



Rovio Entertainment Corporation

Financial Statement Bulletin

February 11, 2022

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FINANCIAL STATEMENT BULLETIN 2021

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Games revenue grew 18.8% and 9.0% on comparable basis in Q4

October-December 2021 highlights

- Rovio group revenue increased 15.2% to EUR 78.9 million (68.5). Organic growth (excluding Ruby Games) was 9.0%.
- Group adjusted EBITDA was EUR 16.5 million (12.2) and adjusted EBITDA margin 21.0% (17.8)
- Group adjusted operating profit was EUR 13.1 million (7.5) and adjusted operating profit margin 16.6% (10.9)
- Games revenue increased 18.8% to EUR 76.5 million (64.4). Organic games revenue (excluding Ruby Games) growth was 12.2%. In comparable currencies, Games revenue grew by 15.3% and organic growth in comparable currencies (i.e., comparable basis) was 9.0%. The Games gross bookings were EUR 74.0 million (64.9) and increased by 14.1% year-on-year. In comparable currencies, the gross bookings grew by 10.7% and organic growth in comparable currencies (i.e., comparable basis) was 4.7%.
- Top 3 games Angry Birds 2, Angry Birds Dream Blast and Angry Birds Friends all grew year-on-year
- Rovio greenlit Angry Birds Journey for global launch end of January '22 (launched 20th of Jan) and the game had scaled up to EUR 25 million yearly gross bookings run-rate before the launch (after the launch the game has grown to over EUR 40 million yearly run-rate).
- User acquisition investments were EUR 20.6 million (16.0) and 26.9% of the Games segment's revenue (24.9%)
- Operating cash flow was EUR 17.3 million (17.6)
- Earnings per share was EUR 0.08 (0.04)

January-December 2021 highlights

- Rovio group revenue increased 5.1% to EUR 286.2 million (272.3) and organic growth (excluding Ruby Games) was 3.2%.
- Group adjusted EBITDA was EUR 54.8 million (60.1) and adjusted EBITDA margin 19.1% (22.1)
- Group adjusted operating profit was EUR 43.7 million (47.2) and adjusted operating profit margin 15.3% (17.3)
- Games revenue increased 7.0% to EUR 276.4 million (258.2). Organic growth (excluding Ruby Games) was 5.0%. In comparable currencies, Games revenue grew by 9.6% and organic growth in comparable currencies (i.e., comparable basis) was 7.6%. The Games gross bookings were EUR 271.4 million (259.2) and increased by 4.7% year-on-year. In comparable currencies, the gross bookings grew by 7.2% and organic growth in comparable currencies (i.e., comparable basis) was 5.3%.
- User acquisition investments were EUR 77.2 million (58.7) and 27.9% of the Games segment's revenue (22.7%)
- Operating cash flow was EUR 44.0 million (63.6)
- Earnings per share was EUR 0.41 (0.43)

Key figures

EUR million	10-12/ 2021	10-12/ 2020	Change, %	1-12/ 2021	1-12/ 2020	Change, %
Revenue	78.9	68.5	15.2%	286.2	272.3	5.1%
EBITDA	13.4	12.2	9.7%	50.8	60.0	-15.4%
EBITDA margin	17.0%	17.8%		17.7%	22.0%	
Adjusted EBITDA	16.5	12.2	35.4%	54.8	60.1	-8.9%
Adjusted EBITDA margin, %	21.0%	17.8%		19.1%	22.1%	
Operating profit	8.1	2.9	174.1%	37.7	42.5	-11.3%
Operating profit margin, %	10.2%	4.3%		13.2%	15.6%	
Adjusted operating profit	13.1	7.5	75.0%	43.7	47.2	-7.5%
Adjusted operating profit margin, %	16.6%	10.9%		15.3%	17.3%	
Profit before tax	9.2	2.3	295.4%	40.3	40.7	-1.1%
Capital expenditure	1.3	1.1	15.6%	4.0	3.9	2.1%
User acquisition	20.6	16.0	28.7%	77.2	58.7	31.5%
Return on equity (ROE), %	22.2%	24.4%		22.2%	24.4%	
Net gearing ratio, %	-77.4%	-77.6%		-77.4%	-77.6%	
Equity ratio, %	70.8%	82.3%		70.8%	82.3%	
Earnings per share, EUR	0.08	0.04	106.7%	0.41	0.43	-4.6%
Earnings per share, diluted EUR	0.08	0.04	106.6%	0.41	0.43	-4.8%
Net cash flows from operating activities	17.3	17.6	-1.6%	44.0	63.6	-30.8%
Employees (average for the period)	501	479	4.7%	490	470	4.2%

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 on December 31, 2021, amount to EUR 220,450,449.79, of which the profit for the period is EUR 39,913,244.68. Rovio's Board of Directors proposes that the Annual General Meeting authorizes the Board to resolve on a dividend of EUR 0.12 per share be paid to shareholders in respect of financial year 2021. Based on the number of shares outstanding as of the balance sheet date, December 31, 2021, the total amount of the dividend is EUR 8,926,262.28.

Alex Pelletier-Normand, CEO:

I'm delighted to see that Rovio continued good progress in strategy execution throughout the year with a strong finish. In the fourth quarter, we saw strong growth and record high revenue in Games. This achievement was driven by the good performance of our key live games, especially Angry Birds 2 and Angry Birds Friends, and the acquisition of Ruby Games. Our full year and Q4 profitability and cash flow remained at a good level. Despite a second year of pandemic and changes in the marketing landscape driven by Apple's new privacy framework, we performed well. This would not have been possible without the utmost dedication of all our employees, I would like to thank all Rovians for their contributions and commitment throughout the year.

We finished the year with a strong fourth quarter. All our top three games Angry Birds 2, Angry Birds Dream Blast and Angry Birds Friends grew year-on-year. Our teams crafted successful holiday campaigns, improving game KPIs and enabling higher UA investments. Rovio's largest game, Angry Birds 2, recorded the highest gross bookings since Q1 2019 and grew double digit year-on-year. Angry Birds Dream Blast also grew year-on-year; the game has proven to be another stable pillar for Rovio, crossing the bar of 180M euros in revenue since its launch in 2019 and showing still growth potential. Further, it was remarkable to see our third biggest and oldest live game, Angry Birds Friends, record its fifth consecutive quarter of growth, thanks to seasonal content and special offers. We are celebrating this month the 10th anniversary of this fan-favorite title. Ruby Games had a solid quarter based on its hyper-casual game portfolio while their first hybrid-casual game, Hunter Assassin 2, reached soft launch.

Q4 was also a quarter of finalization for the launch of Angry Birds Journey, which was released globally in January 2022. The game's KPIs are promising – the annual revenue run-rate is over EUR 40 million, which makes it Rovio's third largest game. The team has done a tremendous job and we have exciting content coming to our players.

At the end of last year, we said that we'll be making announcements on different brand initiatives as part of the "Angry New Year". We have been active, and the strategy unfolded as planned. Among other things, we partnered with the widely popular gaming platform Roblox, and Angry Birds: Summer Madness, the first Angry Birds long-form animated series, premiered on Netflix in January. Those events got our fans excited; further initiatives will surface later this year.

During the year the mobile gaming industry remained dynamic and major changes occurred in the marketing landscape driven by growing awareness on privacy matters, resulting in increased regulation and policies. We were ready! Our versatile tools, our collaborative ways of working and our wide-appeal portfolio – spearheaded by the strong Angry Birds brand – allowed us to maneuver this volatile environment successfully.

Those changes also encouraged us to refine our strategy further, and we made the decision to double-down on casual games, leveraging our core expertise and maximizing the value of our network of users. To support this, we strengthened our talent pool by acquiring the hyper-casual studio Ruby Games in Turkey, and by opening a new casual mobile gaming studio in Toronto, Canada. Finally, we formed a multi-year partnership for mobile gaming rights for the beloved Moomin IP. The first Moomin game, Moomin: Puzzle & Design, was soft launched in December.

Another key area where we advanced during the year was sustainability. We want to lead the industry in creating safe and joyful gaming experiences that are crafted in a diverse and inclusive work culture while respecting our planet. We appointed our first-ever Chief Sustainability Officer to lead the charge in our 3 focus areas: Safe & Responsible Gaming, People & Society, and Climate & Environment. One example of our engagement is our collaboration with UNICEF to support adolescent girls in Senegal and our three-year commitment to support their education program in Sierra Leone. We also offset our carbon emissions and pledged to reach carbon neutrality in 2022.

As we enter the new year, I am energized about the opportunities ahead. We start the year with positive momentum in our top live games, now including Angry Birds Journey. Our games pipeline beyond 2022 is healthy with new games in development in all of our seven studios, and we have exciting brand initiatives in this "Angry New Year". We continue our M&A efforts, aiming to build new growth avenues within casual games, grow our audience network, and establish value through synergies across our game portfolio and studios. I believe that Rovio is well positioned to continue to drive long-term growth and deliver on our mission: craft joy with player-focused gaming experiences that last for decades.

2022 outlook

Building on the positive momentum in our top live games, the launch of Angry Birds Journey in January 2022 and having the full benefit of the Ruby Games acquisition from the start of the year, we are expecting strong topline growth for the year. Depending on the speed of growth and the investments in user acquisition to fuel that growth, especially in the case of new games, and our larger investments in new games development, the adjusted operating profit is expected to be lower year-on-year.

The user acquisition investments for Q1-2022 is expected to be around 40% of games revenues.

Audiocast and conference call:

Rovio will host an English language audiocast and phone conference on the Q4 and full year 2021 financial results, including a Q&A session, for analysts, media and institutional investors at 14:00-15:00 EET on February 11, 2022. The audiocast can be viewed live at: <https://investors.rovio.com/en>, and as a recording later the same day.

Conference call details:

PIN: 69986702#

Finland: +358 981710310

Sweden: +46 856642651

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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 5 billion times. 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, animations and consumer products in brand licensing. Rovio has produced The Angry Birds Movie (2016), and its sequel, The Angry Birds Movie 2 was released in 2019. The company offers multiple mobile games and has seven games studios – two in Espoo (Finland), one in Stockholm (Sweden), Copenhagen (Denmark), Montreal and Toronto (Canada), as well as a subsidiary in Izmir (Turkey) called Ruby Games, which was acquired in 2021. Most of the employees are based in Finland where Rovio is headquartered. The company's shares are listed on the main list of NASDAQ Helsinki stock exchange with the trading code ROVIO.

Rovio Entertainment Corporation

Financial Statement Bulletin 1-12/2021

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 mobile market report published in January 2022, the global mobile gaming market size in end-user generated revenue was estimated to be USD 93.2 billion in 2021 which represented 7.3% year-on-year growth. Annual growth slowed down from the previous year's abnormal growth rate of 27.1%, which was driven by a heightened global gaming activity due to the physical limitations of the Covid-19 pandemic. Newzoo estimates the global mobile gaming market to grow by 8.3% in 2022. In 2021-2024, the global mobile gaming market is expected to grow at 7.6% CAGR and the Western market growth to be 6.3% CAGR.

Revenue and result

October-December 2021

In the fourth quarter 2021, Rovio group revenue was EUR 78.9 million (68.5) and grew by 15.2% year-on-year. This was the first quarter that Ruby Games was fully consolidated into Rovio group. The organic growth in the fourth quarter (excluding Ruby Games revenue of EUR 4.2 million) was 9.0%. The organic growth was driven by the good performance of our top 3 games, incremental revenue from Angry Birds Reloaded on the Apple Arcade service and currency effects.

The Games segment revenue increased by 18.8% year-on-year and amounted to EUR 76.5 million (64.4). Games organic growth (excluding Ruby Games) was 12.2%. In comparable currencies, games revenue grew by 15.3% and organic growth in comparable currencies (i.e., comparable basis) was 9.0%. The Games segment gross bookings were EUR 74.0 million (64.9) and increased 14.1% year-on-year. In comparable currencies, the games gross bookings grew by 10.7% year-on-year and organic growth in comparable currencies (i.e., comparable basis) was 4.7%.

The gross bookings of Rovio's largest game Angry Birds 2 were EUR 29.5 million and grew 12.6% year-on-year. Rovio's second largest game Angry Birds Dream Blast gross bookings were EUR 16.2 million and grew 6.4% year-on-year. Angry Birds Friends continued its quarter-on-quarter growth and grew gross bookings by 16.5% year-on-year to EUR 9.3 million which was the best quarter since Q4-2016. Small Town Murders reached EUR 2.8 million gross bookings which was 26.3% lower year-on-year due to user acquisition for the game being halted in Q4 as game is undergoing major changes. Rovio's newest slingshot game Angry Birds Journey was still in soft launch in Q4 but generated already EUR 3.1 million gross bookings.

The revenue of Ruby Games studio that was acquired in the beginning of September, generated revenue of EUR 4.2 million in Q4. Hunter Assassin 2 was in soft launch during Q4.

The revenue of Brand Licensing segment was EUR 2.4 million (4.1) and decreased 40.9% year-on-year. The revenue consisted of EUR 1.7 million (3.0) from Content Licensing and EUR 0.8 million (1.1) from Consumer Products.

The Group's adjusted EBITDA increased to EUR 16.5 million (12.2), and adjusted EBITDA margin increased to 21.0% (17.8).

The Group's adjusted operating profit increased to EUR 13.1 million (7.5) and adjusted operating profit margin increased to 16.6% (10.9). The adjustments in the reporting period amounted to EUR 5.0 million and were mainly related to changes in contingent liability for Ruby games acquisition (EUR 2.9 million), write-off of expired contracts and game content assets related to the discontinued Hatch gaming service (EUR 1.8 million), restructuring of Brand Licensing China operations (EUR 0.3 million). The adjustments in the October-December 2020 amounted to EUR 4.6 million and were related to asset write-offs in conjunction with cancelling the Angry Birds Legends game project.

The Games segment's adjusted EBITDA increased to EUR 18.2 million (13.7) and the adjusted EBITDA margin increased to 23.7% (21.2). Games user acquisition investments in the reporting period were EUR 20.6 million (16.0) or 26.9% of revenues (24.9%). The higher user acquisition investments compared to last year were mainly related to scaling up user acquisition for Angry Birds Journey that reached significant scale already in soft launch. The user acquisition investments for Angry Birds 2 and Angry Birds Dream Blast were also increased during the quarter.

The Brand Licensing segment's adjusted EBITDA decreased to EUR 1.4 million (2.9) and adjusted EBITDA margin decreased to 57.9% (70.7). The lower EBITDA of Brand Licensing in the reporting period was due to lower revenues.

The Group's profit before taxes was EUR 9.2 million (2.3) and earnings per share EUR 0.08 (0.04).

January-December 2021

In the reporting period January-September 2021, Rovio group revenue was EUR 286.2 million (272.3) and increased 5.1% year-on-year. Organic growth was 3.2%.

Games revenue increased 7.0% year-on-year to EUR 276.4 million (258.2). Organic growth (excluding Ruby Games revenue of EUR 5.2 million from September-December 2021) was 5.0%. In comparable currencies, the revenue increased by 9.6% and organic growth in comparable currencies (i.e., comparable basis) was 7.6%. Games gross bookings increased by 4.7% to EUR 271.4 million (259.2). In comparable currencies, the gross bookings grew by 7.2% and organic growth in comparable currencies (i.e., comparable basis) was 5.3%.

The revenue of the Brand Licensing segment was EUR 9.8 million (14.0) and declined 29.6% year-on-year. The revenue consisted of EUR 6.8 million (9.1) from Content Licensing, the majority of which was income from the first Angry Birds Movie, and EUR 3.1 million (4.9) from Consumer Products.

The Group's adjusted EBITDA decreased to EUR 54.8 million (60.1), and adjusted EBITDA margin decreased to 19.1% (22.1) of revenues.

The Group's adjusted operating profit decreased to EUR 43.7 million (47.2) and adjusted operating profit margin decreased to 15.3% (17.3). The adjustments in the reporting period amounted in total to EUR 5.9 million and were related to the ramp-down of Hatch Kids service (EUR 0.5 million) and to the transaction expenses in the Ruby Games acquisition (EUR 0.4 million), change in contingent liability for Ruby games acquisition (EUR 2.9 million), write-off of expired contracts and game content assets related to the discontinued Hatch gaming service (EUR 1.8 million) and restructuring of Brand Licensing China operations (EUR 0.3 million). The adjustments in January-December 2020 amounted to 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 Games segment's adjusted EBITDA decreased to EUR 59.1 million (65.8) and adjusted EBITDA margin decreased to 21.4% (25.5) of revenues and decreased year-on-year mainly due to higher user acquisition investments of EUR 77.2 million (58.7) and 27.9% of games revenues (22.7).

The Brand Licensing segment's adjusted EBITDA decreased to EUR 6.0 million (8.9) and adjusted EBITDA margin decreased to 61.0% (64.1). The decline in EBITDA from last year was due to lower revenues.

The Group's profit before taxes was EUR 40.3 million (40.7) and earnings per share EUR 0.41 (0.43).

Financing and investments

Rovio's capital expenditure was EUR 1.3 million (1.1) in the fourth quarter of 2021. 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 0.7 million (0.6) in the fourth quarter and related to external game development. Brand Licensing segment's capital expenditure was EUR 0.2 million (0.0) and related to external development of animated series. The Other-segment's investments were EUR 0.4 million (0.5) for the quarter and consisted mainly of machinery and equipment and registration fees of trademarks.

Cash flow from financing amounted to EUR -0.8 million (-0.4) in the fourth quarter and consisted mainly of finance lease repayments.

At the end of 2021, Rovio's total interest-bearing loans and financial liabilities amounted to EUR 7.9 million (10.5) consisting of EUR 0.9 million product development loans from Business Finland (the Finnish Funding Agency for Innovation) as well as EUR 7.0 million leasing liabilities mostly related to office leases. Contingent consideration liabilities related to Ruby Games acquisition amounted to EUR 41.0 million.

Rovio's cash and cash equivalents and money market funds at the end of the review period amounted to EUR 160.8 million (138.9).

Development per business segment

Games

October-December 2021

The Games segment's revenue in the reporting period amounted to a record-level EUR 76.5 million (64.4) and increased by 18.8% year-on-year. In comparable currencies, revenue increased by 15.3% and organically in comparable currencies by 9.0%. Games gross bookings increased 14.1% to EUR 74.0 million (64.9). In comparable currencies, games gross bookings increased by 10.7%. Custom contracts amounted to EUR 2.0 million of which EUR 1.6 million were from the Angry Birds Reloaded game on the Apple Arcade service. The revenues of Ruby Games, Rovio's latest acquisition, amounted to 4.2 million in the fourth quarter, the first full quarter that Ruby Games was consolidated into Rovio.

Rovio's largest game Angry Birds 2 recorded gross bookings of EUR 29.5 million, its highest since Q1 2019 and grew 10.8% from Q3 2021. Angry Birds Friends recorded its fifth consecutive quarter of growth and its highest quarterly revenue since Q4 2016. Rovio's top five games in Q4 2021 were Angry Birds 2, Angry Birds Dream Blast, Angry Birds Friends, Angry Birds Journey, which was still in soft launch in 2021 and Small Town Murders.

The Games segment's adjusted EBITDA increased to EUR 18.2 million (13.7) and the adjusted EBITDA margin increased to 23.7% (21.2). The adjusted EBITDA increase was mainly a result of the revenue increase, larger share of high margin advertising revenues and Angry Birds Reloaded revenues in the reporting period, even if the user acquisition investments were on a higher-level year-on-year. Ads share of revenue increased from 13.6% in Q4 2020 to 19.2% in Q4 2021, due to Ruby Games' revenues being almost entirely from advertising.

The Games segment's user acquisition investments increased to EUR 20.6 million (16.0), and to 26.9% (24.9%) of the Games segment's revenue in the reporting period. Compared to Q3 2021, the user acquisition for Angry Birds 2 and Angry Birds Dream Blast were increased. The user acquisition for Angry Birds Journey was scaled up during the quarter in preparation for global launch in January 2022 and already in Q4 2021 it was the third biggest game in terms of user acquisition investments. The user acquisition for Small Town Murders and Darkfire Heroes was scaled down to a very low level.

The user acquisition investments in the fourth quarter were divided between the different categories of games as follows: 49.3% into the "Grow" -category (Angry Birds Dream Blast, Small Town Murders, Angry Birds Journey) and 34.7% into the "Earn" -category (Angry Birds 2, Angry Birds Match, Angry Birds Friends), of which practically all was invested into Angry Birds 2. Hyper-casual (i.e. Ruby Games) user acquisition investments amounted to 14.1% and catalogue games to 1.9%. Active development of Darkfire Heroes was discontinued during the fourth quarter and the game was moved to catalogue -category.

The Games segment's capital expenditure in the fourth quarter amounted to EUR 0.7 million (0.6).

January-December 2021

The Games segment's revenue in 2021 increased by 7.0% to EUR 276.4 million (258.2) In comparable currencies, revenue increased by 9.6%. Gross bookings increased by 4.7% to EUR 271.4 million (259.2). In comparable currencies, games gross bookings increased by 7.2%.

The Games segment's adjusted EBITDA decreased to EUR 59.1 million (65.8) and the adjusted EBITDA margin decreased to 21.4% (25.5) during the reporting period. The adjusted EBITDA decrease was mainly a result of higher user acquisition investments and operating expenses.

The Games segment's user acquisition investments increased to EUR 77.2 million (58.7) and to 27.9% (22.7%) of the Games segment's revenue in the reporting period.

The Games segment's capital expenditure in the reporting period amounted to EUR 2.6 million (2.4)

EUR million	10-12/ 2021	10-12/ 2020	Change, %	1-12/ 2021	1-12/ 2020	Change, %
Gross bookings	74.0	64.9	14.1%	271.4	259.2	4.7%
Revenue	76.5	64.4	18.8%	276.4	258.2	7.0%
Adjusted EBITDA	18.2	13.7	32.9%	59.1	65.8	-10.1%
Adjusted EBITDA margin, %	23.7%	21.2%		21.4%	25.5%	
EBITDA	15.3	13.7	11.8%	56.3	65.8	-14.5%
EBITDA margin, %	20.0%	21.2%		20.4%	25.5%	
User acquisition	20.6	16.0	28.7%	77.2	58.7	31.5%
User acquisition share of revenue, %	26.9%	24.9%		27.9%	22.7%	
Capital expenditure	0.7	0.6	18.4%	2.6	2.4	7.9%

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 2021, the Games segment's gross bookings increased by 14.1% to EUR 74.0 million (64.9). In comparable currencies gross bookings increased by 10.7%. Ruby Games, that was acquired in September, generated gross bookings of EUR 4.1 million in the fourth quarter.

The number of daily active users remained stable at 3.2 million for top 5 games and increased to 6.5 million for the whole portfolio, which also includes the Ruby Games for the full quarter. Also, the whole portfolio monthly active users (MAU) increased when including the Ruby Games MAU impact, to 44.8 million (32.0).

The amount of monthly unique payers (MUP) increased by 5% to 420 thousand (402 thousand in Q3-21) for the top 5 games and by 3% to 485 thousand (471 thousand in Q3-21) for the whole portfolio.

The average revenue per daily active user increased to 21 cents (19 in Q3 2021) for the top-5 games. The whole portfolio ARPDAU declined to 12 cents (15 in Q3 2021) when including the acquired hyper-casual portfolio impact. MARPPU (not including Ruby Games impact) increased slightly, to 41.4 EUR (40.6 in Q3-21) for the top-5 games and to 40.9 (40.2 in Q3-21) for the whole portfolio.

EUR million	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021	10-12/ 2020	7-9/ 2020
Gross bookings top 5	60.9	56.4	57.0	55.0	55.7	55.1
Gross bookings total	74.0**	66.7*	66.6	64.2	64.9	64.5

Million	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021	10-12/ 2020	7-9/ 2020
DAU top 5	3.2	3.2	3.1	3.1	3.2	3.2
DAU all	6.5**	4.9*	4.2	4.2	4.4	4.5
MAU top 5	18.1	17.9	17.1	16.6	17.6	18.1
MAU all	44.8**	32.0*	26.0	25.6	27.3	29.4

Thousand	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021	10-12/ 2020	7-9/ 2020
MUP top 5	420	402	397	394	404	380
MUP all	485	471	455	454	467	445

EUR	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021	10-12/ 2020	7-9/ 2020
ARPDAU top 5	0.21	0.19	0.20	0.20	0.19	0.19
ARPDAU all	0.12**	0.15*	0.17	0.17	0.16	0.16
MARPPU top 5	41.4	40.6	41.7	40.7	39.8	42.6
MARPPU all	40.9	40.2	42.5	41.1	39.9	42.5

*Includes Ruby Games for month of September **Includes Ruby Games for the whole quarter

Game-specific performance in the Games segment

During the fourth quarter, games gross bookings increased from Q3 2021 by 14.1%.

Angry Birds 2, Rovio's largest game's gross bookings were EUR 29.5 million, an increase of 12.6% year-on-year and its highest quarter since Q1 2019. The user acquisition investments for the game were increased from Q3 2021.

Rovio's second biggest game in the reporting period was Angry Birds Dream Blast with gross bookings of EUR 16.2 million. The Q4 gross bookings increased by 8.1% versus Q3 2021 and by 6.4% year-on-year. The user acquisition investments were somewhat increased from Q3 2021.

Angry Birds Friends continued to grow and recorded its highest quarterly gross bookings since Q4 2016 with a total gross booking of EUR 9.3 million.

Angry Birds Journey, that was still in soft launch in Q4 2021 recorded the fourth highest gross bookings of the portfolio at EUR 3.1 million. The annualized run-rate based on the last weeks of December were close to EUR 25 million. User acquisition investments on AB Journey were significantly increased during the fourth quarter to prepare for the global launch in January 2022.

The hyper-casual category, acquired with the Ruby Games in September, generated EUR 4.1 million in Q4 gross bookings.

The Other games category generated total gross bookings of EUR 9.1 million during the quarter (11.7 in Q4-20).

Gross bookings, EUR million	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021	10-12/ 2020	7-9/ 2020
AB 2	29.5	26.6	26.6	25.2	26.2	26.5
AB Dream Blast	16.2	15.0	15.0	15.4	15.2	15.5
AB Friends	9.3	8.5	8.3	8.1	8.0	7.2
AB Journey	3.1	1.2	0.4	0.1		
Small Town Murders	2.8	4.1	4.7	3.9	3.8	3.0
Hyper-casual	4.1	1.0				
Other games	9.1	10.2	11.6	11.6	11.7	12.3
Total	74.0	66.7	66.6	64.2	64.9	64.5

Brand Licensing

October-December 2021

The revenue of Brand Licensing segment in the reporting period was EUR 2.4 million (4.1) and decreased 40.9% year-on-year. The revenue consisted of EUR 1.7 million (3.0) from Content Licensing and EUR 0.8 million (1.1) from Consumer Products.

Consumer products sales was weakened by the Covid-19 pandemic that has impacted sales across categories. The revenues of the Angry Birds movies within Content Licensing are expected to decline over time; however, the timing and size of the revenue streams can vary significantly on a quarterly basis.

The Brand Licensing segment's adjusted EBITDA decreased to EUR 1.4 million (2.9) and adjusted EBITDA margin decreased to 57.9% (70.7). The lower EBITDA of Brand Licensing in the reporting period was due to lower revenues.

January-December 2021

The revenue of the Brand Licensing segment during January-December 2021 was EUR 9.8 million (14.0) and declined 29.6% year-on-year. The revenue consisted of EUR 6.8 million (9.1) from Content Licensing, the majority of which was income from the first Angry Birds Movie, and EUR 3.1 million (4.9) from Consumer Products.

Consumer products sales was weakened by the Covid-19 pandemic that has impacted sales across categories. The revenues of the Angry Birds movies within Content Licensing are expected to decline over time.

The Brand Licensing segment's adjusted EBITDA decreased to EUR 6.0 million (8.9) and adjusted EBITDA margin decreased to 61.0% (64.1). The decline in EBITDA from last year was due to lower revenues.

EUR million	10-12/ 2021	10-12/ 2020	Change, %	1-12/ 2021	1-12/ 2020	Change, %
Revenue	2.4	4.1	-40.9%	9.8	14.0	-29.6%
Consumer products	0.8	1.1	-30.6%	3.1	4.9	-37.3%
Content licensing	1.7	3.0	-44.6%	6.8	9.1	-25.4%
Adjusted EBITDA	1.4	2.9	-51.6%	6.0	8.9	-32.9%
Adjusted EBITDA margin, %	57.9%	70.7%		61.0%	64.1%	
EBITDA	1.2	2.9	-57.3%	5.8	8.8	-33.6%
EBITDA margin, %	51.1%	70.7%		59.3%	62.9%	
Capital expenditure	0.2	0.0	675.7%	0.4	0.3	6.8%
Amortization	1.2	3.6	-66.9%	4.7	8.1	-41.9%

Other segment

October-December 2021

The adjusted EBITDA in the Other segment (consisting of Group functions & expenses and Hatch Entertainment) in the reporting period was EUR -3.0 million (-4.4). The adjustments in the reporting period amounted to EUR 0.1 million and were related to Ruby Games acquisition expenses. There were no adjustments in the comparable period.

January-December 2021

The adjusted EBITDA in the Other segment (consisting of Group functions & expenses and Hatch Entertainment) in the period January-December 2021 was EUR -10.4 million (-14.6). The adjustments in the reporting period amounted to EUR 0.9 million and were related to ramp-down of Hatch Kids service and Ruby Games acquisition expenses. The adjustments in the comparable period amounted to EUR -0.1 million and were related to the ramp-down of Hatch Kids service and to the acquisition of Darkfire Games studio.

Consolidated statement of financial position

Consolidated statement of financial position, EUR million	31 Dec 2021	31 Dec 2020
Non-current assets	90.2	38.6
Current receivables	36.0	31.0
Money market funds	50.6	50.5
Cash and bank deposits	110.2	88.4
Total assets	287.0	208.5
Equity	197.5	165.4
Financial liabilities	48.9	10.5
Advances received and deferred income	8.0	7.5
Other payables	32.6	25.1
Total equity and liabilities	287.0	208.5

Rovio's consolidated statement of financial position amounted to EUR 287.0 million on December 31, 2021 (208.5), with equity representing EUR 197.5 million (165.4) of the total. Cash and cash equivalents amounted to EUR 160.8 million (138.9). The cash deposits amounted to EUR 110.2 million and the cash equivalents to EUR 50.6 million, consisting of investments in money market funds. The increase in cash and cash equivalents during the year 2021 was mainly attributable to cash from operating activities of EUR 44.0 million, which was partially offset by acquisition costs of the Ruby Games shares of EUR 7.7 million and dividend payment of EUR 8.8 million.

Total advances received, and deferred income were 8.0 million (7.5).

On December 31, 2021, Rovio's non-current assets were EUR 90.2 million (38.6). On August 12, 2021, Rovio announced that the company had entered into an agreement to acquire 100% of the shares in Ruby Games. Under the terms of the agreement, Rovio will acquire Ruby Games in multiple tranches. In the first tranche, in Q3 Rovio acquired 20% of Ruby's shares for EUR 9.3 million in cash. The acquisition resulted in EUR 37.5 million of goodwill and EUR 11.2 million of intangible assets, which increases the non-current assets during the year 2021. The amortization of the intangible assets consists 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 62% of movie's revenue for the period. Amortization for the Angry Birds Movie 2 corresponds to 77% of the movie's revenue for the period.

Rovio's net debt on December 31, 2021, amounted to negative EUR 152.9 million. Rovio's debt consisted of loans from Business Finland (the Finnish Funding Agency for Innovation) of EUR 0.9 million, as well as EUR 7.0 million in leasing debt, mainly consisting of office space lease.

Increase in the financial liabilities was mainly due to the contingent consideration liability, related to the purchase agreement of Ruby Games whereby Rovio purchases the remaining 80% of Ruby Games shares. At the end of 2021, the fair value of the contingent consideration was estimated to be EUR 41.0 million, which was recognized as contingent consideration liability in financial liabilities.

Cash flow and financing

Consolidated statement of cash flows, EUR million	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Cash flow from operating activities	17.1	17.6	43.9	63.6
Cash flow from investing activities	0.4	-1.4	-15.2	-4.7
Cash flow from financing activities	-0.8	-0.4	-8.9	-43.7
Change in cash and cash equivalents	16.8	15.9	19.7	15.2
Net foreign exchange difference and value changes in money market funds	0.5	-0.5	2.2	-1.1
Cash and cash equivalents at the beginning of the period	143.6	123.5	138.9	124.7
Cash and cash equivalents at the end of the period	160.8	138.9	160.8	138.9

Rovio's net cash flow from operating activities amounted to EUR 17.1 million (17.6) in the fourth quarter and EUR 44.0 million (63.6) for the full year 2021. The decrease in net cash flow from operating activities was mainly due to changes in working capital and lower EBITDA.

Cash flows used in investing activities amounted to EUR 0.4 million (-1.4) in the fourth quarter and EUR -15.2 million (-4.7) for the full year 2021. The change in the fourth quarter is mostly attributable to proceeds from Play Ventures investment of EUR 1.7 million, which was offset by capital expenditure in Games segment of EUR 0.7 million and Other segment of EUR 0.6 million, which include investments in machinery and equipment and registrations of trademarks. The increase in total investments 2021 was mainly due to an equity investment of EUR 2.5 million and a convertible loan of EUR 2.5 million to Gutsy Animations as well as the first tranche of EUR 9.3 million in the Ruby Games acquisition for 20% ownership, offset by EUR 1.6 million of cash transferred in the acquisition.

Cash flows used in financing activities amounted to EUR -0.8 million (-0.4) in the fourth quarter and EUR -8.9 million (-43.7) for the full year 2021. Cash flows used in financing activities in the fourth quarter consisted of EUR -0.8 million lease payments. The cash flows used in financing activities in 2021 consisted of dividend payments of EUR -8.8 million, finance lease repayments of EUR -2.9 million and repayments of borrowings of EUR -1.0 million, offset by the share subscription payments of option rights of EUR 3.8 million.

Personnel

From October to December 2021, Rovio's average number of employees was 501 (479). The Games business unit employed 387 (397) people, the Brand Licensing business unit 11 (13) people, Group functions 61 (48) people, Hatch Entertainment 11 (20) people and Ruby Games 31 (-) people. The reported headcount increased mainly from Ruby Games, which was included in the Rovio headcount since the acquisition in September 2021

	10-12/ 2021	10-12/ 2020	Change, %	1-12/ 2021	1-12/ 2020	Change, %
Employees (average for the Period)	501	479	4.7%	490	470	4.2%
Employees (end of period)	496	480	3.3%	496	480	3.3%

Flagging notifications

Rovio did not receive any flagging notifications during the reporting period.

Shares and shareholders

On December 31, 2021, Rovio's share capital amounted to EUR 0.7 million and the number of shares was 82,101,203.

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 30, 2021, Rovio Entertainment Corporation held 7,715,684 of its own shares.

Shareholder	Number of Shares	Percentage of shares and votes
Brilliant Problems Oy	6,459,500	7.9%
Adventurous Ideas Oy	6,459,500	7.9%
Impera Oy Ab	5,281,722	6.4%
Ilmarinen Mutual Pension Insurance Company	1,586,810	1.9%
Sijoitusrahasto Aktia Capital	1,425,074	1.7%
Hed Niklas Peter	1,365,345	1.7%
The State Pension Fund	1,000,000	1.2%
Elo Mutual Pension Insurance Company	958,004	1.2%
Danske Invest Finnish Institutional Equity Fund	952,593	1.2%
Sijoitusrahasto Aktia Nordic Small Cap	800,000	1.0%
Total	26,288,548	32.0%
Other shareholders	48,096,971	58.6%
Rovio Entertainment Oyj	7,715,684	9.4%
Number of shares total	82,101,203	100.0%

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 share-based program that consists of an employee share savings plan, 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 an option plan, which was originally provided for all employees, including the CEO and the Leadership Team.

Rovio has an employee share savings (ESS) plan with the objective 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 the ESS plan was offered to approximately 420 Rovio employees in Finland and Sweden (excluding employees in Hatch Entertainment Ltd). The second launch of the ESS plan took place in March 2021 and was offered also to employees in Denmark and Canada.

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. During the first two plan periods, 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, when the one year holding period comes to an end. After this, matching shares will be paid out as soon as practicably possible. The second plan period commenced on April 1, 2021, and will end on August 31, 2023. 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.

Rovio has a Performance Share Plan (PSP) for key employees including the 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 required performance levels are 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 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 potential rewards based on the performance period 2020 corresponded 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 were allocated under the plan at the end of the performance period 2020. The performance contributed to the realization of 50% of the maximum allocation. The first period of the plan continued with a one year waiting period.

The performance criteria for the second performance period of 2021 are Rovio's Sales Growth (%) and Rovio's Adjusted Operating Profit Margin (%). Potential rewards based on the performance period 2021 correspond to a total maximum gross amount of 613 548 Rovio Entertainment Corporation shares, including the proportion paid in cash. These shares are subject to performance criteria, and they were allocated as per March 31, 2021. The performance contributed to the realization of 23.64% 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 engage 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 a specific restriction period, which differs from twelve (12) to thirty six (36) months based on needs of business and with decision by the Board of Directors.

The plan's reward will be paid to the participant as soon as possible after the restriction period. The prerequisite for the payout is that the receiver has a valid employment relationship without a resignation 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. In total, 621,800 rights entitling to shares had been allocated under the restricted share plan as of December 31, 2021.

The option plan provides for the issuance of up to 5,000,000 options. The option plan includes 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, 2021, only the 2019 option plan has an ongoing subscription period. The initial subscription price for the 2019 options was the trading volume-weighted average quotation of the shares on Nasdaq Helsinki during May 2–31, 2019. A total of 781,251 options were allocated under the 2019 option program as of December 31, 2021.

On May 28, 2021, Rovio Entertainment Corporation announced that it will apply for the listing of its series 2019A and 2019B stock options, complying with its 2017-2019 option scheme, on the Nasdaq Helsinki Ltd (First North) as of June 1, 2021. The total number of the 2019A series option rights under the 2017-2019 option scheme is 1,616,666 and the total number of 2019B 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 holds 728,916 series 2019A option rights and 40,000 series 2019B option rights.

On December 31, 2021, the share subscription price under the 2019A series option rights was EUR 6.92 per share. The share subscription price under the 2019B series option rights is EUR 7.13 per share. In accordance with the terms and conditions of the option scheme, the subscription price is 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 does not apply to 2019B options.

In accordance with the terms and conditions of the option scheme, the share subscription period for series 2019A and 2019B option rights began on June 1, 2021, and the subscription period ends on May 31, 2022. The option rights 2019A and 2019B 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 2019A and 2019B 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 and content distributor's terms and policies 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.

Legal actions

As stated in our Q3-2021 report, the Attorney General of the US State of New Mexico has brought a lawsuit against Rovio making certain allegations related to the collection and use of personal information from children under the age of 13 in Rovio's Angry Birds games. We continue to believe the Attorney General's allegations and claims lack merit and intend to vigorously defend ourselves against the lawsuit in all respects. Nonetheless, we have initiated discussions with the Attorney General to explore options for resolving the complaint

2022 outlook

Building on the positive momentum in our top live games, the launch of Angry Birds Journey in January 2022 and having the full benefit of the Ruby Games acquisition from the start of the year, we are expecting strong topline growth for the year. Depending on the speed of growth and the investments in user acquisition to fuel that growth, especially in the case of new games, and our larger investments in new games development, the adjusted operating profit is expected to be lower year-on-year.

The user acquisition investments for Q1-2022 is expected to be around 40% of games revenues.

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 30, 2021, at the Company's headquarters, Keilaranta 7, FI-02150 Espoo, Finland. To prevent the spread of the Covid-19 pandemic, the Annual General Meeting was held without the presence of shareholders or their representatives at the meeting venue. Shareholders and their proxy representatives could participate in the meeting and exercise shareholder rights only by voting in advance or making counterproposals and presenting questions in advance.

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 2020, approved the remuneration report 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 six (6) members. Ms. Camilla Hed-Wilson, Mr. Kim Ignatius, Mr. Björn Jeffery, Mr. Jeferson Valadares and Ms. Leemon Wu as well as Mr. Niklas Hed as a new member were elected members of the Board of Directors for the term of office ending at the closure of the Annual General Meeting in 2022. Mr. Kim Ignatius was elected Chairman of the Board of Directors. Mr. Björn Jeffery 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. Ernst & Young Oy has notified that Ms. Terhi Mäkinen, APA, will act as the auditor with principal responsibility. The auditor's term of office will end at the closure of the Annual General Meeting in 2022. The auditor will be paid remuneration according to the auditor's reasonable invoice approved by 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. The number of own shares to be repurchased and/or accepted as pledge may not exceed 8,146,565 shares, which corresponds to approximately 10 percent of all the current shares of the company. The company together with its subsidiaries cannot at any moment own or hold as pledge more than 10 percent of all the 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 referred to in Chapter 10 Section 1 of the Companies Act. The number of new shares to be issued on the basis of the authorization may not exceed an aggregate maximum of 8,146,565 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 8,146,565 own shares held by the company.

The Board of Directors is entitled to decide on all terms of the issuance of shares and of special rights entitling to shares and it is entitled to deviate from the shareholders' pre-emptive subscription rights (directed issue).

Both authorizations are in force until the closing of the next Annual General Meeting, however no longer than until June 30, 2022.

The Annual General Meeting decided to establish a Shareholders' Nomination Board to prepare future proposals concerning the election and remuneration of the members of the Board of Directors and remuneration of the members of the Committees of the Board of Directors to the next Annual General Meetings and, if needed, to Extraordinary General Meetings. In addition, The Annual General Meeting decided to adopt the Charter of the Shareholders' Nomination Board.

According to the decision of the Annual General Meeting, the Nomination Board shall comprise representatives appointed by the four largest shareholders of the Company, however so that at least one of the members has to be appointed by an institutional investor. If there is no institutional investor among the four largest shareholders, the right of the fourth largest shareholder transfers to the next largest institutional investor who would not otherwise have an appointment right. The Chairman of the Board of Directors shall act as an expert member in the Nomination Board. The Chairman of the Board of Directors shall not take part in the decision-making of the Shareholders' Nomination Board.

The right to appoint representatives shall be vested with the four shareholders of the Company having the largest share of the votes represented by all the shares in the Company annually on the first workday of September preceding the Annual General Meeting. The right to nominate representatives is determined based on the shareholders' register maintained by Euroclear Finland Ltd. If a shareholder who has an obligation under the Finnish Securities Market Act to take holdings of shares e.g., in several funds or group companies into account when disclosing changes in share ownership or who holds nominee registered shares makes a written request to the Chairman of the Board of Directors no later than on 31 August, such holdings of the shareholder will be taken into account when determining the nomination right.

Such shareholders are also required to present a reliable account of the number of shares in their ownership on the above date to the Chairman of the Board of Directors by the fourth workday of September at the latest. The Chairman of the Board of Directors invites the four largest shareholders, who have the right to nominate representatives as determined above, to nominate one member each to the Shareholders' Nomination Board.

Should a shareholder not wish to exercise his/her nomination right, the right shall be transferred to the next largest shareholder who otherwise would not be entitled to nominate a member. The Shareholders' Nomination Board is established to serve until further notice until the General Meeting decides otherwise. The term of office of the members of the Shareholders' Nomination Board expires annually after the new Nomination Board has been nominated. Members of the Shareholders' Nomination Board are not remunerated for their membership in the Nomination Board. Travel expenses of the members are reimbursed in accordance with the Company's travel policy. The Shareholders' Nomination Board may, when necessary, use external experts in connection with the performance of its duties in accordance with costs approved by the Company.

The establishment of the Shareholders' Nomination Board changes the method of preparation of the remuneration proposal defined in the Remuneration Policy regarding the members of the Board of Directors; going forward, the Shareholders' Nomination Board prepares the remuneration proposals concerning the Board of Directors.

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. Björn Jeffery and Mr. Jeferson Valadares as members of the Remuneration Committee.

Dividend proposal

The parent company's distributable funds on December 31, 2021, amount to EUR 220,450,449.79, of which the profit for the period is EUR 39,913,244.68. Rovio's Board of Directors proposes that the Annual General Meeting authorizes the Board to resolve on a dividend of EUR 0.12 per share be paid to shareholders in respect of financial year 2021. Based on the number of shares outstanding as of the balance sheet date, December 31, 2021, the total amount of the dividend is EUR 8,926,262.28.

Annual General Meeting

Rovio Entertainment Corporation's Annual General Meeting will be held in Espoo at the company's premises on April 7, 2022. More information is available online at <https://investors.rovio.com/en/releases-events/general-meetings/annual-general-meeting-2022>.

Events after the review period

On January 4, 2022, Rovio announced that it has on January 4, 2022, transferred without consideration a total of 21,791 Company's own shares to Company's management team member based on the Company's share-based incentive scheme. Following the transfer, Company holds total of 7,693,893 its own shares.

On January 20, 2022, Rovio announced that it has on January 19, 2022, transferred without consideration a total of 8,836 Company's own shares to Company's management team member and key employees based on the Company's share-based incentive scheme. Following the transfer, Company holds total of 7,685,057 its own shares.

ROVIO ENTERTAINMENT CORPORATION

Board of Directors

Performance measures

EUR million	10-12/ 2021	10-12/ 2020	Change, %	1-12/ 2021	1-12/ 2020	Change, %
Revenue	78.9	68.5	15.2%	286.2	272.3	5.1%
EBITDA	13.4	12.2	9.7%	50.8	60.0	-15.4%
EBITDA margin	17.0%	17.8%		17.7%	22.0%	
Adjusted EBITDA	16.5	12.2	35.4%	54.8	60.1	-8.9%
Adjusted EBITDA margin, %	21.0%	17.8%		19.1%	22.1%	
Operating profit	8.1	2.9	174.1%	37.7	42.5	-11.3%
Operating profit margin, %	10.2%	4.3%		13.2%	15.6%	
Adjusted operating profit	13.1	7.5	75.0%	43.7	47.2	-7.5%
Adjusted operating profit margin, %	16.6%	10.9%		15.3%	17.3%	
Profit before tax	9.2	2.3	295.4%	40.3	40.7	-1.1%
Capital expenditure	1.3	1.1	15.6%	4.0	3.9	2.1%
User acquisition	20.6	16.0	28.7%	77.2	58.7	31.5%
Return on equity (ROE), %	22.2%	24.4%		22.2%	24.4%	
Net gearing ratio, %	-77.4%	-77.6%		-77.4%	-77.6%	
Equity ratio, %	70.8%	82.3%		70.8%	82.3%	
Earnings per share, EUR	0.08	0.04	106.7%	0.41	0.43	-4.6%
Earnings per share, diluted EUR	0.08	0.04	106.6%	0.41	0.43	-4.8%
Net cash flows from operating activities	17.3	17.6	-1.6%	44.0	63.6	-30.8%
Employees (average for the period)	501	479	4.7%	490	470	4.2%

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 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 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/ 2021	Income statement	
		Items affecting comparability	excluding items affecting comparability
Revenue	78.9		78.9
Other operating income	0.3		0.3
Materials and services	-19.3		-19.3
Employee benefits expense	-15.6	0.2	-15.4
Depreciation and amortization	-5.3	1.9	-3.4
Other operating expenses	-30.9	3.0	-28.0
Operating profit	8.1	5.1	13.1

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	1-12/ 2021	Income statement	
		Items affecting comparability	excluding items affecting comparability
Revenue	286.2		286.2
Other operating income	0.9		0.9
Materials and services	-74.5		-74.5
Employee benefits expense	-53.2	0.4	-52.8
Depreciation and amortization	-13.1	2.0	-11.1
Other operating expenses	-108.7	3.5	-105.1
Operating profit	37.7	5.9	43.7

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

Reconciliation of adjusted operating profit

EUR million	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Operating profit	8.1	2.9	37.7	42.5
Income from Bargain Purchase				-0.2
M&A transaction costs	0.1		0.4	
Change in fair value of contingent liability	2.9		2.9	
Asset impairment	1.8	4.6	1.8	4.6
Restructuring costs arising from employee benefits expenses	0.2		0.4	0.2
Restructuring costs in Other operating expenses	0.0		0.3	0.2
Restructuring costs in Depreciation and amortization	0.1		0.1	
Adjusted operating profit	13.1	7.5	43.7	47.2

Reconciliation of EBITDA and Adjusted EBITDA

EUR million	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Operating profit	8.1	2.9	37.7	42.5
Depreciation and amortization	5.3	9.3	13.1	17.5
EBITDA	13.4	12.2	50.8	60.0
Income from Bargain Purchase				-0.2
M&A transaction costs	0.1		0.4	
Change in fair value of contingent liability	2.9		2.9	
Restructuring costs arising from employee benefits expenses	0.2		0.4	0.2
Restructuring costs in Other operating expenses	0.0		0.3	0.2
Adjusted EBITDA	16.5	12.2	54.8	60.1

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

EUR million	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Equity ratio, %	70.8%	82.3%	70.8%	82.3%
Equity	197.5	165.4	197.5	165.4
Advances received	1.7	2.0	1.7	2.0
Deferred revenue	6.3	5.5	6.3	5.5
Total assets	287.0	208.5	287.0	208.5
Return on equity, %	22.2%	24.4%	22.2%	24.4%
Profit/loss before tax	40.3	40.7	40.3	40.7
Shareholder's equity beginning of period	165.4	168.0	165.4	168.0
Shareholder's equity end of period	197.5	165.4	197.5	165.4
Net gearing ratio, %	-77.4%	-77.6%	-77.4%	-77.6%
Total interest-bearing debt	7.9	10.5	7.9	10.5
Cash and cash equivalents	160.8	138.9	160.8	138.9
Equity	197.5	165.4	197.5	165.4
Non-current interest-bearing loans and borrowings	4.2	6.9	4.2	6.9
Current interest-bearing loans and borrowings	3.7	3.6	3.7	3.6
Cash and cash equivalents	160.8	138.9	160.8	138.9
Net debt	-152.9	-128.4	-152.9	-128.4

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/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Gross bookings	74.0	64.9	271.4	259.2
Change in deferred revenue	-0.3	0.1	-1.2	0.3
Custom contracts	2.0	0.1	4.7	0.5
Other adjustments	0.8	-0.7	1.5	-1.8
Revenue	76.5	64.4	276.4	258.2

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, or other types of revenue arrangements, which differ from revenue recognition through gross bookings. Custom contracts can for instance 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, 2021 - Tables

The figures in the Financial Statement Bulletin are unaudited.

Statement of consolidated profit or loss and other comprehensive income

EUR million	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Revenue	78.9	68.5	286.2	272.3
Other operating income	0.3	0.3	0.9	0.6
Materials and services	19.3	18.2	74.5	74.6
Employee benefits expense	15.6	14.4	53.2	48.9
Depreciation and amortization	5.3	9.3	13.1	17.5
Other operating expenses	30.9	24.0	108.7	89.4
Operating profit	8.1	2.9	37.7	42.5
Finance income and expenses	1.1	-0.6	2.5	-1.8
Share of profit of associates	0.0	0.0	0.0	0.0
Profit (loss) before tax	9.2	2.3	40.3	40.7
Income tax expense	-3.0	0.6	-10.1	-8.6
Profit for the period	6.2	3.0	30.1	32.1
Equity holders of the parent company	6.2	3.0	30.1	32.1
Other comprehensive income/expense				
Other comprehensive income that will not be reclassified to profit and loss (net of tax):				
Investments in equity instruments	1.2	0.0	3.0	0.0
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):				
Translation differences	1.0	0.2	0.6	-0.0
Other comprehensive income for the year net of tax	8.4	3.1	33.7	32.1
Total comprehensive income for the period net of tax	8.4	3.1	33.7	32.1
Equity holders of the parent company	8.4	3.1	33.7	32.1
Earnings per share for net result attributable to owners of the parent:				
Earnings per share, EUR	0.08	0.04	0.41	0.43
Earnings per share, diluted EUR	0.08	0.04	0.41	0.43

Consolidated statement of financial position

EUR million	31 Dec 2021	31 Dec 2020
ASSETS		
Non-current assets	90.2	38.6
Property, plant and equipment	1.3	1.3
Intangible assets	24.8	18.7
Goodwill	37.5	0.0
Right-of-use assets	6.8	8.4
Investments	8.3	2.0
Non-current receivables	3.4	0.7
Deferred tax assets	8.1	7.5
Current assets	196.8	169.9
Trade receivables	27.6	21.1
Prepayments and accrued income	7.6	8.0
Other current financial assets	0.9	1.8
Money market funds	50.6	50.5
Cash and cash equivalents	110.2	88.4
Total assets	287.0	208.5
EQUITY AND LIABILITIES		
Equity		
Issued capital	0.7	0.7
Reserves	46.0	42.1
Translation differences	0.1	-0.5
Treasury shares	-36.9	-37.5
Fair value reserve	3.0	0.0
Retained earnings	154.5	128.4
Profit for the period	30.1	32.1
Equity holders of the parent company	197.5	165.4
Non-controlling interests	0.0	0.0
Total equity	197.5	165.4
Liabilities		
Non-current liabilities	20.7	7.0
Interest-bearing loans and borrowings	0.3	0.9
Contingent consideration liabilities	13.2	0.0
Lease liabilities	3.8	6.1
Deferred tax liabilities	3.3	0.0
Current liabilities	68.8	36.1
Trade and other payables	8.8	7.4
Interest-bearing loans and borrowings	0.5	1.1
Contingent consideration liabilities	27.8	0.0
Lease liabilities	3.2	2.5
Other current financial liabilities	1.0	0.8
Advances received	1.7	2.0
Deferred revenue	6.3	5.5
Income tax payable	4.9	1.9
Provisions	0.3	0.7
Accrued liabilities	14.3	14.1
Total liabilities	89.5	43.0
Total equity and liabilities	287.0	208.5

Consolidated statement of changes in equity

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

EUR million	Issued capital	Unrestricted equity reserve	Treasury shares	Retained earnings	Fair value reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance at Jan 1, 2020	0.7	41.8	-7.1	133.0	0.0	-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 share 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	0.0	-0.5	165.4	0.0	165.4

Attributable to the equity holders of the parent on December 31, 2021

EUR million	Issued capital	Unrestricted equity reserve	Treasury shares	Retained earnings	Fair value reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance at Jan 1, 2021	0.7	42.1	-37.5	160.5	0.0	-0.5	165.4	0.0	165.4
Profit for the period				30.1			30.1		30.1
Option subscriptions		3.9					3.9		3.9
Other comprehensive income						0.6	0.6		0.6
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax				1.2	3.0		4.2		4.2
Cash dividends				-8.8			-8.8		-8.8
Share-based payments			0.6	1.6			2.2		2.2
December 31, 2021	0.7	46.0	-36.9	184.6	3.0	0.1	197.5	0.0	197.5

Consolidated statement of cash flows

EUR million	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Operating activities				
Profit (loss) before tax	9.2	2.3	40.3	40.7
Adjustments:				
Depreciation and amortization on tangible and intangible assets	5.3	9.3	13.1	17.5
Net foreign exchange differences	-1.1	0.7	-2.9	1.3
Gain on disposal of property, plant and equipment	-0.0	0.0	-0.0	-0.0
Finance costs	-0.0	-0.0	0.2	0.6
Other non-cash items	2.8	0.7	4.4	2.3
Change in working capital:				
Change in trade and other receivables and prepayments	-0.2	6.8	-3.2	11.8
Change in trade and other payables	2.8	-2.6	0.4	-4.2
Interest received	0.1	0.1	0.2	0.2
Interest paid	-0.0	-0.2	-0.4	-0.8
Income tax paid (received)	-1.8	0.5	-8.2	-5.8
Net cash flows from operating activities	17.1	17.6	43.9	63.6
Investing activities				
Purchase of tangible and intangible assets	-1.3	-1.1	-4.0	-3.9
Other investments	0.0	-0.2	-2.8	-1.2
Proceeds from sales of tangible and intangible assets	0.0	0.0	0.0	0.0
Loans granted, investments	0.0	0.0	-2.5	0.0
Proceeds of sale of other investments	1.7	0.0	1.7	0.0
Acquisition of subsidiaries, net of cash acquired	0.0	0.0	-7.7	0.4
Net cash flows used in investing activities	0.4	-1.4	-15.2	-4.7
Financing activities				
Finance lease repayments	-0.8	-0.7	-2.9	-2.7
Proceeds from and repayments of borrowings	0.0	0.0	-1.1	-4.0
Share subscriptions based on option rights	0.0	0.3	3.9	0.3
Acquisition of treasury shares	0.0	0.0	0.0	-30.7
Share-based payments	0.0	0.0	0.0	0.3
Dividends paid to equity holders of the parent	0.0	0.0	-8.8	-6.9
Net cash flows from/(used in) financing activities	-0.8	-0.4	-8.9	-43.7
Change in cash and cash equivalents				
Net foreign exchange difference and value changes in money market funds	0.5	-0.5	2.2	-1.1
Cash and cash equivalents at beginning of period	143.6	123.5	138.9	124.7
Cash and cash equivalents at the end of the period	160.8	138.9	160.8	138.9
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	110.2	88.4	110.2	88.4
Money market funds at the end of period	50.6	50.5	50.6	50.5
Cash and cash equivalents at the end of the period	160.8	138.9	160.8	138.9

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 2021.

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, 2021.

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 10-12/2021

EUR million	Games	Brand Licensing	Other	Allocation	Total IFRS segments
Revenue	76.5	2.4	0.0		78.9
Other operating income	0.3	0.0	0.0		0.3
Materials and services	19.0	0.3	0.0		19.3
Employee benefits expense	12.3	0.4	1.4	1.5	15.6
User acquisition	20.6	0.0	0.0		20.6
Other operating expenses	7.6	0.1	1.2	1.4	10.3
Allocations	2.0	0.4	0.6	-2.9	0.0
EBITDA	15.3	1.2	-3.1	0.0	13.4
Depreciation and amortization	2.2	1.2	1.9		5.3
Operating profit	13.1	0.1	-5.1		8.1
EBITDA	15.3	1.2	-3.1		13.4
Adjustments	2.9	0.2	0.1		3.1
Adjusted EBITDA	18.2	1.4	-3.0		16.5
Operating profit	13.1	0.1	-5.1		8.1
Adjustments	2.9	0.3	1.9		5.1
Adjusted operating profit	15.9	0.3	-3.1		13.1

Segment Capital expenditure 10-12/2021

EUR million	Games	Brand Licensing	Other	Total IFRS segments
Capital expenditure	0.7	0.2	0.4	1.3

Segment assets December 31, 2021

EUR million	Games	Brand Licensing	Other	Total IFRS segments
Non-current assets	51.7	9.6	28.9	90.2

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

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 1-12/2021

EUR million	Games	Brand Licensing	Other	Allocation	Total IFRS segments
Revenue	276.4	9.8	0.0		286.2
Other operating income	0.8	0.0	0.1		0.9
Materials and services	73.5	1.0	0.0		74.5
Employee benefits expense	41.4	1.4	5.6	4.8	53.2
User acquisition	77.2	0.0	0.0		77.2
Other operating expenses	22.2	0.5	4.3	4.4	31.4
Allocations	6.6	1.1	1.5	-9.2	0.0
EBITDA	56.3	5.8	-11.3	0.0	50.8
Depreciation and amortization	6.0	4.7	2.4		13.1
Operating profit	50.3	1.1	-13.7		37.7
EBITDA	56.3	5.8	-11.3		50.8
Adjustments	2.9	0.2	0.9		4.0
Adjusted EBITDA	59.1	6.0	-10.4		54.8
Operating profit	50.3	1.1	-13.7		37.7
Adjustments	2.9	0.3	2.8		5.9
Adjusted Operating profit	53.2	1.4	-10.9		43.7

Segment Capital expenditure 1-12/2021

EUR million	Games	Brand Licensing	Other	Total IFRS segments
Capital expenditure	2.6	0.4	1.0	4.0

Segment assets December 31, 2021

EUR million	Games	Brand Licensing	Other	Total IFRS segments
Non-current assets	51.7	9.6	28.9	90.2

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

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 the licensee'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.

10-12/2021

10-12/2020

EUR Million	Games	Brand Licensing	Other	Total	Games	Brand Licensing	Other	Total
NAM	50.8	1.6	0.0	52.4	42.2	3.0	0.0	45.3
LATAM	1.0	0.0	0.0	1.1	0.6	0.1	0.0	0.7
EMEA	16.0	0.4	0.0	16.4	14.5	0.8	0.0	15.3
APAC	8.6	0.4	0.0	9.0	7.1	0.2	0.0	7.3
Total	76.5	2.4	0.0	78.9	64.4	4.1	0.0	68.5

1-12/2021

1-12/2020

EUR Million	Games	Brand Licensing	Other	Total	Games	Brand Licensing	Other	Total
NAM	185.0	6.1	0.0	191.1	171.1	8.8	0.0	179.9
LATAM	3.1	0.2	0.0	3.3	2.4	0.2	0.0	2.6
EMEA	57.8	2.1	0.0	59.9	55.4	3.8	0.1	59.2
APAC	30.5	1.5	0.0	32.0	29.4	1.1	0.0	30.5
Total	276.4	9.8	0.0	286.2	258.2	14.0	0.1	272.3

2.4 Disaggregation of revenue from contracts with Customers

EUR million

Segment and revenue stream	Timing of revenue recognition	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Games					
In-application purchases	At a point in time and over time	59.7	55.5	230.0	226.1
Subscription payments	Over time	0.0	0.0	0.0	0.0
Custom contracts	Over time	2.0	0.1	4.7	0.5
Advertising	At a point in time	14.7	8.8	41.7	31.6
Games total revenue		76.5	64.4	276.4	258.2
Brand Licensing					
IP Licensing and tangible sales	At a point in time and over time	0.8	1.1	3.1	4.9
Animation broadcasting and distribution	At a point in time	1.6	3.0	6.5	8.8
Advertising	At a point in time	0.1	0.1	0.3	0.2
Brand Licensing total revenue		2.4	4.1	9.8	14.0
Other revenue	At a point in time and over time	0.0	0.0	0.0	0.1
Group revenue		78.9	68.5	286.2	272.3

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, 2020	25.0	1.5	63.0	20.9	110.3
Additions	2.8	0.2	0.0	0.7	3.6
Disposals	0.0	0.0	-0.1	0.0	-0.1
Reclassification	0.0	0.0	0.0	1.1	1.1
At January 1, 2021	27.7	1.7	62.9	22.6	114.9
Additions	2.6	0.3	0.0	1.8	4.7
Additions through business acquisition	0.0	0.0	0.0	11.2	11.2
Disposals	-0.0	0.0	0.0	-0.4	-0.4
Reclassification	0.0	0.3	0.0	0.0	0.3
At December 31, 2021	30.3	2.3	62.9	35.3	130.7
Amortization and impairment					
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
Reclassification	0.0	0.0	0.0	0.0	0.0
At January 1, 2021	24.2	1.3	50.0	20.7	96.2
Amortization	1.9	0.2	4.0	3.6	9.7
Reclassification	0.0	0.0	0.0	0.0	0.0
At December 31, 2021	26.1	1.4	54.0	24.4	105.9
Carrying amount					
At December 31, 2021	4.2	0.8	8.9	10.9	24.8
At December 31, 2020	3.6	0.4	12.9	1.9	18.7

Development expenses still in production at December 31, 2021 amounted to EUR 0.3 million (0.3).

3.2 Non-Current Assets – Tangible Assets

There were no material changes in tangible assets during 2021.

EUR million	Machinery and equipment
Cost	
At January 1, 2020	6.0
Additions	0.8
Disposals	-0.0
Translation differences	-0.0
At January 1, 2021	6.8
Additions	0.7
Additions through business acquisition	0.1
Disposals	-0.9
Translation differences	-0.0
At December 31, 2021	6.8
Depreciation and amortization	
At January 1, 2020	-5.1
Depreciation charge for the period	-0.5
Disposals	0.1
Translation differences	0.0
At January 1, 2021	-5.5
Depreciation charge for the period	-0.7
Deprecation through business acquisition	-0.0
Disposals	0.8
Translation differences	0.0
At December 31, 2021	-5.5
Carrying amount	
At December 31, 2021	1.3
At December 31, 2020	1.3

3.3 Non-Current Assets – Right of use assets

There were no material changes in tangible assets during 2021.

EUR million	Property	Machinery and equipment	Total
Cost			
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 January 1, 2021	12.9	0.9	13.8
Additions	1.1	0.0	1.1
Disposals	0.0	0.0	0.0
At December 31, 2021	14.0	0.9	14.9
Amortization and impairment			
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 January 1, 2021	4.7	0.7	5.4
Amortization	2.6	0.1	2.7
Disposals	0.0	0.0	0.0
At December 31, 2021	7.3	0.8	8.1
Carrying amount			
At December 31, 2020	8.2	0.2	8.4
At December 31, 2021	6.7	0.1	6.8

4. Mergers and acquisitions

On August 12, 2021, Rovio announced that the company had entered into an agreement to acquire 100% of the shares in Ruby Games. Under the terms of the agreement, Rovio will acquire Ruby Games in multiple tranches. In the first tranche, on September 6, 2021, Rovio acquired 20% of Ruby's shares for USD 10 million in cash net of debt and net working capital. In the second tranche, Rovio will acquire 50% of Ruby's outstanding shares for an amount that is dependent on Ruby's financial performance as measured by revenue and EBITDA in the previous 12-month period before October 2022, however, not exceeding USD 80 million. The second tranche will be paid 60% in cash and 40% in Rovio's shares. The remaining 30% of Ruby's outstanding shares will be purchased in five equal tranches over the next five years (first tranche in October 2022) with a minimum of 50% in cash and rest in cash or shares at a valuation based on Ruby's financial performance measured by EBITDA for each period, however not exceeding total EBITDA generated during this period. The number of shares for the consideration paid with Rovio shares is determined by the volume-weighted average daily price during the 20 trading days prior to the closing date of each tranche. Under the terms of the agreement Ruby Games becomes a Rovio subsidiary at closing of the first tranche.

The acquisition will enable Rovio to expand to a fast growing and dynamic hyper-casual market, while simultaneously expanding Rovio's network of players and games and diversifying Rovio's revenue streams.

Based on the preliminary purchase price allocation, the acquisition resulted in EUR 31.4 million of goodwill. During the measurement period, the amount of goodwill was adjusted and amounted to EUR 37.5 million at the end of the financial year. The goodwill consists of a growing hyper-casual business, strong knowledge in the hyper-casual market, a wide network of players and games and a growing advertising business. The goodwill generated is not tax deductible.

As part of the agreement a contingent consideration has been agreed. The key variables are the estimate of financial performance as measured by revenue and EBITDA. At the acquisition date, the fair value of the contingent consideration was estimated to be EUR 32.7 million. During the measurement period, the amount of contingent consideration was adjusted to EUR 38.1 million. The contingent consideration is measured at fair value at the date of acquisition as well as at the end of every reporting period. The change in fair value, EUR 2.9 million at the end of the financial year 2021, is recognized through profit and loss and recorded in other operating expenses.

The fair values of the consideration, assets and liabilities as well as changes made during the measurement period are presented in the table below.

Consideration transferred

EUR million	Fair value recognised on acquisition	Changes during the measurement period	Fair value recognised on acquisition (Final)
Cash paid	9.3	0.0	9.3
Contingent consideration	32.7	5.4	38.1
Total cost of acquisition	42.0	5.4	47.4

Fair value of assets acquired and liabilities assumed

EUR million	Fair value recognised on acquisition	Changes during the measurement period	Fair value recognised on acquisition (Final)
The fair values of the identifiable assets and liabilities of Ruby Games at the date of acquisition were:			
Tangible and intangible assets	9.6	1.3	10.8
Trade and other receivables	3.1	0.0	3.1
Deferred tax assets	0.2	0.0	0.2
Cash and cash equivalents	1.6	0.0	1.6
Total assets	14.4	1.3	15.7
Deferred tax liabilities	-2.4	-0.3	-2.7
Trade payable and other liabilities	-1.4	0.0	-1.4
Total liabilities	-3.8	-0.3	-4.1
Total identifiable net assets at fair value	10.6	1.0	11.6
Effects of acquisition on cash flow	0.0	0.0	0.0
Purchase price paid in cash	-9.3	0.0	-9.3
Cash and cash equivalents of the acquired entries	1.6	0.0	1.6
Net cash flow on acquisition	-7.7	0.0	-7.7
Goodwill arising from business combination	0.0	0.0	0.0
Consideration transferred	42.0	5.4	47.4
Net identifiable assets acquired	-10.6	-1.0	-11.6
Goodwill	31.4	4.5	35.8

The acquired business contributed revenues of EUR 5.2 million and operating profit of EUR -2.0 million to the group for the period from 1 September to 31 December 2021. If the acquisition had occurred on 1 January 2021, consolidated revenue and consolidated operating profit would have been EUR 15.7 million and net profit of EUR -0.5 million respectively. The operating profit for the financial year 2021, excluding the impact of the acquired businesses, is approximately EUR 40.1 million.

5. Financial assets and liabilities measured at fair value

All assets and liabilities for which fair value is measured are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Fair value measured at the quoted price in the active market
- Level 2 – Fair value that is calculated using the observable price other than categorised in Level 1 directly or indirectly
- Level 3 – Fair value that is calculated based on valuation techniques which include inputs that are not based on observable market data.

All Rovio Group's financial assets and liabilities are classified to be measured at amortised cost, or at fair value through profit or loss, or at fair value through other comprehensive income, with no effect on profit or loss.

Financial assets carried at amortised costs consist of cash and cash equivalents and trade receivables. Rovio Group's financial instruments measured at amortised cost are classified at level 2. With regard to short-term financial assets and short-term financial liabilities, their fair value approximates the carrying amount.

Financial assets at fair value through profit or loss consist of money market investments. In the non-current asset, convertible capital loan receivable and a private equity investment in Gutsy Animations Oy are recognised at fair value through profit or loss.

Financial assets recognized at fair value through other comprehensive income consist of a capital investment in the Play Ventures fund. Changes in the fair value of the fund are presented in the fair value reserve in equity.

The fair value of the contingent consideration on the acquisition date is recognised as part of the consideration transferred for the acquiree. Contingent consideration liabilities are measured at fair value at the end of each reporting period. Any changes in fair value will be recognised in profit or loss.

EUR million

Fair value hierarchy	31.12.2021				31.12.2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Asset								
Non-current assets								
Investments	-	-	8.3	8.3	-	-	2.0	2.0
Loan receivables	-	-	2.5	2.5	-	-	-	-
Non-current receivables	-	0.9	-	0.9	-	0.7	-	0.7
Total	-	0.9	10.8	11.7	-	0.7	2.0	2.7
Current assets								
Trade receivables	-	27.6	-	27.6	-	21.1	-	21.1
Other current financial assets	-	0.7	-	0.7	-	0.6	-	0.6
Money market funds	-	50.6	-	50.6	-	50.5	-	50.5
Cash and cash equivalents	-	110.2	-	110.2	-	88.4	-	88.4
Total	-	189.1	-	189.1	-	160.6	-	160.6
Liabilities								
Non-current liabilities								
Interest bearing loans and borrowings	-	0.3	-	0.3	-	0.9	-	0.9
Contingent consideration liabilities	-	-	13.2	13.2	-	-	-	-
Lease liabilities	-	3.8	-	3.8	-	6.1	-	6.1
Total	-	4.2	13.2	17.4	-	7.0	-	7.0
Current liabilities								
Interest-bearing loans and borrowings	-	0.5	-	0.5	-	1.1	-	1.1
Contingent consideration liabilities	-	-	27.8	27.8	-	-	-	-
Trade and other payables	-	8.8	-	8.8	-	7.4	-	7.4
Lease liabilities	-	3.2	-	3.2	-	2.5	-	2.5
Total	-	12.5	27.8	40.3	-	11.0	-	11.0

Reconciliation of level 3 financial assets and liabilities measured at fair value

EUR million	2021	2020
Assets		
Fair value at January 1	2.0	0.8
Purchases	0.3	1.2
Sales and deductions	-1.4	-
Other investments	5.0	-
Changes in fair value – through profit and loss	-	-
Changes in fair value – through other comprehensive income	4.9	-
Fair value at December 31	10.8	2.0
	31.12.2021	31.12.2020
Liabilities		
Fair value at January 1	0.0	0.0
Additions, business acquisition	38.1	-
Changes in fair value – through profit and loss	2.9	-
Fair value at December 31	41.0	0.0

6. Changes in contingent liabilities or contingent assets

Future non-cancellable other commitments are as follows.

EUR million	At December 31, 2021	At December 31, 2020
Venture Capital investment commitment	0.4	0.6
Total	0.4	0.6

Venture Capital investments

The fund value does not have directly observable inputs (such as comparable traded assets in the market). Best available other measures have been used, such as the subsequent investment rounds and associated fund mark-ups.

7. 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.

There were no related party transactions during the reporting period.

8. Calculation of earnings per share

	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Earnings per share, EUR	0.08	0.04	0.41	0.43
Earnings per share, diluted, EUR	0.08	0.04	0.41	0.43
Shares outstanding at the end of the period (thousands)	74,386	73,479	74,386	73,479
Weighted average adjusted number of shares during the financial period, basic (thousands)	74,386	73,451	74,055	75,287
Weighted average adjusted number of shares during the financial period, diluted (thousands)	74,705	73,746	74,411	75,537