7, 2021 transferred without consideration a total of 29 527 Company's own shares to Company's management team member based on the Company's share-based incentive scheme.

After the review period Rovio decided to discontinue Hatch Kids service and re-focus Hatch cloud streaming technology to support Rovio's future of gaming initiatives. The annualized cost savings are estimated at EUR 3 million.

ROVIO ENTERTAINMENT CORPORATION

Board of Directors

Performance measures

EUR million	10-12/ 2020	10-12/ 2019	Change, %	1-12/ 2020	1-12/ 2019	Change, %
Revenue	68.5	71.6	-4.3%	272.3	289.1	-5.8%
EBITDA	12.2	2.6	364.8%	60.0	32.3	85.6%
EBITDA margin	17.8%	3.7%	-	22.0%	11.2%	-
Adjusted EBITDA	12.2	2.9	320.0%	60.1	32.6	84.3%
Adjusted EBITDA margin, %	17.8%	4.1%	-	22.1%	11.3%	-
Operating profit	2.9	-0.1	3186.4%	42.5	18.1	135.4%
Operating profit margin, %	4.3%	-0.1%	-	15.6%	6.3%	-
Adjusted operating profit	7.5	0.2	3963.9%	47.2	18.3	157.2%
Adjusted operating profit margin, %	10.9%	0.3%	-	17.3%	6.3%	-
Profit before tax	2.3	-0.7	438.0%	40.7	17.7	129.8%
Capital expenditure	1.1	0.8	32.8%	3.9	3.1	26.4%
User acquisition	16.0	27.5	-41.8%	58.7	99.7	-41.1%
Return on equity (ROE), %	24.4%	10.8%	-	24.4%	10.8%	-
Net gearing ratio, %	-77.6%	-65.7%	-	-77.6%	-65.7%	-
Equity ratio, %	82.3%	80.5%	-	82.3%	80.5%	-
Earnings per share, EUR	0.04	-0.01	555.2%	0.43	0.17	157.3%
Earnings per share, diluted EUR	0.04	-0.01	553.8%	0.43	0.17	157.1%
Net cash flows from operating activities	17.6	3.1	458.7%	63.6	10.5	505.0%
Employees (average for the period)	479	468	2.3%	470	450	4.4%

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 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 business unit's 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	10-12/2020	Income statement	
		Items affecting comparability	excluding items affecting comparability
Revenue	68.5		68.5
Other operating income	0.3		0.3
Materials and services	-18.2		-18.2
Employee benefits expense	-14.4		-14.4
Depreciation and amortization	-9.3	4.6	-4.7
Other operating expenses	-24.0		-24.0
Operating profit	2.9	4.6	7.5

EUR million	10-12/2019	Income statement	
		Items affecting comparability	excluding items affecting comparability
Revenue	71.6		71.6
Other operating income	0.5		0.5
Materials and services	-19.6		-19.6
Employee benefits expense	-10.3	0.3	-10.0
Depreciation and amortization	-2.7		-2.7
Other operating expenses	-39.6	0.0	-39.6
Operating profit	-0.1	0.3	0.2

EUR million	1-12/2020	Income statement	
		Items affecting comparability	excluding items affecting comparability
Revenue	272.3		272.3
Other operating income	0.6	-0.2	0.4
Materials and services	-74.6		-74.6
Employee benefits expense	-48.9	0.2	-48.7
Depreciation and amortization	-17.5	4.6	-12.9
Other operating expenses	-89.4	0.2	-89.2
Operating profit	42.5	4.7	47.2

EUR million	1-12/2019	Income statement	
		Items affecting comparability	excluding items affecting comparability
Revenue	289.1		289.1
Other operating income	0.6		0.6
Materials and services	-77.3		-77.3
Employee benefits expense	-41.7	0.3	-41.4
Depreciation and amortization	-14.3		-14.3
Other operating expenses	-138.3	0.0	-138.3
Operating profit	18.1	0.3	18.3

Reconciliation of adjusted operating profit

EUR million	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Operating profit	2.9	-0.1	42.5	18.1
Income from Bargain Purchase			-0.2	
Restructuring costs arising from employee benefits expenses		0.3	0.2	0.3
Restructuring costs in Other operating expenses		0.0	0.2	0.0
Restructuring costs in Depreciation and amortization	4.6		4.6	
Adjusted operating profit	7.5	0.2	47.2	18.3

Reconciliation of EBITDA and Adjusted EBITDA

EUR million	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Operating profit	2.9	-0.1	42.5	18.1
Depreciation and amortization	9.3	2.7	17.5	14.3
EBITDA	12.2	2.6	60.0	32.3
Income from Bargain Purchase			-0.2	
Restructuring costs arising from employee benefits expenses		0.3	0.2	0.3
Restructuring costs in Other operating expenses		0.0	0.2	0.0
Adjusted EBITDA	12.2	2.9	60.1	32.6

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

EUR million	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Equity ratio, %	82.3%	80.5%	82.3%	80.5%
Equity	165.4	168.0	165.4	168.0
Advances received	2.0	3.4	2.0	3.4
Deferred revenue	5.5	5.2	5.5	5.2
Total assets	208.5	217.3	208.5	217.3
Return on equity, %	24.4%	10.8%	24.4%	10.8%
Profit/loss before tax	40.7	17.7	40.7	17.7
Shareholder's equity beginning of period	168.0	159.4	168.0	159.4
Shareholder's equity end of period	165.4	168.0	165.4	168.0
Net gearing ratio, %	-77.6%	-65.7%	-77.6%	-65.7%
Total interest-bearing debt	10.5	14.4	10.5	14.4
Cash and cash equivalents	138.9	124.7	138.9	124.7
Equity	165.4	168.0	165.4	168.0
Non-current interest-bearing loans and borrowings	6.9	7.7	6.9	7.7
Current interest-bearing loans and borrowings	3.6	6.7	3.6	6.7
Cash and cash equivalents	138.9	124.7	138.9	124.7
Net debt	-128.4	-110.4	-128.4	-110.4

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	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Gross bookings	64.9	67.0	259.2	263.2
Change in deferred revenue	0.1	0.2	0.3	1.2
Custom contracts	0.1	0.2	0.5	1.0
Other adjustments	-0.7	-0.9	-1.8	-0.6
Revenue	64.4	66.7	258.2	264.8

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. Custom contracts usually contain a minimum guarantee and revenue share to Rovio. Rovio recognizes 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 and changes in fair value of contingent considerations, significant impairment losses and reversals, and costs relating to enlargement of the ownership base of the company.

Adjusted EBITDA, 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.

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.

Financial Statement Bulletin

January 1–December 31, 2020 - Tables

The figures in the Interim report are unaudited

Statement of consolidated profit or loss and other comprehensive income

EUR million	10-12/ 2020	10-12/ 2019	1-12/ 2020	1-12/ 2019
Revenue	68.5	71.6	272.3	289.1
Other operating income	0.3	0.5	0.6	0.6
Materials and services	18.2	19.6	74.6	77.3
Employee benefits expense	14.4	10.3	48.9	41.7
Depreciation and amortization	9.3	2.7	17.5	14.3
Other operating expenses	24.0	39.6	89.4	138.3
Operating profit	2.9	-0.1	42.5	18.1
Finance income and expenses	-0.6	-0.6	-1.8	-0.3
Share of profit of associates	0.0	0.0	0.0	0.0
Profit (loss) before tax	2.3	-0.7	40.7	17.7
Income tax expense	0.6	-0.0	-8.6	-4.5
Profit for the period	3.0	-0.7	32.1	13.2
Attributable to: Non-controlling interests	0.0	0.0	0.0	0.0
Equity holders of the parent company	3.0	-0.7	32.1	13.2
Other comprehensive income/expense				
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):				
Translation differences	0.2	0.0	-0.0	0.0
Total comprehensive income for the period net of tax	3.1	-0.7	32.1	13.2
Attributable to: Non-controlling interests	0.0	0.0	0.0	0.0
Equity holders of the parent company	3.1	-0.7	32.1	13.2
Earnings per share for net result attributable to owners of the parent:				
Earnings per share, EUR	0.04	-0.01	0.43	0.17
Earnings per share, diluted EUR	0.04	-0.01	0.43	0.17

Consolidated statement of financial position

EUR million	31 Dec 2020	31 Dec 2019
ASSETS		
Non-current assets	38.6	44.9
Property, plant and equipment	1.3	1.0
Intangible assets	18.7	29.0
Right-of-Use assets	8.4	7.9
Investments	2.0	0.8
Non-current receivables	0.7	0.7
Deferred tax assets	7.5	5.6
Current assets	169.9	172.4
Trade receivables	21.1	32.5
Prepayments and accrued income	8.0	10.7
Other current financial assets	1.8	4.5
Money market funds	50.5	70.2
Cash and cash equivalents	88.4	54.6
Total assets	208.5	217.3
EQUITY AND LIABILITIES		
Equity		
Issued capital	0.7	0.7
Reserves	42.1	41.8
Translation differences	-0.5	-0.5
Treasury shares	-37.5	-7.1
Retained earnings	128.4	119.8
Profit for the period	32.1	13.2
Equity holders of the parent company	165.4	168.0
Non-controlling interests	0.0	0.0
Total equity	165.4	168.0
Liabilities		
Non-current liabilities	7.0	7.7
Interest-bearing loans and borrowings	0.9	2.1
Lease liabilities	6.1	5.6
Deferred tax liabilities	0.0	0.0
Current liabilities	36.1	41.6
Trade and other payables	7.4	15.2
Interest-bearing loans and borrowings	1.1	4.2
Lease liabilities	2.5	2.4
Other current financial liabilities	0.8	0.7
Advances received	2.0	3.4
Deferred revenue	5.5	5.2
Income tax payable	1.9	0.0
Provisions	0.7	0.2
Accrued liabilities	14.1	10.2
Total liabilities	43.0	49.3
Total equity and liabilities	208.5	217.3

Consolidated statement of changes in equity

Attributable to the equity holders of the parent on December 31, 2019

EUR million	Issued capital	Unrestricted equity reserve	Treasury shares	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance at Jan 1, 2019	0.7	36.7	-2.7	125.3	-0.5	159.4	0.0	159.4
Profit for the period				13.2		13.2		13.2
Option subscriptions		5.1				5.1		5.1
Treasury share acquisition			-5.1			-5.1		-5.1
Other comprehensive income					0.0	0.0		0.0
Share-based payments			0.8	1.6		2.4		2.4
Cash dividends				-7.1		-7.1		-7.1
December 31, 2019	0.7	41.8	-7.1	133.0	-0.5	168.0	0.0	168.0

Attributable to the equity holders of the parent on December 31, 2020

EUR million	Issued capital	Unrestricted equity reserve	Treasury shares	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance at Jan 1, 2020	0.7	41.8	-7.1	133.0	-0.5	168.0	0.0	168.0
Profit for the period				32.1		32.1		32.1
Option subscriptions		0.3				0.3		0.3
Treasury shares acquisition			-30.7			-30.7		-30.7
Other comprehensive income					0.0	-0.0		-0.0
Cash dividends				-6.9		-6.9		-6.9
Share-based payments			0.3	2.4		2.7		2.7
December 31, 2020	0.7	42.1	-37.5	160.5	-0.5	165.4	0.0	165.4

Consolidated statement of cash flows

EUR million	10-12/ 2020	10-12/ 2019	1-12/ 2020	1-12/ 2019
Operating activities				
Profit (loss) before tax	2.3	-0.7	40.7	17.7
Adjustments:				
Depreciation and amortization on tangible and intangible assets	9.3	2.7	17.5	14.3
Net foreign exchange differences	0.7	0.4	1.3	-0.5
Gain on disposal of property, plant and equipment	0.0	0.0	-0.0	-0.0
Finance costs	-0.0	0.2	0.6	0.8
Other non-cash items	0.7	0.1	2.3	2.1
Change in working capital:				
Change in trade and other receivables and prepayments	6.8	7.5	11.8	-9.8
Change in trade and other payables	-2.6	-6.3	-4.2	-3.4
Interest received	0.1	0.1	0.2	0.5
Interest paid	-0.2	-0.2	-0.8	-1.1
Income tax paid (received)	0.5	-0.7	-5.8	-10.1
Net cash flows from operating activities	17.6	3.1	63.6	10.5
Investing activities				
Purchase of tangible and intangible assets	-1.1	-0.8	-3.9	-3.1
Other investments	-0.2	0.0	-1.2	-0.8
Proceeds from sales of tangible and intangible assets	0.0	0.0	0.0	0.0
Acquisition of subsidiaries, net of cash acquired	0.0	0.0	0.4	0.0
Net cash flows used in investing activities	-1.4	-0.8	-4.7	-3.9
Financing activities				
Finance lease repayments	-0.7	-0.7	-2.7	-2.7
Proceeds from and repayments of borrowings	0.0	0.0	-4.0	3.0
Share subscriptions based on option rights	0.3	0.0	0.3	5.1
Acquisition of treasury shares	0.0	-5.1	-30.7	-5.1
Share-based payments	0.0	0.8	0.3	0.8
Dividends paid to equity holders of the parent	0.0	0.0	-6.9	-7.1
Net cash flows from/(used in) financing activities	-0.4	-5.1	-43.7	-6.1
Change in cash and cash equivalents	15.9	-2.7	15.2	0.6
Net foreign exchange difference and value changes in money market funds	-0.5	-0.4	-1.1	0.5
Cash and cash equivalents at beginning of period January 1	123.5	127.9	124.7	123.6
Cash and cash equivalents at the end of the period December 31	138.9	124.7	138.9	124.7
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	88.4	54.6	88.4	54.6
Money market funds at the end of period	50.5	70.2	50.5	70.2
Cash and cash equivalents at the end of the period December 31	138.9	124.7	138.9	124.7

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 Financial Statement Bulletin has been drawn up in accordance with IAS 34 and using the same accounting policies and calculation methods as the annual financial statements. The figures in the Financial Statement Bulletin are based on the audited financial statements for 2020.

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, 2020.

2. Notes to the statement of profit or loss

2.1 Segment disclosures

Rovio has defined its operating segments as Games, Brand Licensing (BLU) and Other.

Rovio defines the Group's Board of Directors as its chief operating decision maker (CODM). The CODM follows Rovio's performance on the segment level, which is presented in section 2.2 Segment operating performance. EBITDA is the primary performance measure that CODM follows. There are no revenues between the operating segments of Rovio Group.

The segment assets and liabilities except for non-current assets are not reported and reviewed by the chief operating decision maker and have not been included in the table below. 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).

2.2 Segment operating performance

The allocations between segments consist of shared functions employee benefits expense as well as general and administrative expenses that are recognized centrally and allocated to the reportable segments as a separate line item in management reporting.

Segment profit and loss 10-12/2020

EUR million	Games	Brand Licensing	Other	Allocation	Total IFRS segments
Revenue	64.4	4.1	0.0		68.5
Other operating income	0.2	0.0	0.1		0.3
Materials and services	18.0	0.2	0.0		18.2
Employee benefits expense	10.4	0.4	2.7	0.9	14.4
User acquisition	16.0	0.0	0.0		16.0
Other operating expenses	5.3	0.4	1.5	0.9	8.0
Allocations	1.3	0.2	0.4	-1.8	0.0
EBITDA	13.7	2.9	-4.4	0.0	12.2
Depreciation and amortization	5.5	3.6	0.2		9.3
Operating profit	8.1	-0.7	-4.6		2.9
EBITDA	13.7	2.9	-4.4		12.2
Adjustments	0.0	0.0	0.0		0.0
Adjusted EBITDA	13.7	2.9	-4.4		12.2
Operating profit	8.1	-0.7	-4.6		2.9
Adjustments	4.6	0.0	0.0		4.6

Adjusted operating profit	12.7	-0.7	-4.6	7.5
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Segment Capital expenditure 10-12/2020

EUR million	Games	Brand Licensing	Other	Total IFRS segments
Capital expenditure	0.6	0.0	0.5	1.1

Segment assets December 31,2020

EUR million	Games	Brand Licensing	Other	Total IFRS segments
Non-current assets	3.2	13.6	21.7	38.6

Segment profit and loss 10-12/2019

EUR million	Games	Brand Licensing	Other	Allocation	Total IFRS segments
Revenue	66.7	4.9	0.0		71.6
Other operating income	0.4	0.0	0.0		0.5
Materials and services	18.9	0.7	0.0		19.6
Employee benefits expense	7.7	0.7	1.3	0.6	10.3
User acquisition	27.5	0.0	0.1		27.6
Other operating expenses	6.3	1.7	2.8	1.1	12.0
Allocations	1.1	0.2	0.3	-1.7	0.0
EBITDA	5.7	1.5	-4.6	0.0	2.6
Depreciation and amortization	1.1	1.5	0.1		2.7
Operating profit	4.5	0.0	-4.7		-0.1
EBITDA	5.7	1.5	-4.6		2.6
Adjustments	0.0	0.3	0.0		0.3
Adjusted EBITDA	5.7	1.8	-4.6		2.9
Operating profit	4.5	0.0	-4.7		-0.1
Adjustments	0.0	0.3	0.0		0.3
Adjusted operating profit	4.5	0.3	-4.7		0.2

Segment Capital expenditure 10-12/2019

EUR million	Games	Brand Licensing	Other	Total IFRS segments
Capital expenditure	0.4	0.1	0.3	0.8

Segment assets December 31, 2019

EUR million	Games	Brand Licensing	Other	Total IFRS segments
Non-current assets	6.9	21.2	16.8	44.9

Segment profit and loss 1-12/2020

EUR million	Games	Brand Licensing	Other	Allocation	Total IFRS segments
Revenue	258.2	14.0	0.1		272.3
Other operating income	0.2	0.0	0.4		0.6
Materials and services	73.5	1.1	0.0		74.6
Employee benefits expense	36.5	1.9	7.5	3.1	48.9
User acquisition	58.7	0.0	0.1		58.9
Other operating expenses	19.1	1.5	6.0	3.9	30.5
Allocations	4.9	0.7	1.4	-7.0	0.0
EBITDA	65.8	8.8	-14.5	0.0	60.0
Depreciation and amortization	8.7	8.1	0.7		17.5
Operating profit	57.1	0.7	-15.3		42.5
EBITDA	65.8	8.8	-14.5		60.0
Adjustments	0.0	0.2	-0.1		0.1
Adjusted EBITDA	65.8	8.9	-14.6		60.1
Operating profit	57.1	0.7	-15.3		42.5
Adjustments	4.6	0.2	-0.1		4.7
Adjusted Operating profit	61.7	0.9	-15.3		47.2

Segment Capital expenditure 1-12/2020

EUR million	Games	Brand Licensing	Other	Total IFRS segments
Capital expenditure	2.4	0.3	1.2	3.9

Segment assets December 31, 2020

EUR million	Games	Brand Licensing	Other	Total IFRS segments
Non-current assets	3.2	13.6	21.7	38.6

Segment profit and loss 1-12/2019

EUR million	Games	Brand Licensing	Other	Allocation	Total IFRS segments
Revenue	264.8	24.3	0.0		289.1
Other operating income	0.6	0.0	0.0		0.6
Materials and services	75.7	1.6	0.0		77.3
Employee benefits expense	28.7	3.5	6.9	2.6	41.7
User acquisition	99.7	0.0	0.1		99.8
Other operating expenses	21.3	4.3	8.8	4.1	38.5
Allocations	4.3	1.1	1.3	-6.7	0.0
EBITDA	35.6	13.8	-17.0	0.0	32.3
Depreciation and amortization	4.3	9.4	0.6		14.3
Operating profit	31.3	4.3	-17.6		18.1
EBITDA	35.6	13.8	-17.0		32.3
Adjustments	0.0	0.3	0.0		0.3
Adjusted EBITDA	35.6	14.0	-17.0		32.6
Operating profit	31.3	4.3	-17.6		18.1
Adjustments	0.0	0.3	0.0		0.3
Adjusted Operating profit	31.3	4.6	-17.6		18.3

Segment Capital expenditure 1-12/2019

EUR million	Games	Brand Licensing	Other	Total IFRS segments
Capital expenditure	1.1	0.7	1.4	3.1

Segment assets December 31, 2019

EUR million	Games	Brand Licensing	Other	Total IFRS segments
Non-current assets	6.9	21.2	16.8	44.9

2.3 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 per segment is presented below.

For in-app purchases and advertising revenue, the Games segment's 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 licensing revenue of the Brand Licensing segment 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. The advertising revenue allocated to the Brand Licensing segment has been allocated to the geographical markets according to the same principle as in the Games segment.

	10-12/2020				10-12/2019			
EUR Million	Games	Brand Licensing	Other	Total	Games	Brand Licensing	Other	Total
NAM	42.2	3.0	0.0	45.3	40.6	2.2	0.0	42.7
LATAM	0.6	0.1	0.0	0.7	0.7	0.9	0.0	1.7
EMEA	14.5	0.8	0.0	15.3	15.4	1.1	0.0	16.5
APAC	7.1	0.2	0.0	7.3	9.9	0.8	0.0	10.7
Total	64.4	4.1	0.0	68.5	66.7	4.9	0.0	71.6

	1-12/2020				1-12/2019			
EUR Million	Games	Brand Licensing	Other	Total	Games	Brand Licensing	Other	Total
NAM	171.1	8.8	0.0	179.9	169.6	15.7	0.0	185.3
LATAM	2.4	0.2	0.0	2.6	2.7	1.3	0.0	4.0
EMEA	55.4	3.8	0.1	59.2	59.5	5.4	0.0	64.9
APAC	29.4	1.1	0.0	30.5	33.0	1.9	0.0	34.9
Total	258.2	14.0	0.1	272.3	264.8	24.3	0.0	289.1

2.4 Disaggregation of revenue from contracts with Customers

EUR million

Segment and revenue stream	Timing of revenue recognition	10-12/ 2020	10-12/ 2019	1-12/ 2020	1-12/ 2019
Games					
In-application purchases	At a point in time and over time	55.5	56.7	226.1	225.9
Subscription payments	Over time	0.0	0.0	0.0	0.0
Custom contracts	Over time	0.1	0.2	0.5	1.0
Advertising	At a point in time	8.8	9.7	31.6	37.9
Games total revenue		64.4	66.7	258.2	264.8
Brand Licensing					
IP Licensing and tangible sales	At a point in time and over time	1.1	2.8	4.9	8.1
Animation broadcasting and distribution	At a point in time	3.0	2.0	8.8	15.8
Advertising	At a point in time	0.1	0.2	0.2	0.4
Brand Licensing total revenue		4.1	4.9	14.0	24.3
Other revenue	At a point in time and over time	0.0	0.0	0.1	0.0
Group revenue		68.5	71.6	272.3	289.1

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, 2019	28.6	1.6	63.0	20.8	114.0
Additions	1.1	0.2	0.0	1.1	2.4
Disposals	-0.0	-0.0	0.0	-0.7	-0.7
Reclassification	0.0	0.1	0.0	-0.3	-0.3
At January 1, 2020	29.7	1.8	63.0	20.9	115.3
Additions	2.9	0.3	0.0	1.0	4.2
Disposals	0.0	-0.0	-0.1	0.0	-0.1
Reclassification	-0.2	-0.1	0.0	0.8	0.4
At December 31, 2020	32.4	2.0	62.9	22.7	119.9
Amortization and impairment					
At January 1, 2019	20.7	0.8	35.2	18.2	74.9
Amortization	2.0	0.2	7.8	1.4	11.4
Impairment	0.0	0.0	0.0	0.0	0.0
Reclassification	0.0	0.0	0.0	0.0	0.0
At January 1, 2020	22.7	1.0	43.0	19.6	86.4
Amortization	1.5	0.3	7.0	1.2	9.8
Impairment	4.6	0.0	0.0	0.0	4.6
Reclassification	0.0	0.0	0.0	0.0	0.0
At December 31, 2020	28.8	1.3	50.0	20.7	100.8
Carrying amount					
At December 31, 2020	3.6	0.7	12.9	1.9	19.0
At December 31, 2019	6.9	0.8	19.9	1.3	29.0

Development expenses still in production at December 31, 2020 amounted to EUR 0.3 million (5.0).

3.2 Non-Current Assets – Tangible Assets

There were no material changes in tangible assets during 2020.

EUR million	Machinery and equipment
Cost	
At January 1, 2019	5.5
Additions	1.0
Disposals	0.0
Translation differences	-0.0
Reclassification	-0.6
At January 1, 2020	6.0
Additions	0.8
Disposals	-0.0
Translation differences	-0.0
Reclassification	0.0
At December 31, 2020	6.8
Depreciation and amortization	
At January 1, 2019	-4.9
Depreciation charge for the period	-0.5
Disposals	0.0
Translation differences	0.0
Reclassification	0.3
At January 1, 2020	-5.1
Depreciation charge for the period	-0.5
Disposals	0.0
Translation differences	0.0
Reclassification	0.0
At December 31, 2020	-5.6
Carrying amount	
At December 31, 2020	1.3
At December 31, 2019	1.0

3.3 Non-Current Assets – Right of use assets

There were no material changes in tangible assets during the first half of 2020.

EUR million	Property	Machinery and equipment	Total
Cost			
At January 1, 2019	5.6	0.6	6.2
Additions	4.3	0.3	4.5
Disposals	0.0	0.0	0.0
At January 1, 2020	9.9	0.9	10.7
Additions	3.0	0.0	3.0
Disposals	0.0	0.0	0.0
At December 31, 2020	12.9	0.9	13.8
Amortization and impairment			
At January 1, 2019	0.0	0.3	0.3
Amortization	2.3	0.2	2.6
Disposals	0.0	0.0	0.0
At January 1, 2020	2.3	0.5	2.9
Amortization	2.4	0.2	2.6
Disposals	0.0	0.0	0.0
At December 31, 2020	4.7	0.7	5.4
Carrying amount			
At December 31, 2019	7.5	0.3	7.9
At December 31, 2020	8.2	0.2	8.4

4.Changes in contingent liabilities or contingent assets

Future non-cancelable other commitments are as follows.

EUR million	At December 31, 2020	At December 31, 2019
Venture Capital investment commitment	0.6	1.9
Total	0.6	1.9

5.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. Oivor AB is an entity, that has significant influence over the Rovio Group. In April 2020, EUR 2.9 million was paid out as dividend between the Rovio Group and Oivor.

Ferly is a company controlled by Mikael Hed and, therefore, Rovio's related party. Mikael Hed is a minority owner of Oivor AB until 18.12.2020 and he exercises significant influence on the company. Ferly has invoiced Rovio for its services in the amount of CAD 19 thousand (approximately EUR 13 thousand) during the 2020 financial year.

6. Calculation of earnings per share

	10-12/ 2020	10-12/ 2019	1-12/ 2020	1-12/ 2019
Earnings per share, EUR	0.04	-0.01	0.43	0.17
Earnings per share, diluted, EUR	0.04	-0.01	0.43	0.17
Shares outstanding at the end of the period (thousands)	73,479	79,612	73,479	79,612
Weighted average adjusted number of shares during the financial period, basic (thousands)	73,451	80,445	75,287	79,697
Weighted average adjusted number of shares during the financial period, diluted (thousands)	73,746	80,523	75,537	79,886