

**Rovio Entertainment
Interim Report
January–September 2018**



Kati Levoranta, CEO

René Lindell, CFO

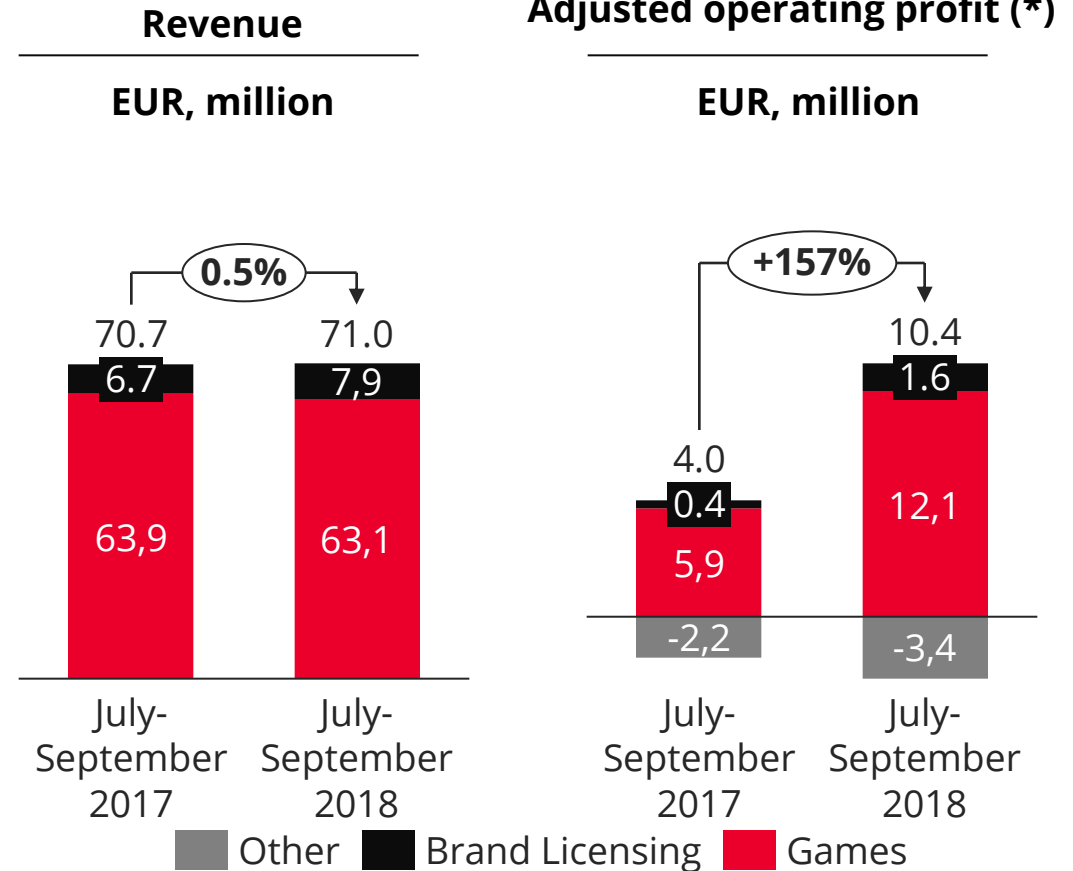
November 16, 2018

Third Quarter in an Eggshell

- Maintained solid revenue year-on-year with the same game portfolio
- Angry Birds 2 record quarter, third time in a row
- Improved roadmap
- Two games in soft launch
- Agreement signed for long form animated series for TV
- Good profitability and strong cash flow

3Q18 Financial Highlights

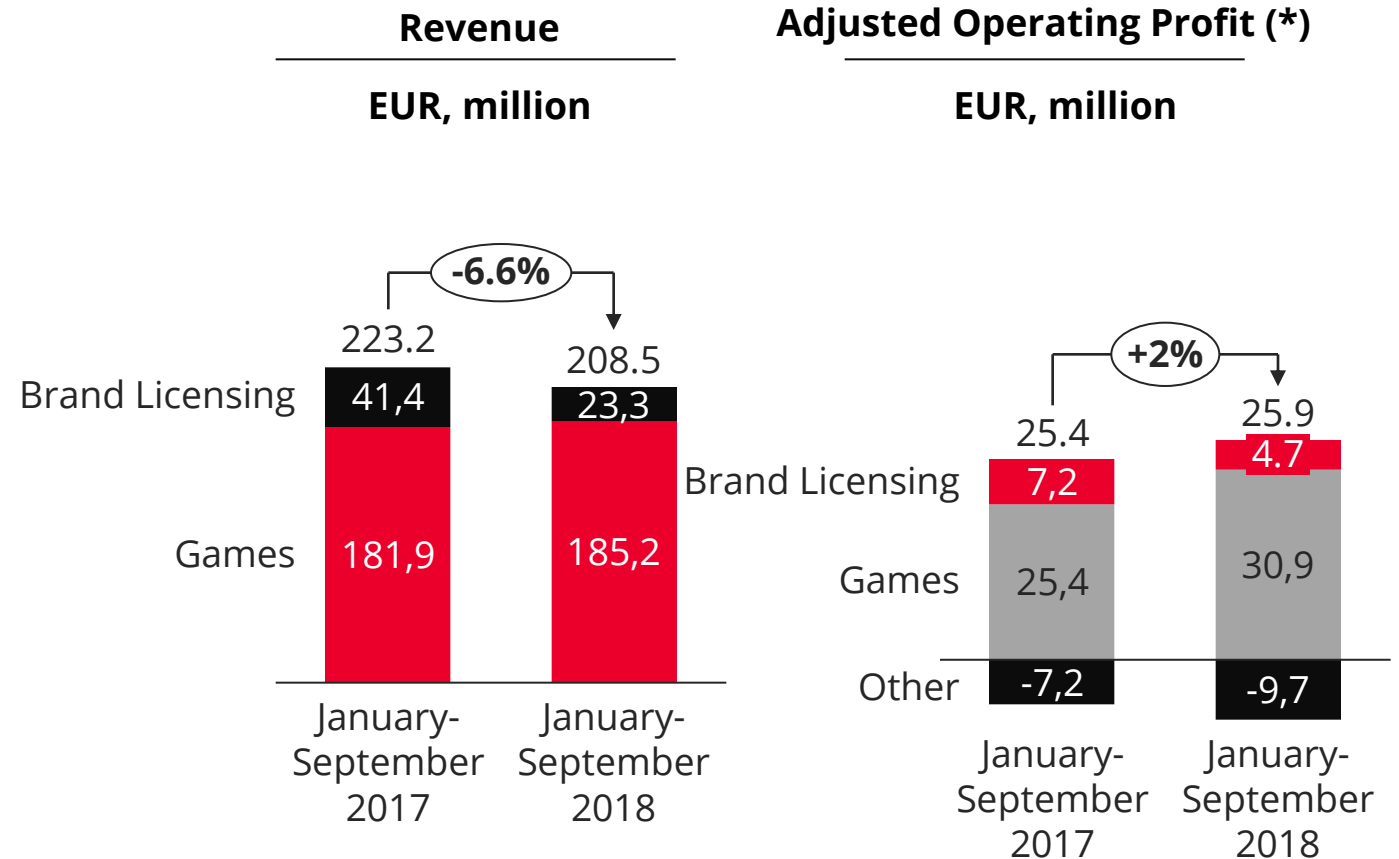
- Revenue increased 0.5% year-on-year
- Adjusted operating profit up 157%, EUR 10.4 (4.0) million and adjusted operating margin 14.6.% (5.7%)
- Operating margin higher year-on-year due to lower user acquisition investments and higher movie revenues



(*) There were no adjustments in the 3Q18 reporting period. Adjustments in 3Q17 were EUR +2.5 million and were related to Rovio's IPO.

2018 YTD Financial Highlights

- Revenue was EUR 208.5 million, a decrease of 6.6% from EUR 223.2 million year-on-year
- Comparability impacted by large revenue peak from Angry Birds Movie in 2Q17
- In comparable currencies, the revenue growth YTD is approximately 1%
- Adjusted operating profit was EUR 25.9 (25.4) million and adjusted operating margin 12.4% (11.4%)



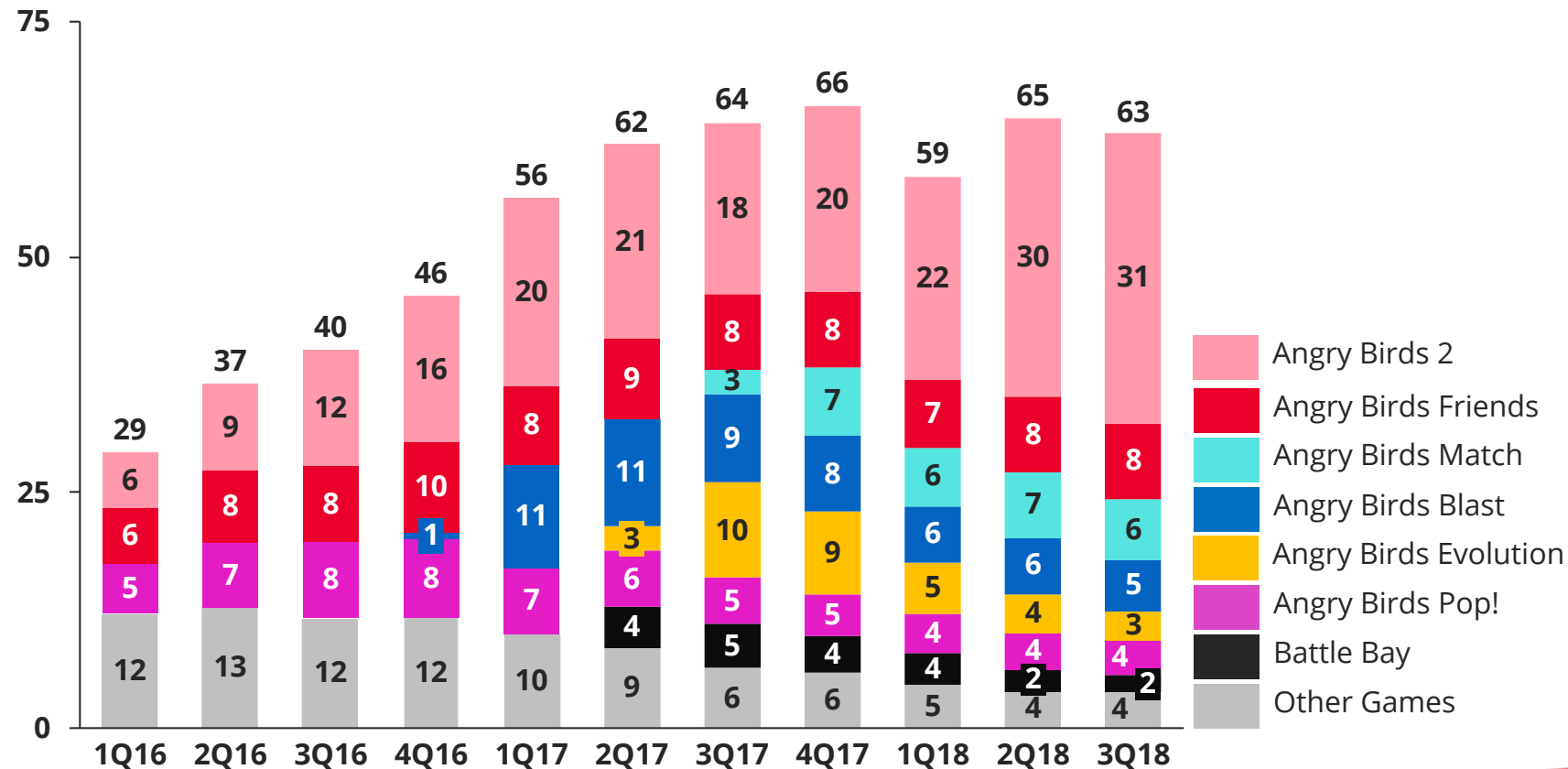
(*) For YTD2018, the adjustments were 0.3 M€ and related to closure of Rovio's games studio in London. In January-September 2017 there were 4.4 M€ adjustments due to Brand licensing unit reorganization and IPO costs.

Games highlights

3Q18 Highlights:

- Gross booking -1,7% year-on-year, a bit slower Q3, expected to pick-up speed in Q4
- Adjusted EBITDA +88% i.e. 12.7 million (6.7 milion in 3Q17)
- Angry Birds 2 growth 68% year-on-year
- Angry Birds Friends going steady

Gross bookings (EUR million)



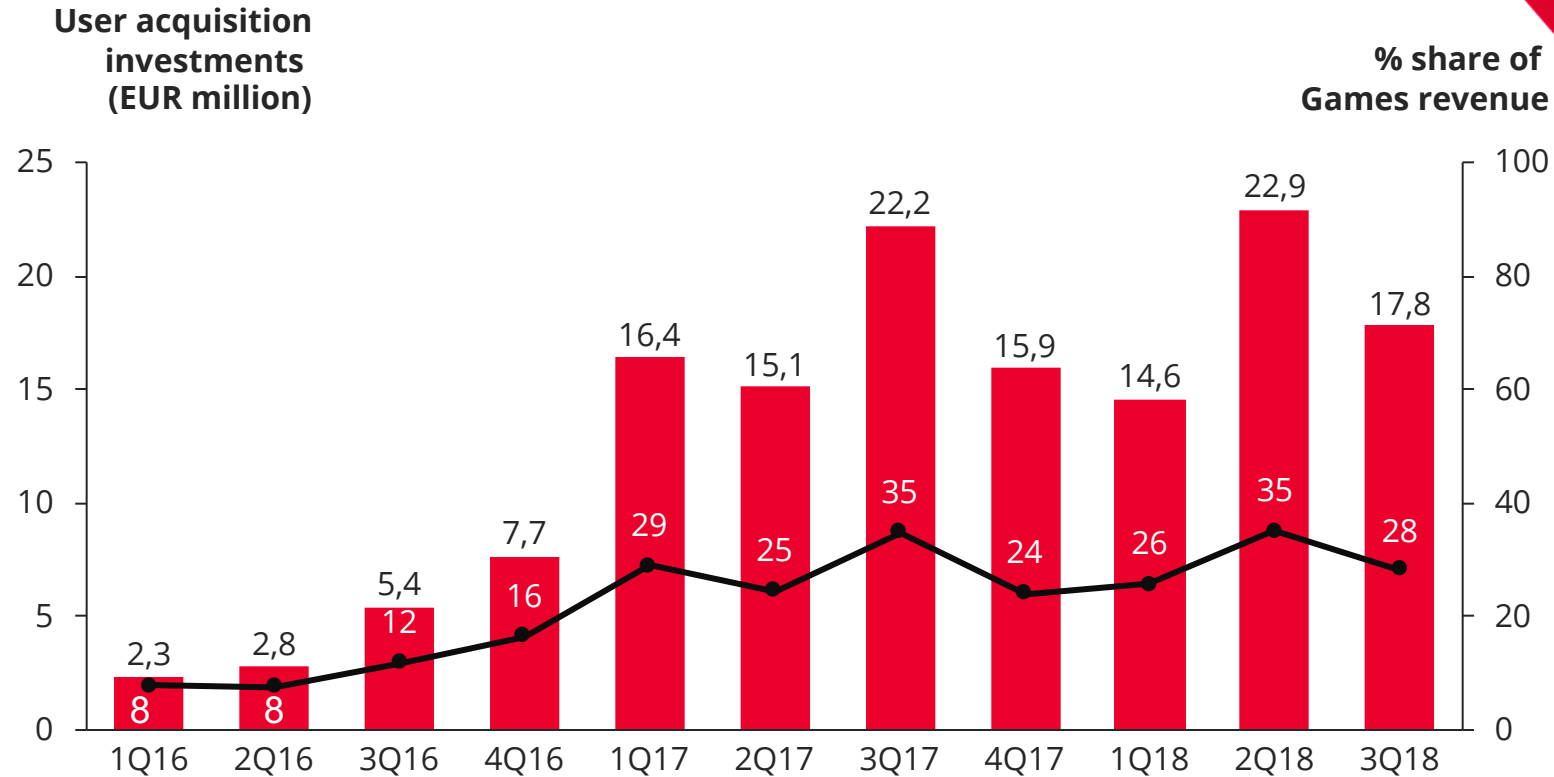
Recent Angry Birds 2 updates

- Events that monetize better
- More collectable characters on the roadmap
- Adding a third team
- These updates enable increasing user acquisition

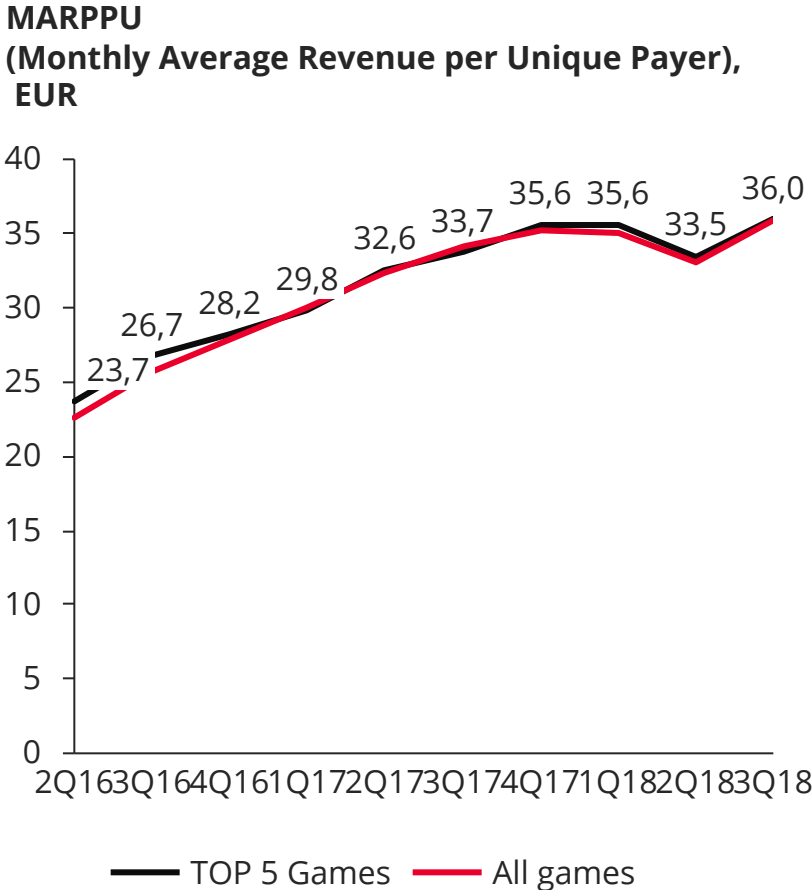
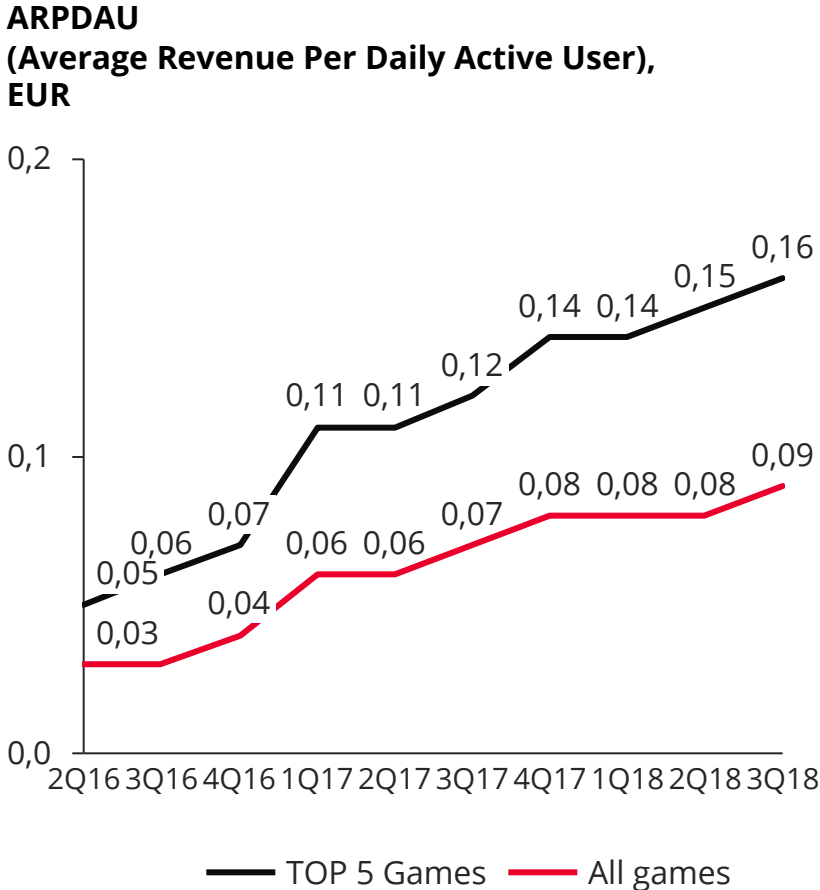


User Acquisition (UA)

- Competition for users in the market intensified from the previous quarter
- Thus we decreased our user acquisition investments in order to stay within the 8-12 month payback time
- Through UA optimization and improved game performance, we are now seeing better traction and are expecting to increase the UA investments in 4Q to similar level as during 2Q this year



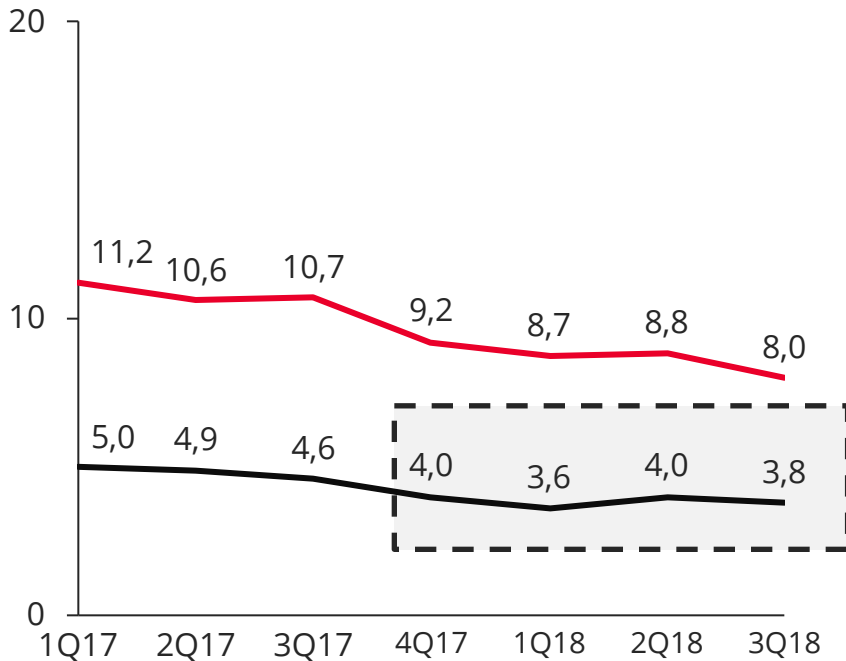
ARPPDAU and MARPPU growing



(*) Pop replaced Evolution in Top 5 during Q3/18 and thus the numbers are not directly comparable. Comparable KPI's would be ARPPDAU EUR 0,17 and MARPPU EUR 36,6.

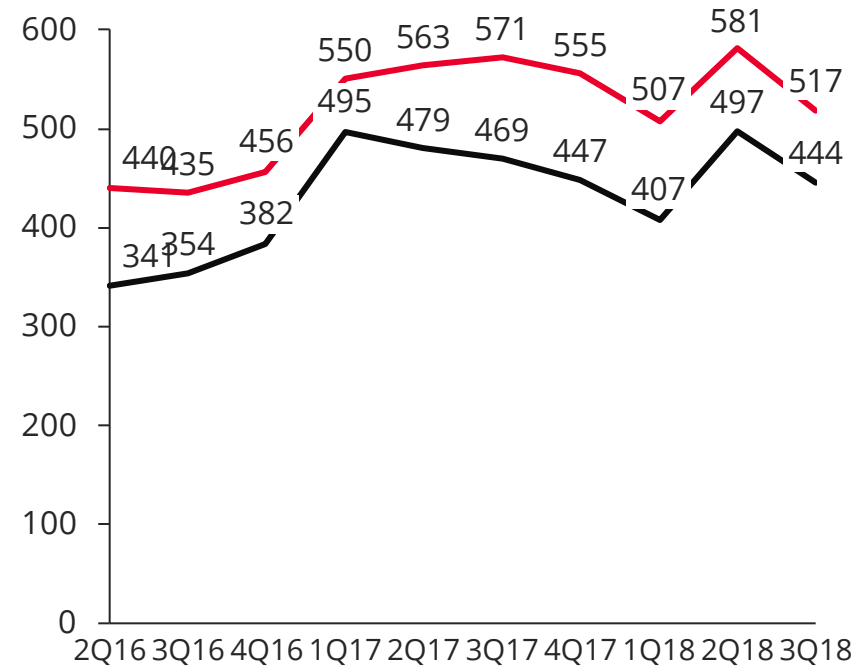
DAU Down, MUP fluctuates

DAU
(Daily Active User),
millions



— TOP5 games — All games

MUP
(Monthly Unique Payers),
1000's



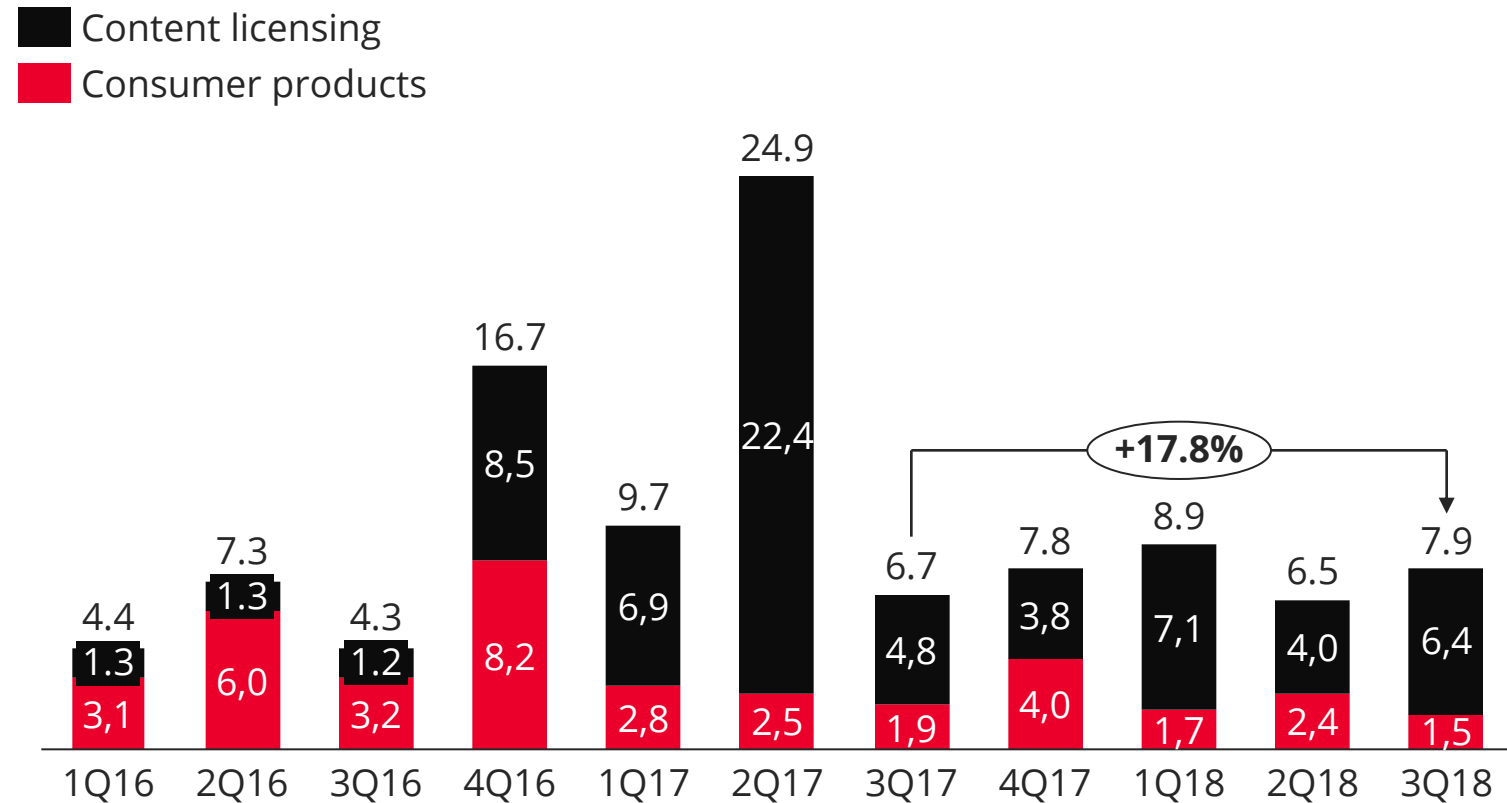
— TOP5 games — All games

Brand Licensing Highlights

3Q18 Highlights:

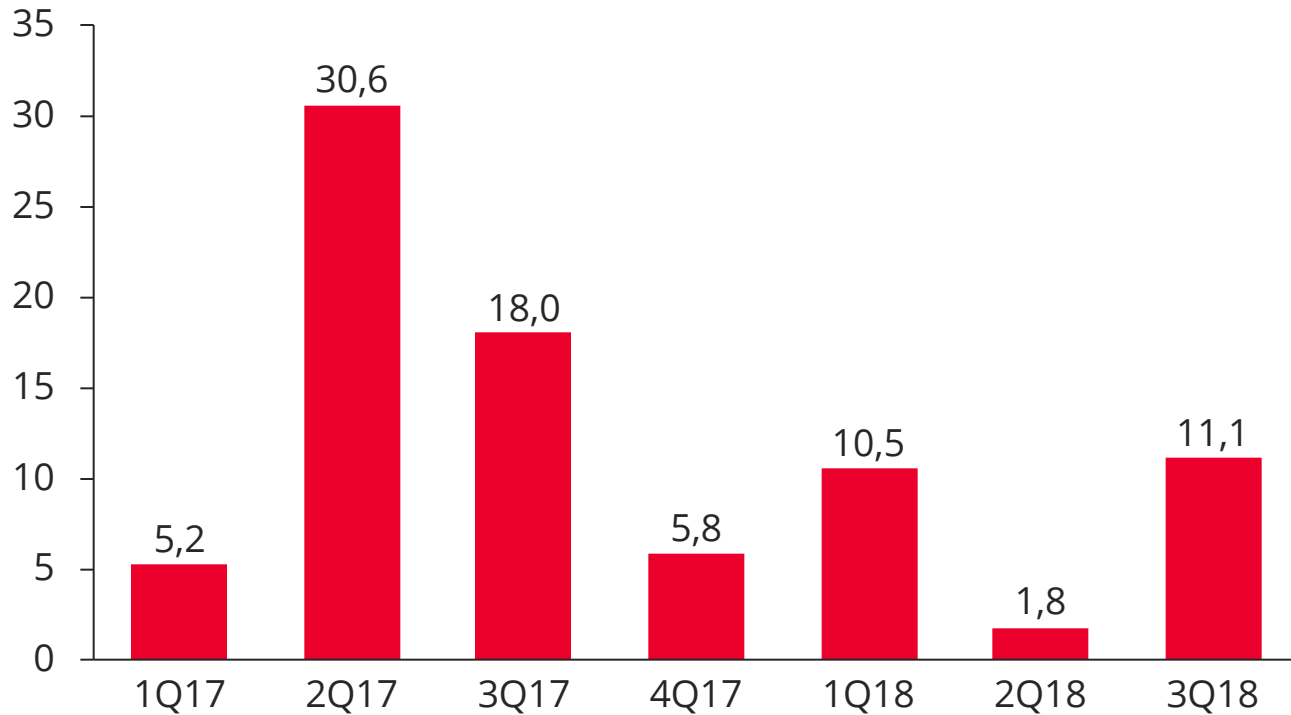
- Revenue EUR 7.9 million, growing 17.8% from EUR 6.7 million in 3Q17
- Adjusted EBITDA was EUR 5.6 million (4.0) and EBITDA margin 70,3% (59,1%)
- Build-up of licensing for Angry Birds Movie 2 in 2019 continued

Revenue (EUR million)



Strong Cash Flow

Cash flow from
operating activities
(EUR million)



3Q18 Highlights:

- Operating cash flow EUR 11.1 million
- Cash balance EUR 107.4 million up from EUR 97.0 million in previous quarter

Rovio specifies its 2018 outlook

2018 specified outlook

Rovio Group revenue is expected to be **EUR 280-290 million** (previous outlook 260-300)

Adjusted operating profit is expected to be **10 to 11 percent** (previous outlook 9-11 percent).

We continue to execute Our Strategy

Grow Games business

- Improve existing key games and user acquisition
- Develop new games

Explore the future of gaming

- Investigate and invest in new technologies and platforms

Leverage strong consolidation platform

- Continue screening and evaluation of potential M&A targets, primary focus on free-to-play mobile games

Grow the Angry Birds brand and Licensing business

- Attractive slate of movie licensing partners secured

Strengthened Games Roadmap

- Increased number of projects: 12 games under development
- Three games brought in soft launch
- Goal is to launch at least two games in 2019
- Head of Games starting in January



2019: 10th Anniversary of Angry Birds

- The Angry Birds brand is a major asset for games and licensing
- The Angry Birds Movie 2 production on schedule for 2019 release
- Enhanced marketing and licensing programs



New App to engage the Audience of Licensing Products



THE APP



AR mini-games

AR mini-games

AR mini-games



Safe environment for kids

Light and easy to download on the go

ANGRY BIRDS ADVENTURE ON BIRD ISLAND

