

We craft joy.

Rovio Entertainment Capital Markets Day 2022

May 11, 2022

Stockholm, Sweden

Disclaimer.

This presentation contains or may be deemed to contain forward-looking statements which involve risks and uncertainty factors as they relate to events and depend on circumstances that may or may not occur in the future. There cannot be any assurances that the actual results will not differ substantially from the expectations and assumptions stated or implied in any forward-looking statement due to many reasons, including without limitation the possibility that Rovio may resolve not to implement all strategies or that the anticipated outcome and benefits are not achieved. Any forward-looking statements made in this presentation are based on information presently available to the management and Rovio assumes no liability or obligation to update or revise any information included in these presentations. Nothing in these presentations constitutes any investment advice.





CMD2022.



Opening remarks.

TIMO
RAHKONEN.

VP, Investor Relations
and Corporate Strategy

Agenda.

TIME	LENGTH	TOPIC	PRESENTER
13:30 - 14:00	0:30	Registration	
14:00 - 14:05	0:05	Opening remarks	Timo Rahkonen
14:05 - 14:30	0:25	Rovio strategy & sustainability	Alex Pelletier-Normand Heini Kaihu
14:30 - 14:15	0:15	Financials	René Lindell
14:45 - 15:15	0:30	Q&A	
15:15 - 15:30	0:15	Break	
15:30 - 15:45	0:15	Angry Birds	Ben Mattes
15:45 - 16:00	0:15	Beacon: Rovio's growth platform	Luis de la Camara Julie Beaugrand
16:00 - 16:15	0:15	Beacon & Angry Birds 2	Andy Muesse
16:15 - 16:30	0:15	Beacon: working with M&A	Jakob Longer
16:30 - 16:55	0:25	Q&A	
16:55 - 17:00	0:05	Wrap-Up & Closing remarks	Alex Pelletier-Normand
17:00		Webcast ends	
17:00 - 18:00	1:00	Drinks & canapés	



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Rovio Strategy.

ALEX
PELLETIER-NORMAND.
Chief Executive Officer

Topics for today.

- Clear strategic focus and growth areas based on our strong foundation
- Strong financial fundamentals
- Strength and growth potential of the Angry Birds brand
- Beacon - our growth platform for games
 - Intro
 - Case: New studios
 - Case: M&A
 - Case: Live-ops, Angry Birds 2



Our mission.

“
We craft joy with player-focused gaming experiences that last for decades.
”



Rovio is a mobile-first games company.

Games since 2003

Founded in
2003

Publicly listed since
2017

Creator of

ANGRY BIRDS

2009

Strong games portfolio

+50

Games published
since 2009

8

Games in live
ops

5

Games
published >
€100M revenue



Angry Birds 2



Angry Birds
Dream Blast



Angry Birds
Friends



Angry Birds
Pop!



Angry Birds
Classic

Large reach

7.3M

Daily active users

5B

Downloads

Top 3

Publisher in all-time
downloads

Rovians.

https://www.youtube.com/watch?v=d7B_fmUyTWo



Historic foothold.

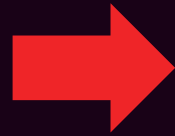


Strong line-up of studios.

We have grown
the number of
studios to 7

Organic and
inorganic
expansion

Genre mastery
with casual focus



HISTORIC FOOTHOLD



ESPOO
PUZZLE



ESPOO
CASUAL
STRATEGY



STOCKHOLM
ADVANCED
CASUAL

NEW ORGANIC STUDIOS



MONTREAL
FUTURE OF
GAMING



TORONTO
CASUAL

STUDIOS FROM ACQUISITION



COPENHAGEN
CASUAL RPG



IZMIR
RUBY GAMES

Growing importance of sustainability.



FOR ROVIANS

FOR PLAYERS

FOR PARTNERS & ACQUISITION TARGETS

FOR SHAREHOLDERS

*Sustainability embedded strongly into our
core business decisions*



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Sustainability.

HEINI
KAIHU.

Chief Sustainability Officer

Sustainability vision.

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.**



Sustainability strategy.



**Safe &
responsible gaming**



**People &
society**



**Climate &
environment**

Way of working

Continuous improvement
Long-term perspective
Shared value creation

Foundation

Rovio
strategy

Mission &
values

Materiality
analysis



Our sustainability in action.



Diverse and inclusive game design



Awareness building



Our business model is mainly based on free-to-play games.

Games: Free-to-play (F2P) business model

Rovio develops games and runs paid and organic user acquisition campaigns mainly in digital media channels to acquire users for its games



Players download games from application stores for free



Players make **in-application purchases (IAP)**

77%

Group revenue*

Players watch **ads** in the game

18%

Group revenue*

Games: Custom contracts

Distribution contracts that are signed with partners who pre-download Rovio's games onto their own devices or distribute Rovio's games through their distribution platforms



Includes minimum guarantee and revenue share to Rovio

2%

Group revenue*

Brand Licensing

Rovio licenses Angry Birds brand to product manufacturers and content creators directly or through agents

Manufacturers make the products and are responsible for distribution. Content creators create content and are responsible for distribution

Royalties from licensing

3%

Group revenue*

*Q1 2022

Strong foundation to build on and become even stronger.



ANGRY BIRDS



**RELIABLE GAME
PORTFOLIO &
STRONG
PIPELINE**



**TALENTED
TEAMS**



**BEACON
GROWTH
PLATFORM**



**STRONG
FINANCIAL
POSITION**

We craft joy.

STRATEGY.



Brands.



**Strengthen the use of
Angry Birds**



Moomin

**Develop new IP with potential to
become a gaming brand**



Hunter Assassin

Ambitious and innovative games.



Focus on
top live games



Only launch games with
great potential



MONTREAL STUDIO

Future of Gaming and
exploration of market trends

Casual gaming focus.



Leverage core capabilities & expertise



Maximize the value of network of users

Beacon growth platform.



**HELPING ALL OF OUR
GAME TEAMS**

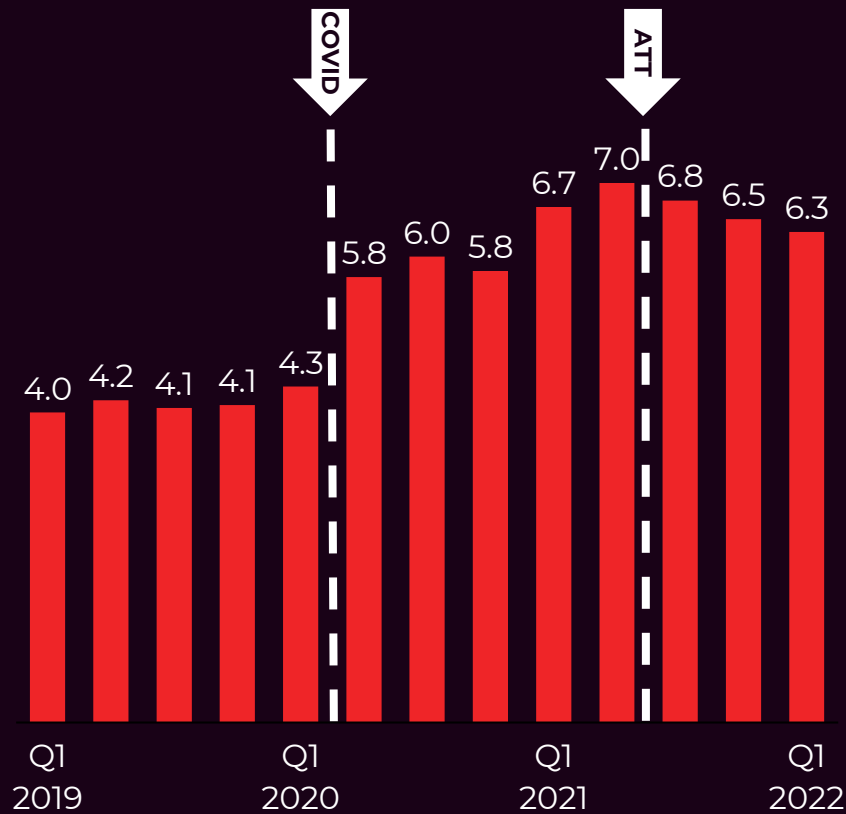
**TALENT & KNOW-HOW
+
LIVE GAME TECHNOLOGY**

CLEAR RESULTS POST ATT*

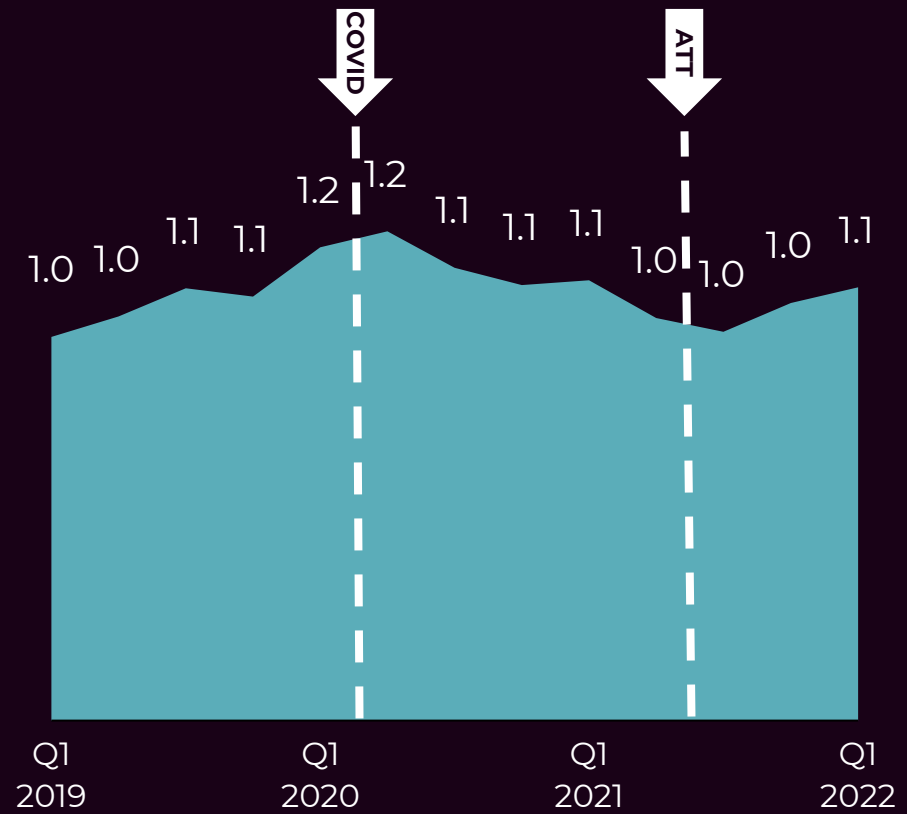
*App Tracking Transparency, privacy policy introduced by Apple in 2021

Short-term market forces are causing some headwinds...

USA gross IAP* revenue (USD in Bn)



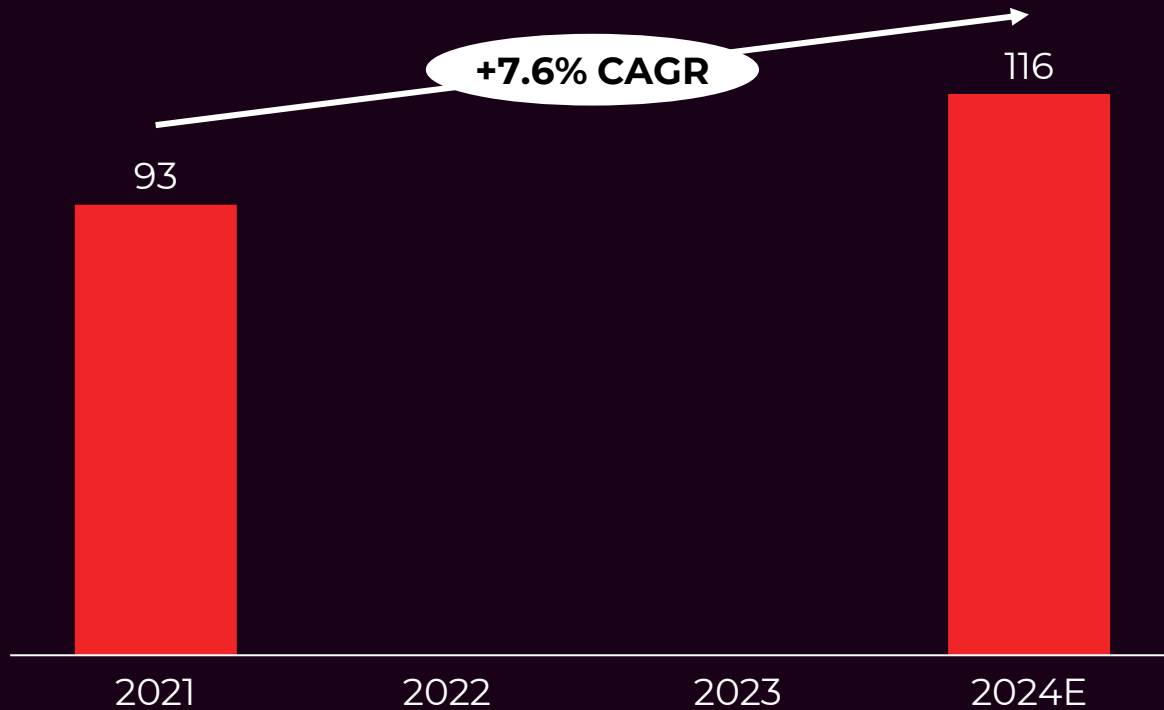
USA downloads (Bn)



*In-app-purchases / Note: ATT refers to app tracking transparency / Source: data.AI

...but in long-term, mobile gaming market is highly attractive for a world-class content developer – Rovio.

Global mobile gaming market growth estimate (USD in Bn)



Largest & fastest growing gaming segment

The most accessible platform

The entertainment of today & future



...and we have several growth areas to deliver long-term value.

Free-to-play mobile

- Double down on top live games
 - More lively
 - Fun for everyone
- Launch new successful games
- Leverage stronger network of players

M&A

- Create a **new generation of game publisher**
 - Real synergetic value created through Beacon
 - Best home for ambitious game makers

Future of Gaming

- Expand Angry Birds beyond mobile
- Prepare for major market shifts
- Revenue 2024+



Long-term value creation & growth

Summary.

1. Rovio is in a unique position given our strong foundations
 - Angry Birds
 - Portfolio
 - Teams
 - Beacon
 - Financial position
2. Our Strategy is well adapted to the market and takes advantage of our uniqueness
3. Despite recent headwinds, mobile gaming growth is not over, on the contrary
4. We have several growth opportunities, both internally and through synergistic acquisitions



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Long-term financials.

RENÉ
LINDELL.
Chief Financial Officer

Topics to cover today.

1. Long-term targets
2. Financial structure of top games
3. Investing for growth



1. Updated long-term targets.

Faster than market revenue growth (Same)

Adjusted EBITDA growth in line with long-term revenue growth (NEW)

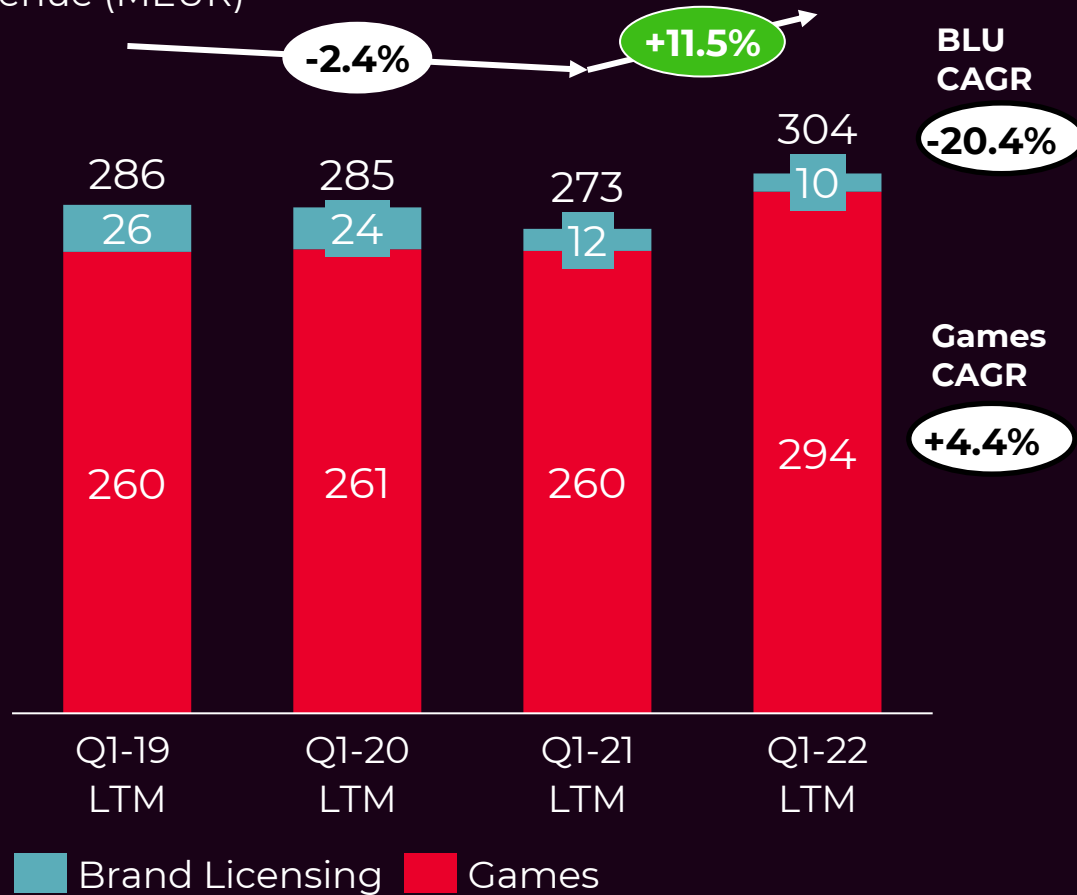
Dividend payout: approximately 30% of adjusted net profit (Same)



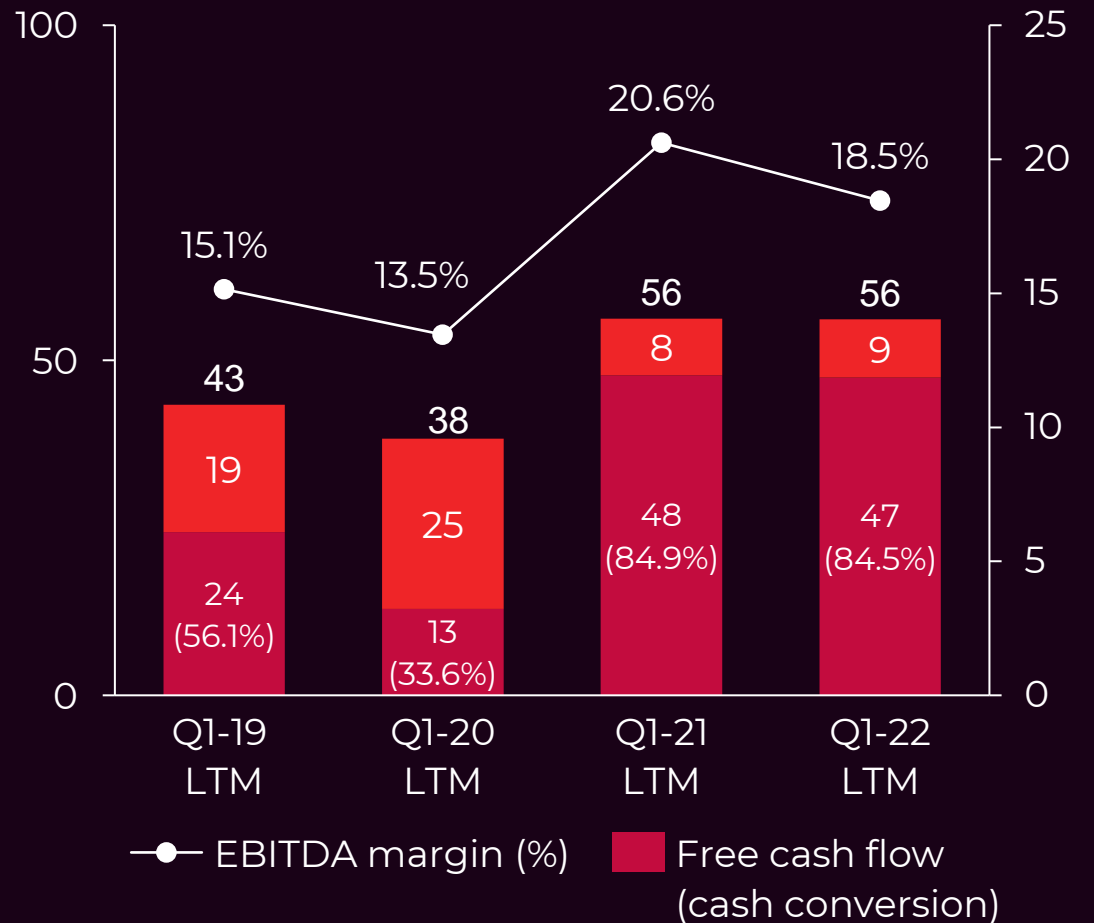
Note: Relevant market for target setting is defined as the Western mobile gaming market.

Topline towards growth, solid EBITDA and cash conversion.

Revenue (MEUR)

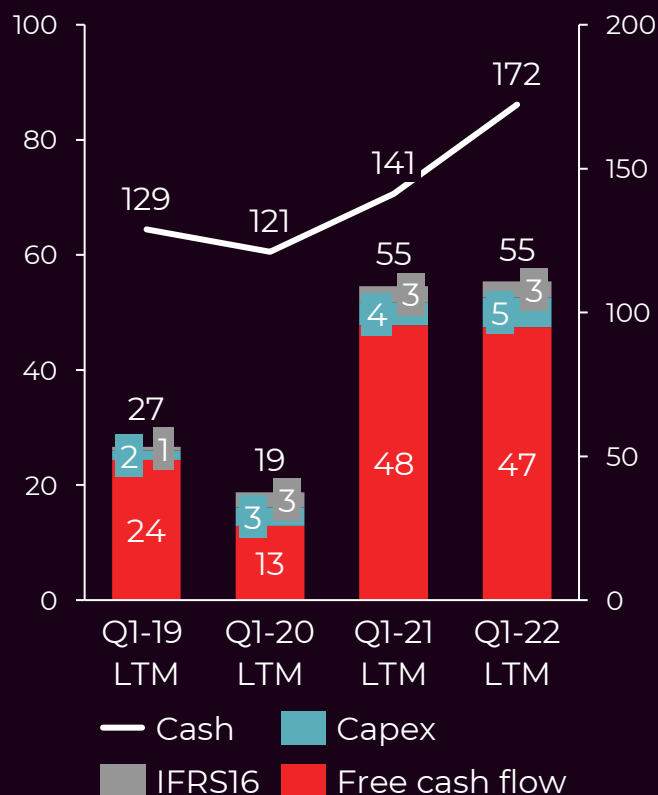


EBITDA (MEUR)

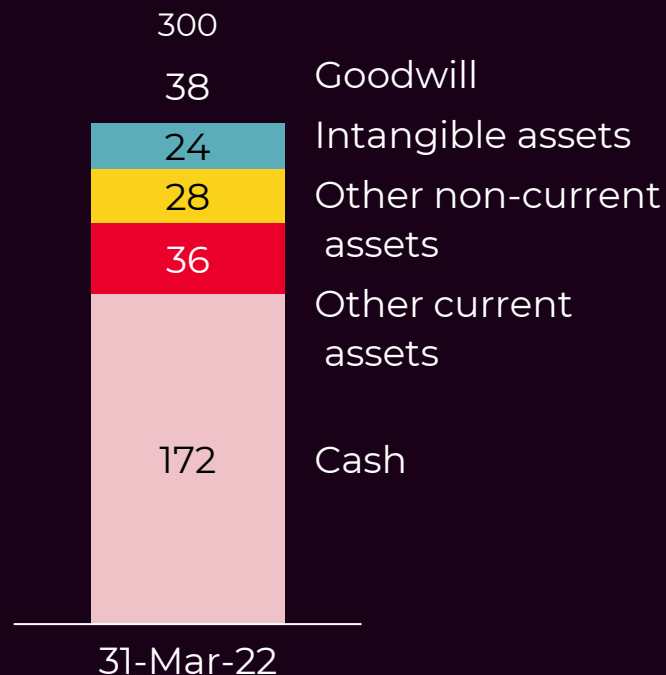


Strong financial position.

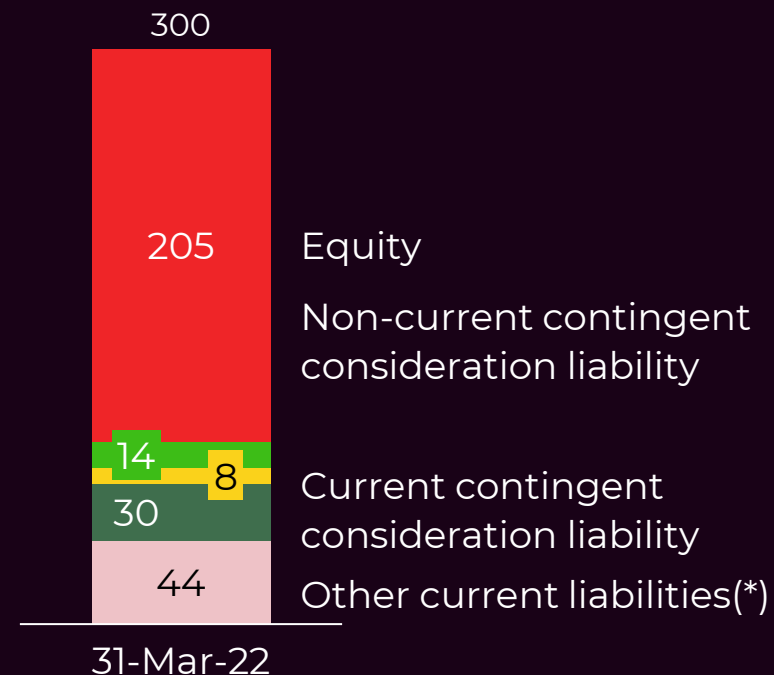
Strong cash flow, cash position, low capex



20% of assets intangible assets and goodwill



Virtually debt free



(*) Total interest-bearing debt 0.8 MEUR

Games portfolio.

GAMES WITH DIFFERENT IPS, GENRES AND PHASES OF LIFE CYCLE

GROW



Angry Birds Journey



Small Town Murders

+ games in soft launch

EARN



Angry Birds 2



Angry Birds Dream Blast



Angry Birds Friends



Angry Birds Pop!



Angry Birds Match

CATALOGUE



+ others

HYPERCASUAL

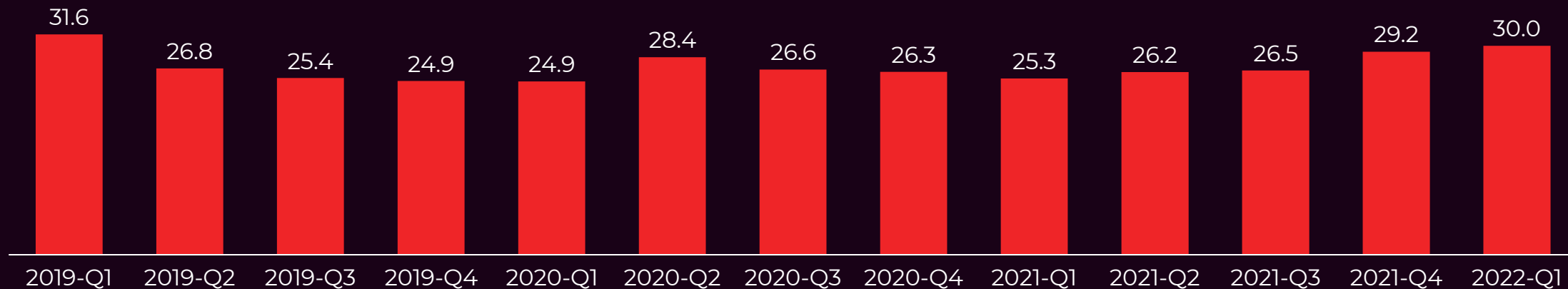


Ruby Games

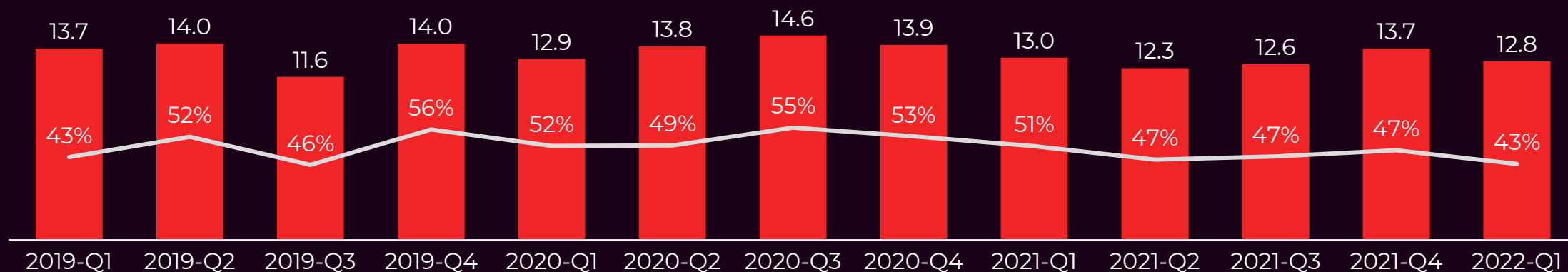
Flagship game Angry Birds 2.

Q1-19 to Q1-22: 49% profit margin, 13.3meur profit per quarter. UA cost 21% x revenue.

Revenue (MEUR)



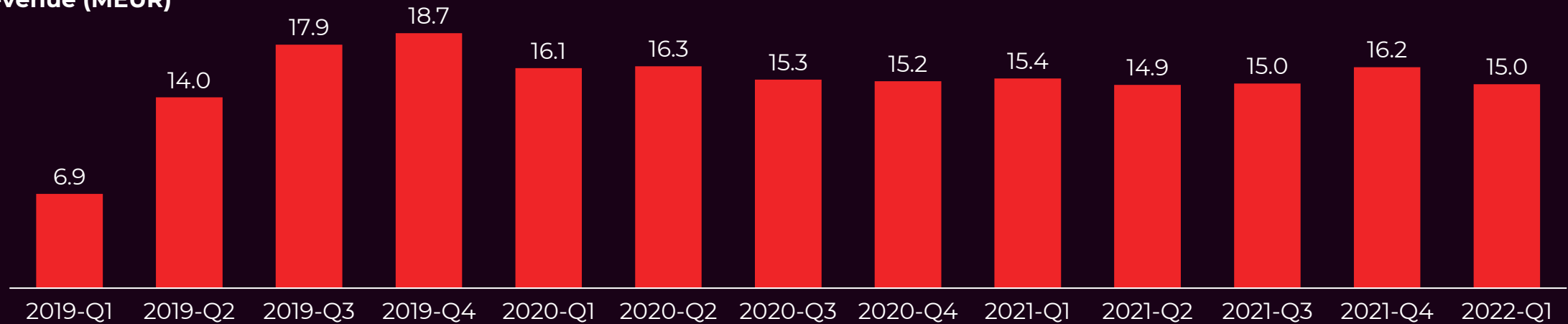
Direct contribution (MEUR) and margin (%)



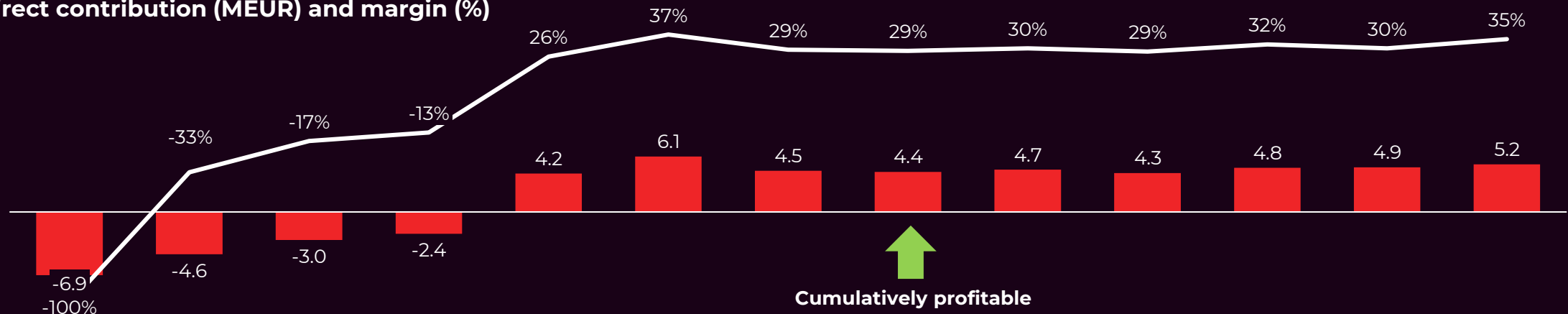
Second largest game Angry Birds Dream Blast.

Q1-19 to Q1-22: 32% profit margin, 4.9meur profit per quarter. UA cost 36% x revenue.

Revenue (MEUR)



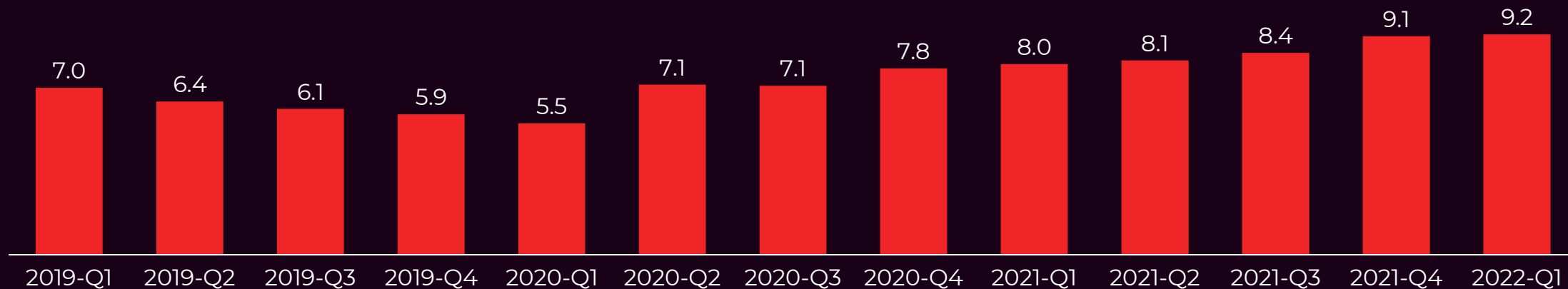
Direct contribution (MEUR) and margin (%)



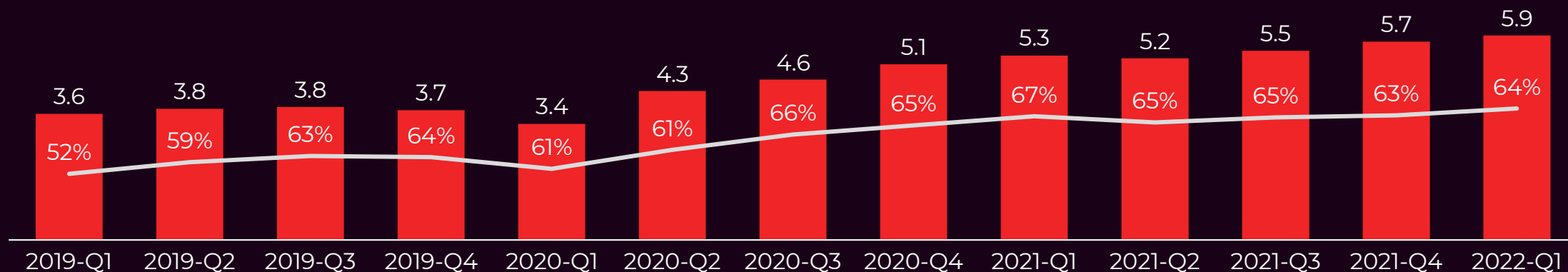
Oldest active live game Angry Birds Friends.

Q2-20 to Q1-22: 64% profit margin, 5.2meur profit per quarter, no UA cost.

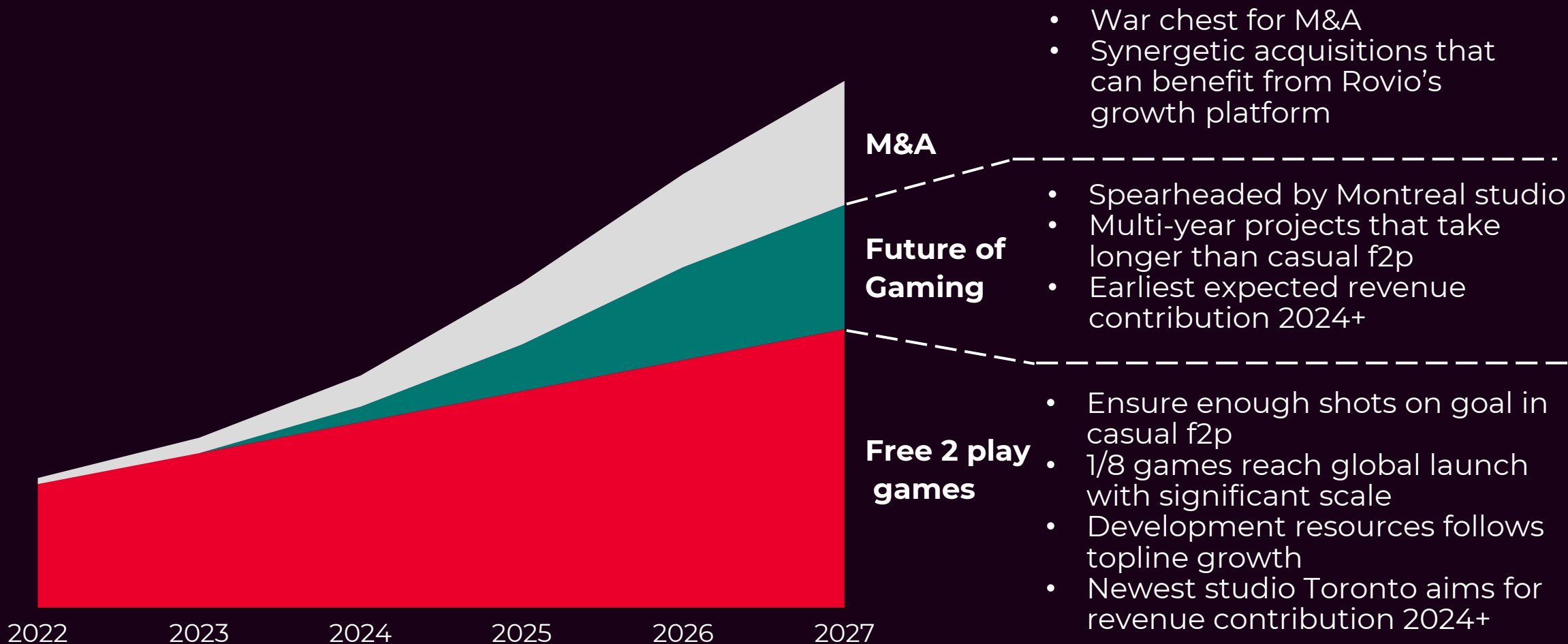
Revenue (MEUR)



Direct contribution (MEUR) and margin (%)



Investing in growth.





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Q & A 



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COFFEE BREAK.





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Rovio's Competitive Advantages:

**ANGRY BIRDS
& BEACON.**



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Angry Birds.

BEN
MATTES.

SVP of Future of Gaming
and Angry Birds Brand Strategy

Angry Birds has entertained much of the world.



BILLIONS & BILLIONS
VIEWS, DOWNLOADS AND MORE

A brand for
anyone
and everyone.

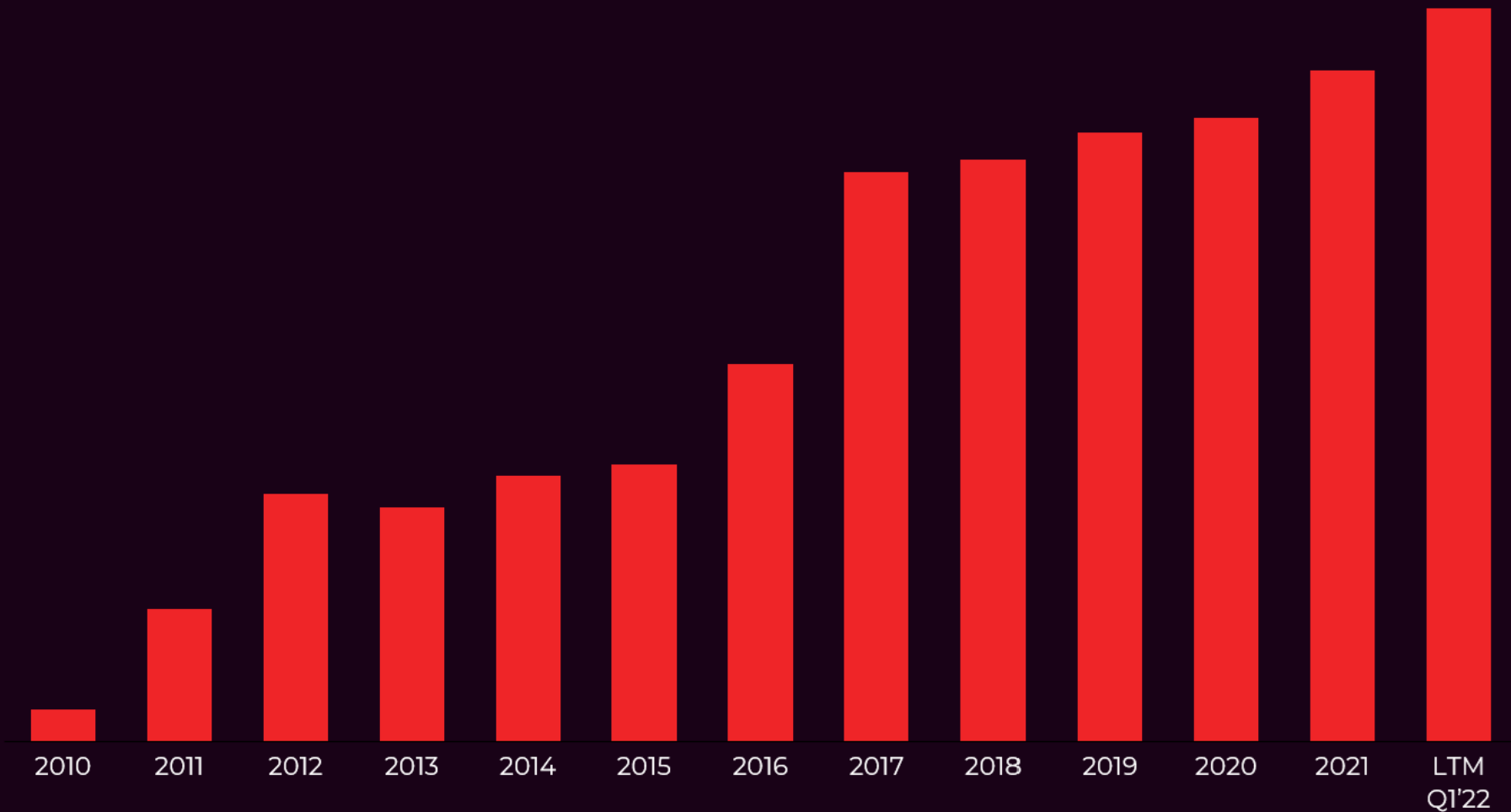
We craft joy.



A true transmedia success.

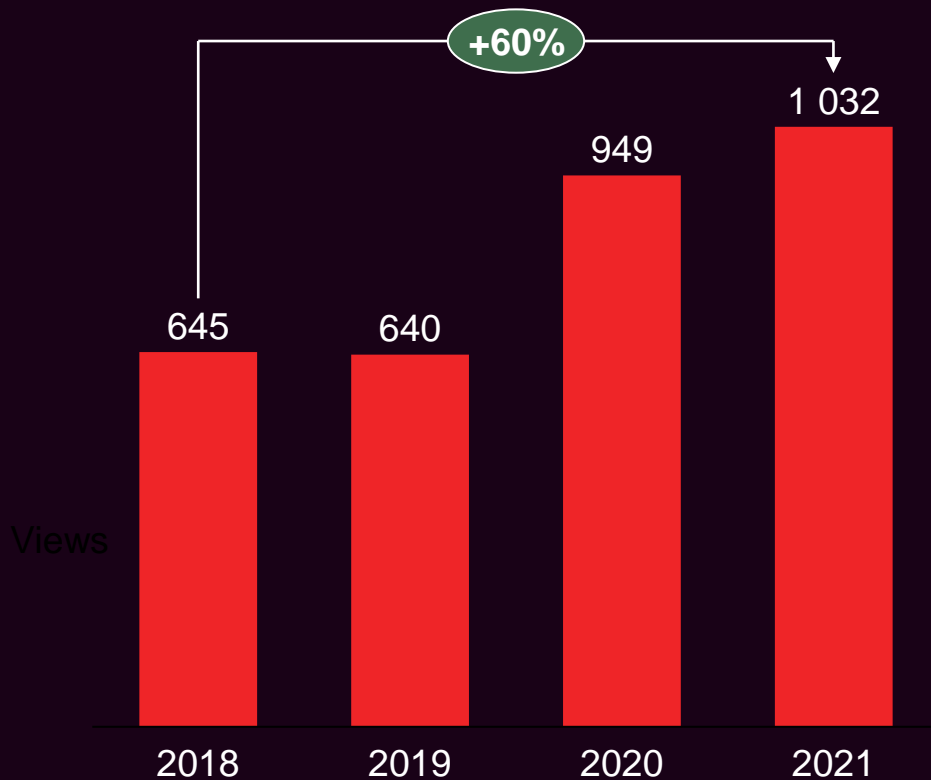


Never been stronger - growing games revenues.

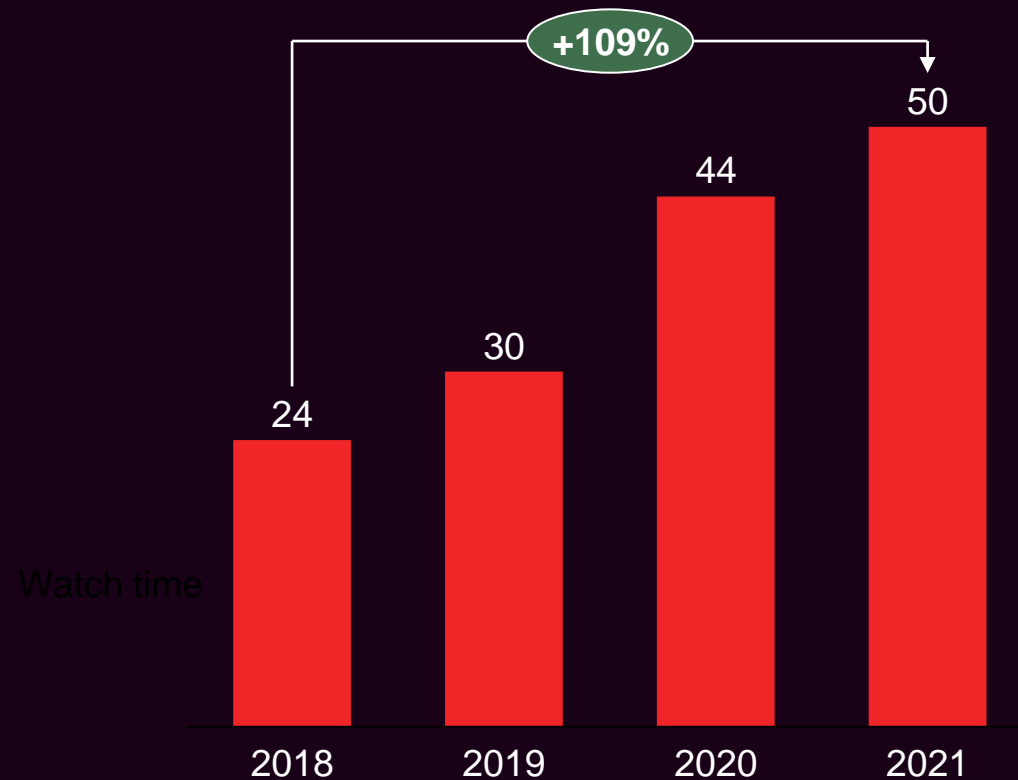


Never been stronger - growing eyeballs.

YouTube views per year (in millions)



Watch time (hours, in millions)



Angryverse.

We craft joy.

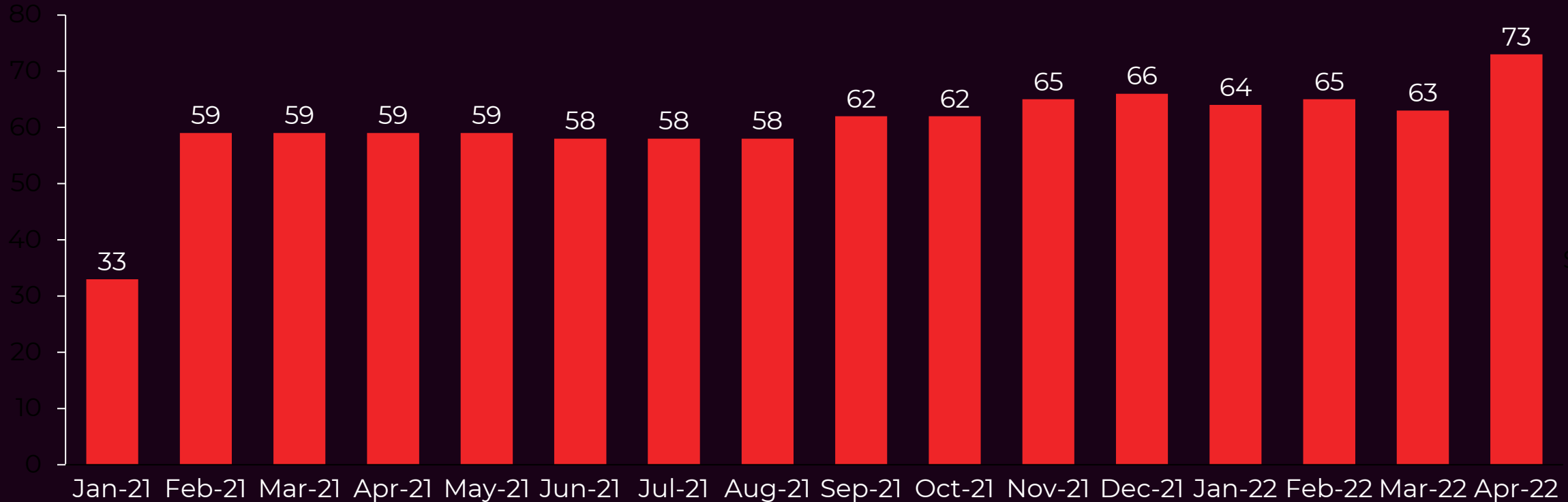


Surprise & delight.



Positive online sentiment (love) increasing.

Online Sentiment



Series 1

Source: Sprout Social (positive sentiment score for Angry Birds)

Growth plans.



Growth plans.

For Kids

- Continued investment in animated content with top-tier partners
- Focus on quality partnerships like Microsoft/Minecraft to create opportunities for Play

For Teens

- Strategic focus - create compelling, social and streamable game(s) with a focus on organic and community
- Continue to invest in growing Angry Birds presence on leading social platforms



For Adults

- Continue to invest in and grow our successful live games
- Continue to create mass-market friendly quality Angry Birds experiences
- Continue to form mass-market brand partnerships

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Beacon.

LUIS
DE LA CAMARA.
VP, Marketing

A guiding light to help game teams successfully navigate the turbulent free-to-play market.



LIVE GAME TECHNOLOGY

TALENT & KNOW-HOW

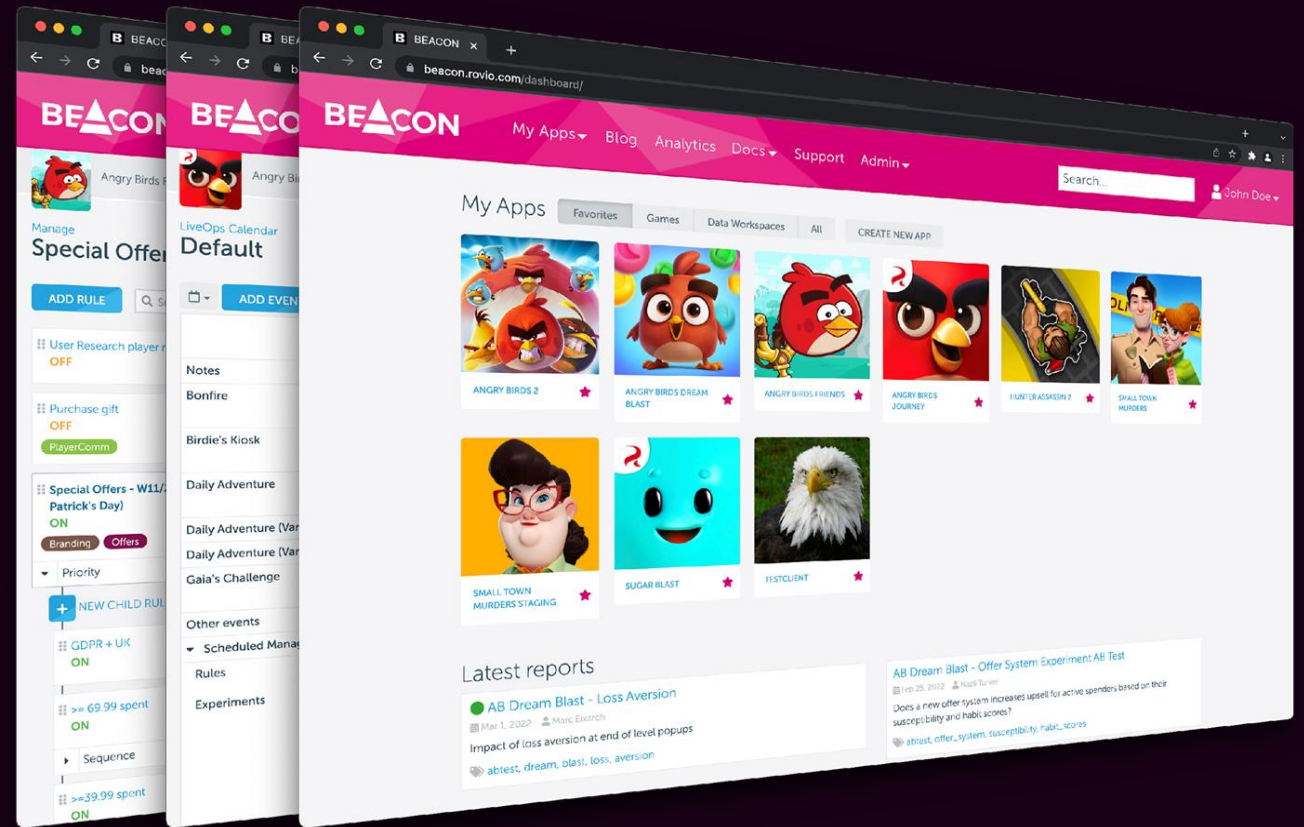
Over 11 years of work & investments

Plug into a full suite of market leading tech to operate, optimize and scale your game.

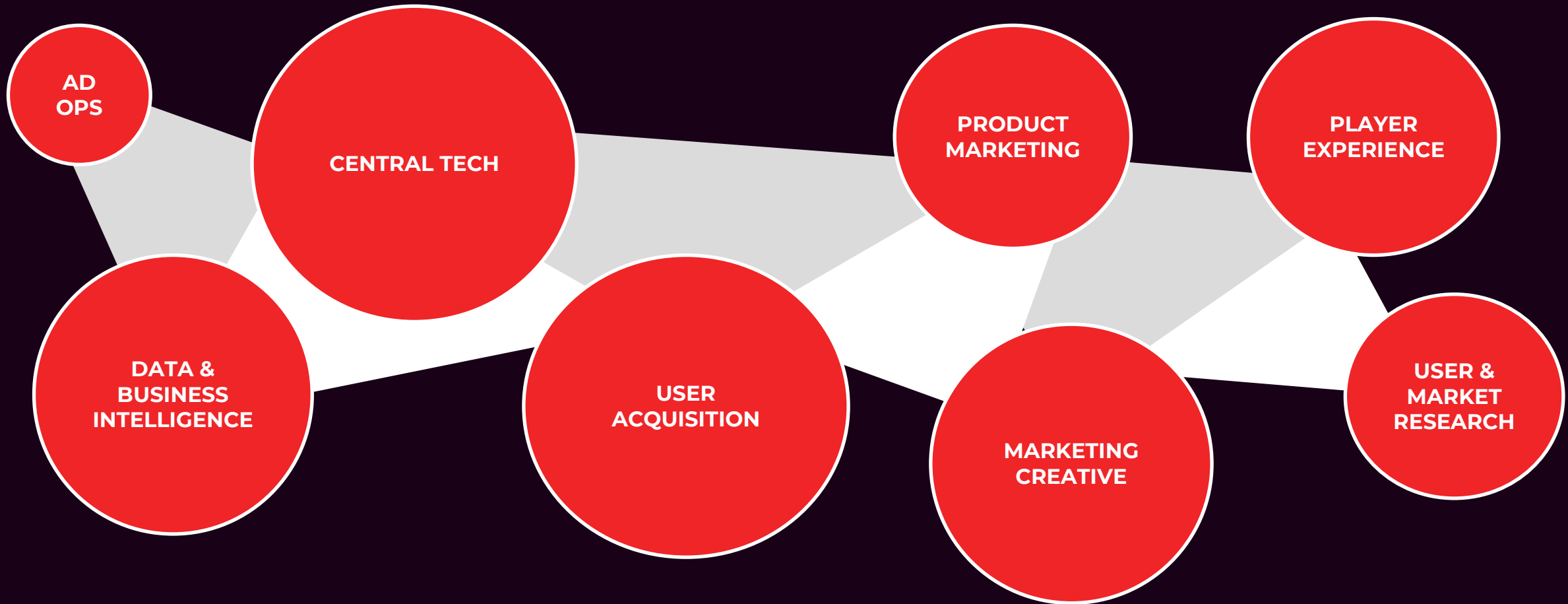
DATA LAKE
Single Source of Truth



Player Identity
Analytics
Attribution
AB Testing
Live Operations
Payments
Personalization
Audience Segmentation
Ads Mediation
Cross Promotion
Push Messaging
Surveys
Privacy Framework
Game Server Infrastructure
Machine Learning / AI



Rely on close to 100 experienced pros with deep know-how to support your growth.





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Beacon: new studio use case.

JULIE
BEAUGRAND.

VP, Head of Studio

Creating a new hit in Toronto.



Market testing: leveraging market data with Beacon.

USER SURVEY
TOOL



Market testing: leveraging market data with Beacon.

**BENCH-
MARKING**

BEACON My Apps ▾ Blog Analytics Docs ▾ Support Admin ▾ Search... John

Angry Birds Friends Analyze ▾ Manage Players & Devices Player Comm More ▾ Change Log Settings ▾

Angry Birds Friends ★

Game homepage

⚠ Apple's AppTrackingTransparency (ATT) policy affects analysis of Paid vs. Organic KPIs.
For users with recent iOS versions (>= 14), most Paid Users can no longer be identified as such and will be reported as Organic Users. For more information, see [ATT blogpost](#)

DAU Last day available vs. same day last week 456,789 ↑ 0.77%	D1 Retention Last day available vs. same day last week 45.6% ↑ 0.18%-p	Net IAP Revenue Last day available vs. same day last week €45,678 ↑ 10.51%	Net Ads Revenue Day before yesterday vs. same day last week
New Users Last day available vs. same day last week	D7 Retention Last day available vs. same day last week	Net IAP ARPDAU Last day available vs. same day last week	



Note: illustrative data only, not actual game data

Market testing: leveraging market data with Beacon.

Creative Performance

network > campaign > adset > creative > timestamp

Drag here to set column labels

Group	spend	impressions	new_users	IPM-D1	CPI	D1 Ret	fCVR	D1-D3-ret-ratio
> Applifier	\$444	13,462	54	1.3	\$8.2	33.3%	0.40%	22%
▼ Facebook	\$20,735	435,846	1,891	1.8	\$11.0	41.6%	0.43%	46%
> MM_Android_...	\$0	0	11	0.0	\$0.0	27.3%		33%
▼ MM_Android_...	\$11,958	217,300	1,054	2.1	\$11.3	43.0%		45%
▼ US_Broa...	\$11,958	217,300	1,054	2.1	\$11.3	43.0%		
> MA...	\$3,333	65,046	289	1.8	\$11.5	40.8%		
	\$8,624	152,254	765	2.2	\$11.3	43.8%		
	\$7,431	198,645	526	1.1	\$14.1	39.7%		
	\$1,346	19,901	163	3.2	\$8.3	39.3%		
	\$0	0	137	0.0	\$0.0	42.3%		
	\$0	0	6	0.0	\$0.0	33.3%		

ANALYTICS & REPORTING



To soft launch and beyond – Beacon is there to help grow our game.



Regulations & platforms



Live operations



Marketing campaigns & scaling

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Beacon: Angry Birds 2.

ANDY
MUESSE.
Head of Studio

Angry Birds 2 growth recipe.

Strong brand capitalized on with the support of central tech and teams



BEACON

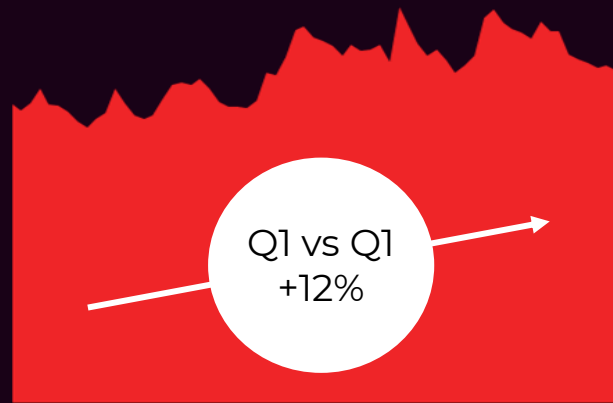
Engaging events that bring value to our players



Joy for decades



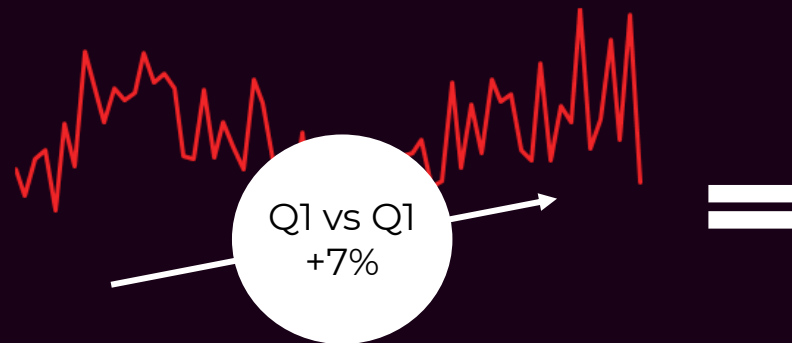
Daily active users



Jan-21

Mar-22

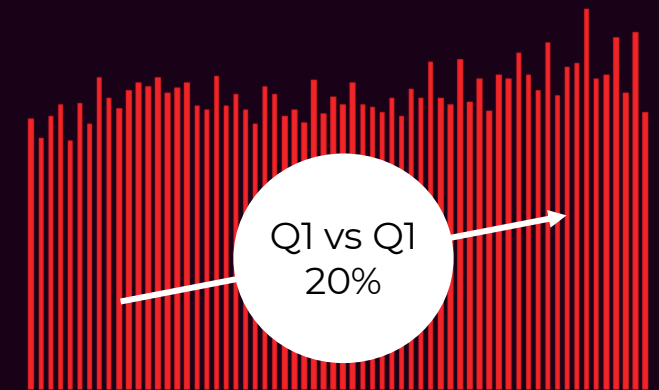
Average revenue per daily active user



Jan-21

Mar-22

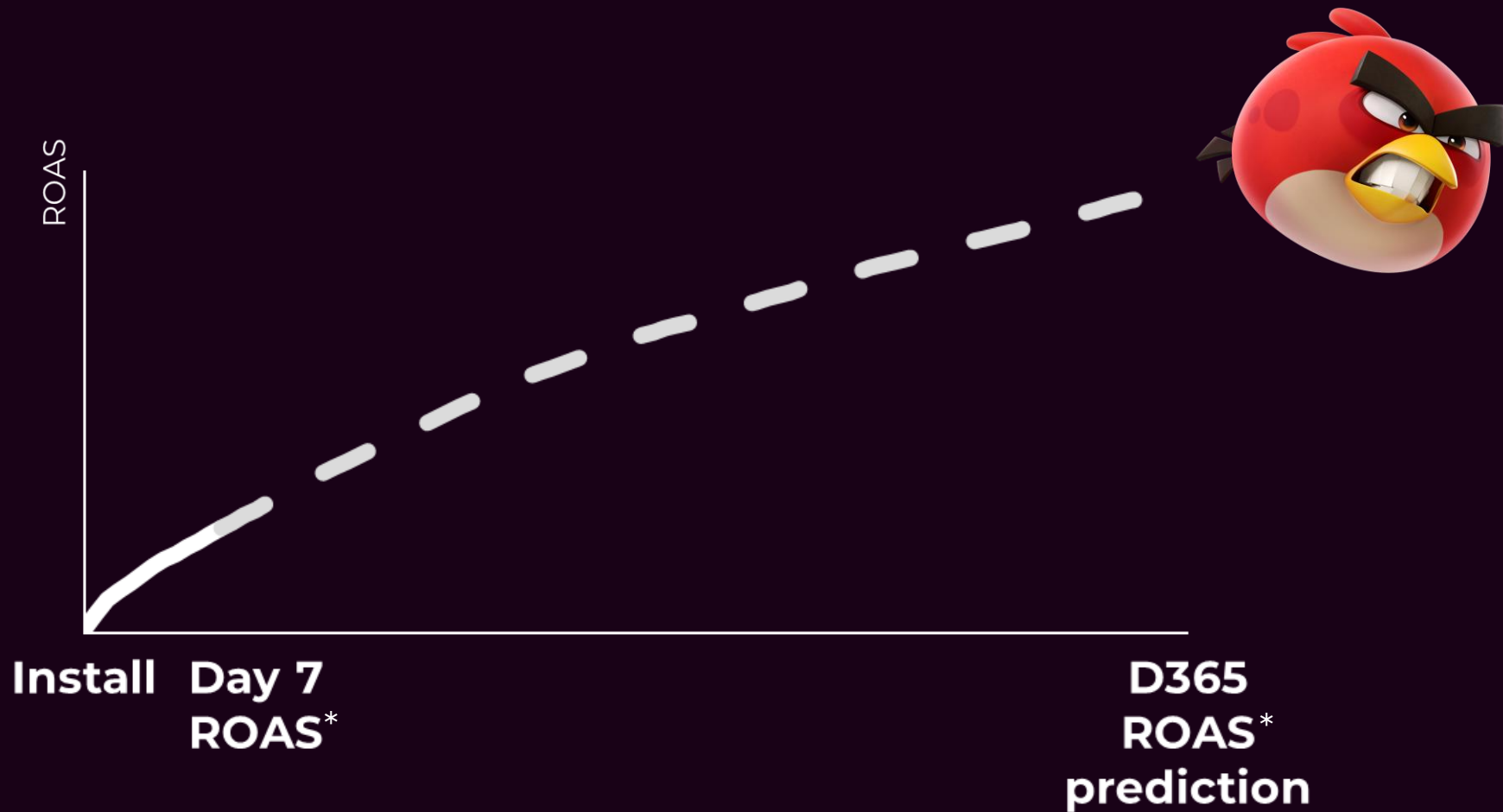
Gross bookings (EUR)



Jan-21

Mar-22

Our player lifetime value prediction model enables optimal user acquisition investments in any weather.

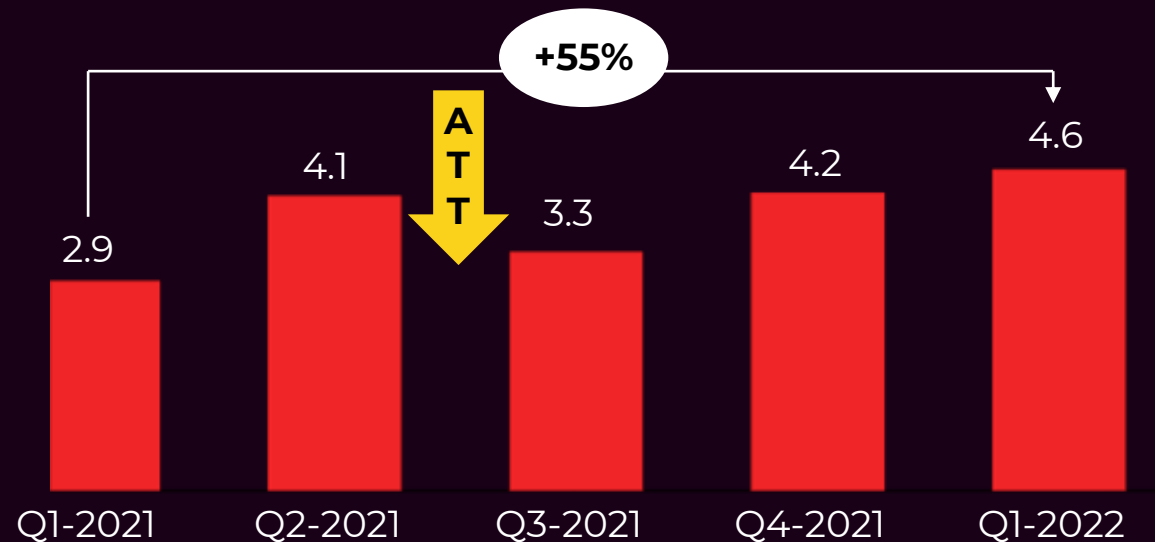


*Return on Ad Spend

Despite the implementation of App Tracking Transparency on iOS, AB2 UA rebounded faster than the competition.



Angry Birds 2 iOS User Acquisition investments
Q1-2021 – Q1-2022 (MUSD)



"Innovation & agility allowed Rovio to scale iOS, quickly adapting to a post-ATT landscape"
EMEA EXECUTIVE, META

Beacon enables the team to focus on what they do best: creating engaging content and events to our players.

Angry Birds 2 weekly Gross In-App Purchases



Hat Evolution events + product optimization in Q1-22 took revenue to 3-year highs



With the learnings provided by Beacon, **Angry Birds 2** will continue to push boundaries in 2022.





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Beacon: Working with M&A.

JAKOB
LONGER.

Head of Corporate Development

Role of M&A for Rovio.

Supports our growth plans



**Grow
F2P Mobile**



**Pioneer
Future of Gaming**

**Positions Rovio as
Next Gen Publisher**



**Supporting talented teams /
studios to achieve their
ambitions**

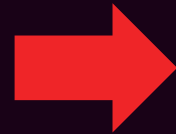


Market factors driving consolidation.

Dominance of older games & brands

Strong UA capabilities & big war chest required

Broad set of competencies & tools required



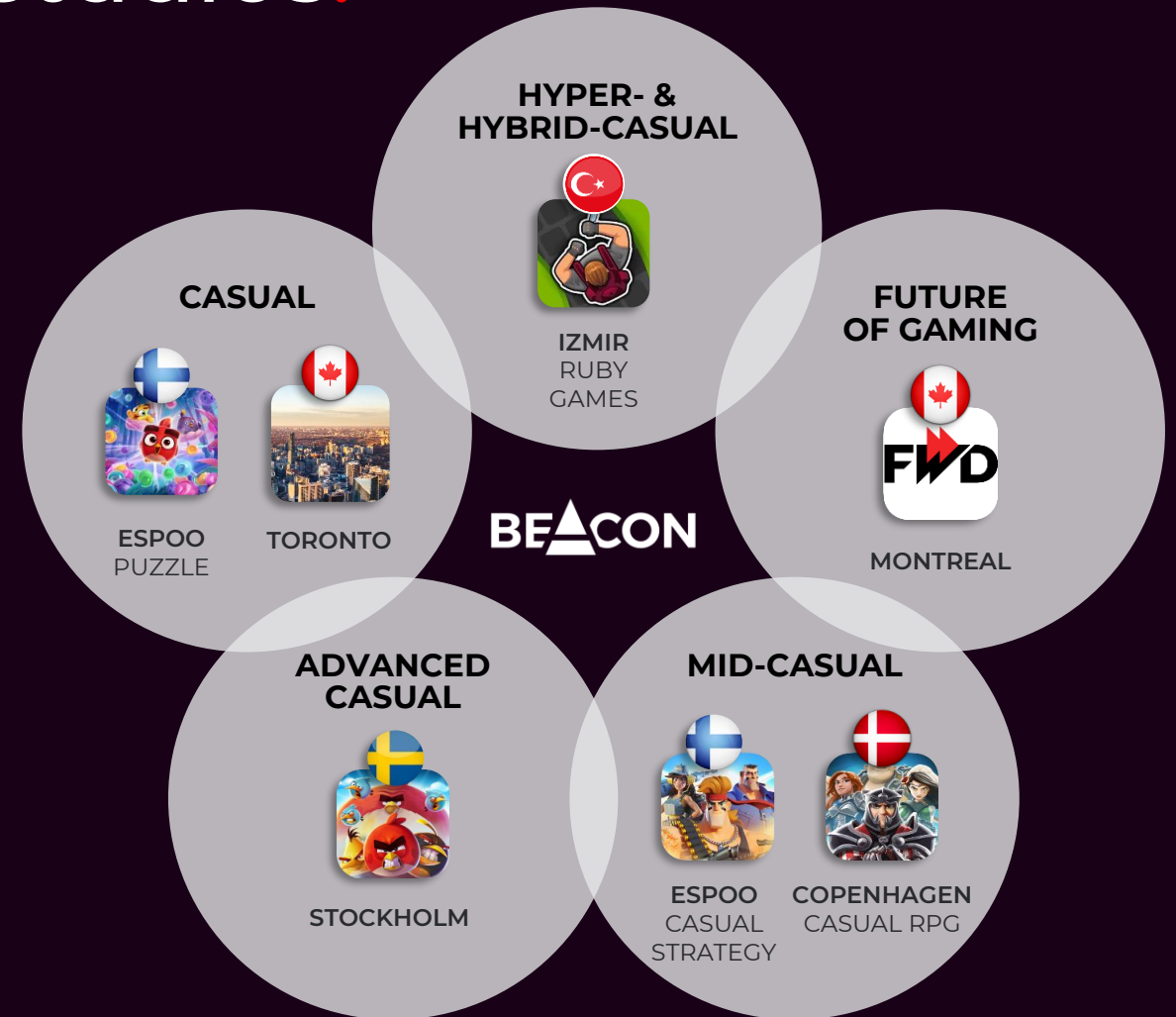
Rising bar to succeed as a game developer – smaller independent studios at risk



With Beacon Rovio is the Next Gen Publisher for studios.

- ✓ Strong brand
- ✓ Genre mastery in casual
- ✓ Game development, live ops, UA & analytics competences
- ✓ War chest to scale games
- ✓ Vast suite of tools & proprietary technology stack
- ✓ Large audience base with cross-promotion potential

“We let game makers make great games and we take care of the rest!”



What we are looking for.

Four types of targets

1	Game suitable with Angry Birds IP
2	Promising new IP
3	Promising game requiring capital for scaling
4	Talented team looking for a new home to take the next step

A good fit with our philosophy of making great games



Genre mastery



Innovation



Team & cultural fit



Beacon: driving value from launch and beyond.

Data the truth to test, make decisions, automate actions, benchmark your game

Baseline tools to
Launch your game –
analytics, infra, privacy,
submission tools

Maximise what you
Earn with our
intelligent IAP and
Ads offering



Grow your game with
our growth marketing –
modelling, creatives,
cross-promotion

Engage your players
with our smart
optimisation
and live ops tools

Gain from the **Know-How** of our game, product, growth marketing, ads monetisation, data and technology teams

Case: Ruby Games.



Hyper-casual gaming studio from Izmir, Turkey

Acquired by Rovio in August 2021

Beacon & Ruby Games.



Ruby's challenges

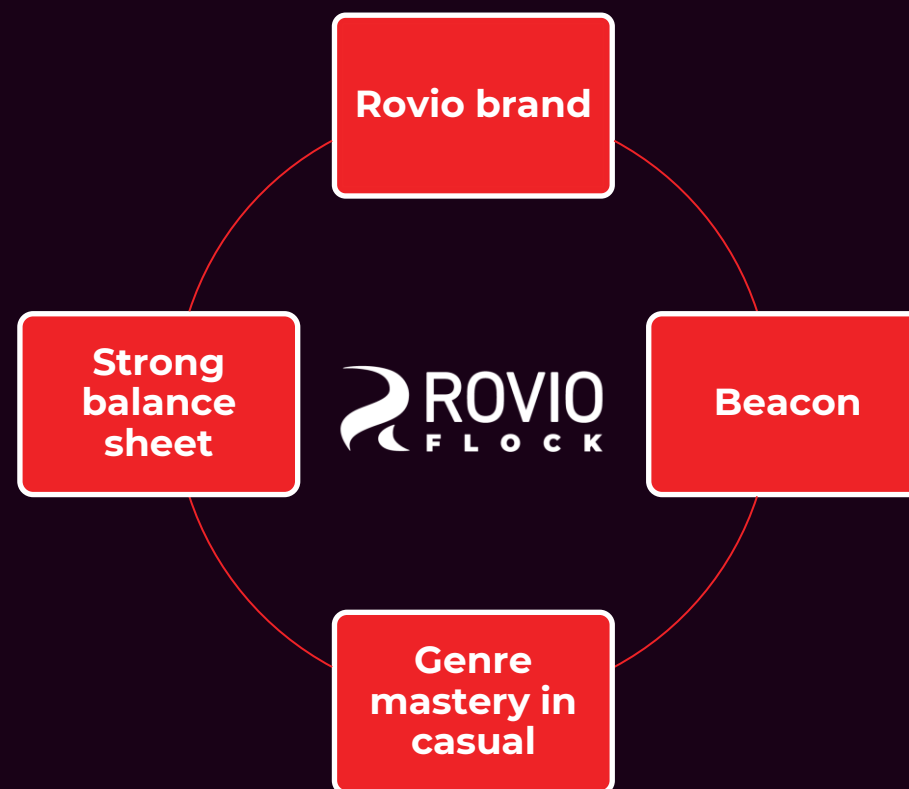
Small market position and limited brand

Missing extensive tools for development, Live Ops and marketing/UA

Lack of capital to scale hit games

Market shift from hyper-casual to hybrid-casual

By joining Rovio Flock, Ruby can leverage:



Example use cases of Beacon in Ruby.



UA & Live Ops integration

BEACON My Apps ▾ Blog Analytics Docs ▾ Support Search...

Hunter Assassin 2 Analyze ▾ Manage LiveOps Calendar More ▾

Hunter Assassin 2 ★

[Game homepage](#)

⚠ **Apple's AppTrackingTransparency (ATT) policy affects analysis of Paid vs. Organic KPIs.**
For users with recent iOS versions (>=14), most Paid Users can no longer be identified as such and will be reported as Organic Users. For more information, see [ATT blogpost](#).

DAU » Last day available vs. same day last week	D1 Retention » Last day available vs. same day last week	Net IAP Revenue » Last day available vs. same day last week
Censored	Censored	Censored
New Users » Last day	D7 Retention » Last day available vs. same day last week	Net IAP ARPDau » Last day available vs. same day last week
Censored	Censored	Censored

Ads integration

BEACON My Apps ▾ Blog Analytics Docs ▾ Support Search...

Hunter Assassin 2 Analyze ▾ Manage Players & Devices

Ad Placements

[NEW AD PLACEMENT](#)

Video Reward

Default	Live
---------	------

Interstitial

Default	Live
---------	------

News Feed

XP	Live
CPL	Live
Live Ops	Live

Cross-promotion





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We craft joy.

Q&A 

The text "Q&A" is rendered in a large, white, sans-serif font. The ampersand is a thick, red, stylized symbol. To the right of the "A" is a small, 3D-rendered red Angry Bird character with black eyebrows and a yellow beak, looking towards the left.



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Wrap-up & Closing Remarks.



Summary.

1. Angry Birds' world class brand awareness for 12 years. Our cradle-to-grave strategy with highly targeted products brings in new players of all ages.
2. Our game portfolio is strong and reliable, with various games creating engagement for years to come.
3. Rovians are passionate game creators with a consistent track record for creating top grossing games.
4. We have invested for over a decade in Beacon, a powerful growth platform enabling synergies across our studios – organic or acquired.
5. Our strong balance sheet and operating cash flow allow investments for future growth.



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ROVIO

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Thank you!

