

## ROVIO'S STRATEGY

Our strategic focus areas are growing the Games business, growing the Brand Licensing business, seeking growth and value creation through mergers and acquisitions, and exploring the future of gaming.



### Growing the Games business

We grow our free-to-play mobile gaming business through continuously updating and improving our key live games as well as by developing and releasing new games. We strive to release games that become long-lasting digital hobbies through continuously introducing new features and in-game events that increase player engagement and monetization. In operating live games, the game development, marketing and business intelligence teams work in a coordinated way to improve the game and its business. We like to say this is where art meets science. You need vision and intuition to improve the gameplay while at the same time having the skills to utilize data and scientific methods to prove what works and what doesn't. Naturally, we will continue to invest in new game development in accordance with our portfolio strategy, which entails carefully choosing the genres where we see opportunities to succeed in the market. Rovio has a strong position in the casual game genre with a range of Angry Birds games. We have also taken steps to diversify our games portfolio from the casual genre into the mid-core genre both organically and through acquisitions. We continuously study the market, update our strategy and maintain a balance between short-term and medium-term activities while building future long-term options in a fast-moving market

### Growing the Brand Licensing business

The Angry Birds brand is unique to Rovio and we aim to grow our Brand Licensing business in a strategic and sustainable manner. The brand business is dependent on the appeal of the brand and an exciting product offering delivered through high-quality consumer products, location-based entertainment and content partners. The character entertainment brand business tends to fluctuate over time in step with major brand events, such as the first Angry Birds Movie in 2016 and its upcoming sequel in 2019. Strengthening the baseline brand appeal by delivering an engaging entertainment offering is therefore at the core of brand licensing. This is accomplished through our range of Angry Birds games and through partnering in movies and animation. We aim to follow up the 2019 release of the movie sequel with our first long-form animated TV and streaming series in as well as live shows and live action TV shows.

### Mergers and acquisitions

Rovio's M&A strategy is to find value creation opportunities that align with our business strategy and thus our focus is on the mobile free-to-play games industry. We believe that we can deliver tangible synergies and benefits to many smaller studios through our know-how in live operations, marketing, user acquisition and analytics capabilities. With our M&A activities we seek mainly to strengthen our current game genres, but we are also open to investigating adjacent genres and opportunities for diversification.

## The future of gaming

Technological advancements change the way people live their lives and the way they play games. The touchscreen, the App Store and in-app purchases have all revolutionized the game industry. To be ready to seize future opportunities, we aim to gain first-hand experience through exploring different areas of what we call the future of gaming. This includes experimenting in areas such as virtual reality (VR), augmented reality (AR), mixed reality (MR) and game streaming. We have ongoing activities in all of these areas, mostly together with partners. In game streaming, however, we have invested in our own proprietary technology within our subsidiary Hatch Entertainment Ltd.

### Rovio's four pillar strategy

Grow Games business	Grow the Angry Birds brand and Licensing business	Leverage strong consolidation platform	Explore the future of gaming
<ul style="list-style-type: none"><li>• Prioritize top live games in UA and resourcing</li><li>• Increase investments in new games development</li><li>• Aim to launch at least 2 new games in 2019</li></ul>	<ul style="list-style-type: none"><li>• Angry Birds Movie 2 in the second half 2019</li><li>• 10<sup>th</sup> year anniversary of Angry Birds</li></ul>	<ul style="list-style-type: none"><li>• Screen and evaluate potential M&amp;A targets</li><li>• Focus on free-to-play mobile games</li></ul>	<ul style="list-style-type: none"><li>• Investigate and invest in new technologies and platforms</li><li>• Explore external funding and strategic partnerships for Hatch</li></ul>