

Rovio Copenhagen ApS

Store Kongensgade 59. B. 5.

1264 København K

CVR No. 38831976

Annual Report 2023

6. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 22 March 2024

Teemu Tertsunen
Chairman

Contents

Management's Statement	3
Independent Auditors' Report.....	4
Company Information.....	6
Management's Review	7
Accounting Policies.....	8
Income Statement	12
Balance Sheet	13
Statement of changes in Equity.....	15
Notes	16

Management's Statement

Today, Management has considered and adopted the Annual Report of Rovio Copenhagen ApS for the financial year 1 January 2023 - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København K, 22 March 2024

Executive Board

Alexandre Pelletier-Normand
CEO

Independent Auditors' Report

To the shareholders of Rovio Copenhagen ApS

Opinion

We have audited the financial statements of Rovio Copenhagen ApS for the financial year 1 January 2023 - 31 December 2023, which comprise an income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company 31 December 2023 and of the results of its operations for the financial year 1 January 2023 - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- * Identify and assess the risk of material misstatements in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

Independent Auditors' Report

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- * Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control which we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 22 March 2024

EY Godkendt Revisionspartnerselskab

CVR-no. 30700228

Jan Mortensen

State Authorised Public Accountant

mne40030

Rovio Copenhagen ApS

Company details

Company	Rovio Copenhagen ApS Store Kongensgade 59. B. 5. 1264 København K
Telephone	40618761
E-mail	line.bundgaard@rovio.com
CVR No.	38831976
Registered office	København
Financial year	1 January 2023 - 31 December 2023
Executive Board	Alexandre Pelletier-Normand
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25 Postbox 330 8100 Aarhus C CVR-no.: 30700228

Management's Review

Primary activities

The Company's purpose is to develop, market and sell computer games as well as related business.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a result of DKK 1.901.034 and the Balance Sheet at 31 December 2023 a balance sheet total of DKK 8.542.341 and an equity of DKK 5.684.866.

Events after the balance sheet date

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The annual report of Rovio Copenhagen ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to enterprises of reporting class B and elective choice of certain provisions applying to reporting class C entities.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is prepared in Danish kroner.

General information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross margin'.

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition. Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc.

Depreciation of tangible assets

Depreciation of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life.

	Useful life
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

Profit or loss resulting from the sale of depreciation of tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the income statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, accounts payable and transactions in foreign currencies, and surcharges and allowances under the advance-payment of tax scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Accounting Policies

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

Deposits

Deposits are measured at cost.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables. Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Prepayments

Prepayments recognised in assets comprises prepaid costs regarding subsequent financial years.

Other receivables

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Accounting Policies

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortized cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortized cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities are measured at net realisable value.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Income Statement

	Note	2023 kr.	2022 kr.
Gross profit		22.428.985	19.697.901
Employee benefits expense	1	-19.945.441	-18.389.263
Depreciation, amortisation and impairment losses		-92.909	-220.048
Profit from ordinary operating activities		2.390.635	1.088.590
Financial income	2	131.777	20.907
Financial expenses	3	-76.043	-62.176
Profit from ordinary activities before tax		2.446.369	1.047.321
Tax expense on ordinary activities	4	-545.335	-228.320
Profit		1.901.034	819.001
Proposed distribution of results			
Retained earnings		1.901.034	819.001
Distribution of profit		1.901.034	819.001

Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
Assets			
Fixtures, fittings, tools and equipment	5	28.841	74.142
Leasehold improvements	6	5.218	9.575
Property, plant and equipment		34.059	83.717
Non-current deferred tax assets	7	67.848	73.275
Deposits	8	177.534	171.427
Other financial assets		245.382	244.702
Fixed assets		279.441	328.419
Short-term receivables from group enterprises	9	7.873.279	1.638.791
Other short-term receivables		145.861	170.952
Deferred income		2.584	6.765
Receivables		8.021.724	1.816.508
Cash and cash equivalents		241.176	4.781.108
Current assets		8.262.900	6.597.616
Assets		8.542.341	6.926.035

Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
Liabilities and equity			
Contributed capital		50.000	50.000
Retained earnings		5.634.866	3.733.833
Equity		5.684.866	3.783.833
Debt to banks		0	2.687
Trade payables		105.621	83.737
Tax payables		447.933	194.562
Other payables		2.303.921	2.861.216
Short-term liabilities other than provisions		2.857.475	3.142.202
Liabilities other than provisions within the business		2.857.475	3.142.202
Liabilities and equity		8.542.341	6.926.035
Contingent liabilities	10		
Collaterals and assets pledges as security	11		
Group information	12		

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2023	50.000	3.733.832	3.783.832
Profit (loss)	0	1.901.034	1.901.034
Equity 31 December 2023	50.000	5.634.866	5.684.866

Notes

	2023	2022
1. Employee benefits expense		
Wages and salaries	17.685.478	15.532.700
Post-employment benefit expenses	1.370.366	2.055.166
Social security contributions	170.632	153.518
Other employee expenses	718.965	647.879
	19.945.441	18.389.263
Average number of employees	23	23
2. Financial income		
Financial income	32.690	20.894
Other finance income from group enterprises	99.087	13
	131.777	20.907
3. Financial expenses		
Financial expenses	76.043	62.176
	76.043	62.176
4. Tax expense		
Annual tax	539.908	244.112
Regulation for deferred tax	5.427	-15.792
	545.335	228.320
5. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	1.823.041	1.823.041
Addition during the year, incl. improvements	43.251	0
Cost at the end of the year	1.866.292	1.823.041
Depreciation and amortisation at the beginning of the year	-1.748.899	-1.536.847
Amortisation for the year	-88.552	-212.052
Impairment losses and amortisation at the end of the year	-1.837.451	-1.748.899
Carrying amount at the end of the year	28.841	74.142
6. Leasehold improvements		
Cost at the beginning of the year	46.622	46.622
Cost at the end of the year	46.622	46.622
Depreciation and amortisation at the beginning of the year	-37.047	-29.051
Amortisation for the year	-4.357	-7.996
Impairment losses and amortisation at the end of the year	-41.404	-37.047
Carrying amount at the end of the year	5.218	9.575

Notes

	2023	2022
7. Deferred tax		
Deferred tax	67.848	73.275
	67.848	73.275

8. Deposits

Deposits	177.534	171.427
	177.534	171.427

9. Short-term receivables from group enterprises

The Rovio Entertainment Group has concluded an agreement regarding a cash pool scheme with Danske Bank A/S, according to which Rovio Entertainment Oyj is the account holder and Rovio Copenhagen ApS is the sub-account holder together with the Group's other group entities. Under the terms agreed for the cash pool scheme, Danske Bank A/S is entitled to settle withdrawals and balances with each other whereby only the net balance of the total cash pool accounts makes up Rovio Entertainment Oyj' balance with Danske Bank A/S.

Rovio Copenhagen ApS' account in the cash pool scheme, which is recognised as a receivable from group entities, made up an account balance of DKK 5.971 thousand at 31 December 2023 (at 31 December 2022: DKK 0 thousand).

10. Contingent liabilities

Contingent liabilities of a non-concellation period on 6 months for the firms tenancy. The liability obligation amounts to DKK 307.000.

11. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

12. Group information

Rovio Copenhagen ApS parent company is Rovio Entertainment Oyj which is domiciled in Espoo, Finland.