

# **Rovio Copenhagen ApS**

Store Kongensgade 59. B. 5.

1264 København K

CVR No. 38831976

## **Annual Report 2021**

4. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 21 June 2022

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René Lindell  
Chairman

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## **Management's Statement**

Today, Management has considered and adopted the Annual Report of Rovio Copenhagen ApS for the financial year 1 January 2021 - 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021.

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, 21 June 2022

### **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 2021 - 31 December 2021, 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 2021 and of the results of its operations for the financial year 1 January 2021 - 31 December 2021 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 an attitude of 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.

## Independent Auditors' Report

- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are 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, 21 June 2022

**EY Godkendt Revisionspartnerselskab**

CVR-no. 30700228

Jan Mortensen

State Authorised Public Accountant

mne40030

## **Rovio Copenhagen ApS**

### **Company details**

<b>Company</b>	Rovio Copenhagen ApS Store Kongensgade 59. B. 5. 1264 København K
Telephone	40618761
email	line.bundgaard@rovio.com
CVR No.	38831976
Registered office	København
<b>Executive Board</b>	Alexandre Pelletier-Normand, CEO
<b>Auditors</b>	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 2021 - 31 December 2021 shows a result of DKK 1.485.802 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 5.201.540 and an equity of DKK 2.964.832.

The company has continued its normal operating activities. Apart from the outbreak of the Corona virus, there have been no isolated events during the financial year that are of such a significant nature that they require mention in the management's report.

The rapid spread of the Corona virus in Denmark and the rest of the world since March 2020 has necessitated a number of restrictions from the Danish authorities, which could potentially have major socio-economic consequences. The company is currently not directly affected by the restrictions implemented.

If the outbreak of the Corona virus becomes prolonged and the authorities implement further measures to stem the spread of infection, the socio-economic consequences could become significant. In such a scenario, the company may also be adversely affected. However, the authorities have already launched several financial support measures, and it is to be expected that further support measures will be implemented in the event of a prolonged outbreak that will mitigate the consequences of the restrictions.

The outbreak of the Corona virus and the restrictions imposed have not significantly affected the year's activities and economic development.

The development and result for the year are considered satisfactory in these circumstances.

### 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 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

### **Reporting currency**

The Annual Report is presented in Danish Kroner (DKK).

## **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 amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, 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 Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.



## Accounting Policies

### Income Statement

#### Revenue

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 net of sales discounts.

#### Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises, loss of debtors, operating leasing costs etc.

#### Staff expenses

Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

#### Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

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

Profit or loss resulting from the sale of intangible or 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 on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

#### 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

#### Tangible assets

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

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 components differ.

#### Deposits

Deposits are measured at cost.

#### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

#### Accrued income, assets

Accrued income 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 as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

#### 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 calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

### Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised 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 amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised 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, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

### Other payables

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

### Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

# Income Statement

		2021	2020
	Note	kr.	9 months kr.
<b>Gross profit</b>		<b>18.766.854</b>	<b>10.576.217</b>
Employee benefits expense	1	-16.536.963	-10.009.394
Depreciation, amortisation and impairment losses		-260.653	-347.508
<b>Profit from ordinary operating activities</b>		<b>1.969.238</b>	<b>219.315</b>
Other finance income from group enterprises		0	1.542
Other finance income		5.541	0
Finance expences	2	-66.967	-36.018
<b>Profit from ordinary activities before tax</b>		<b>1.907.812</b>	<b>184.839</b>
Tax expense on ordinary activities	3	-422.010	-92.780
<b>Profit</b>		<b>1.485.802</b>	<b>92.059</b>
<b>Proposed distribution of results</b>			
Retained earnings		1.485.802	92.059
<b>Distribution of profit</b>		<b>1.485.802</b>	<b>92.059</b>

# Balance Sheet as of 31 December

	Note	2021 kr.	2020 kr.
<b>Assets</b>			
Fixtures, fittings, tools and equipment	4	286.194	538.854
Leasehold improvements	5	17.571	25.564
<b>Property, plant and equipment</b>		<b>303.765</b>	<b>564.418</b>
Deposits		171.006	155.846
<b>Other financial assets</b>		<b>171.006</b>	<b>155.846</b>
<b>Fixed assets</b>		<b>474.771</b>	<b>720.264</b>
Short-term receivables from group enterprises		1.282.883	1.354.549
Current deferred tax		57.483	42.947
Short-term tax receivables		0	141.273
Other short-term receivables		50.007	137.942
Deferred income		19.127	20.941
<b>Receivables</b>		<b>1.409.500</b>	<b>1.697.652</b>
<b>Cash and cash equivalents</b>		<b>3.317.269</b>	<b>2.798.259</b>
<b>Current assets</b>		<b>4.726.769</b>	<b>4.495.911</b>
<b>Assets</b>		<b>5.201.540</b>	<b>5.216.175</b>

# Balance Sheet as of 31 December

	Note	2021 kr.	2020 kr.
<b>Liabilities and equity</b>			
Contributed capital		50.000	50.000
Retained earnings		2.914.832	1.429.030
<b>Equity</b>		<b>2.964.832</b>	<b>1.479.030</b>
Other accruals		0	1.113.367
<b>Long-term liabilities other than provisions</b>		<b>0</b>	<b>1.113.367</b>
Trade payables		93.855	141.411
Tax payables		246.954	0
Other payables		1.895.899	2.482.367
<b>Short-term liabilities other than provisions</b>		<b>2.236.708</b>	<b>2.623.778</b>
<b>Liabilities other than provisions within the business</b>		<b>2.236.708</b>	<b>3.737.145</b>
<b>Liabilities and equity</b>		<b>5.201.540</b>	<b>5.216.175</b>
Contingent liabilities	6		
Collaterals and assets pledged as security	7		
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## Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2021	50.000	1.429.030	1.479.030
Profit (loss)	0	1.485.802	1.485.802
<b>Equity 31 December 2021</b>	<b>50.000</b>	<b>2.914.832</b>	<b>2.964.832</b>

## Notes

### 1. Employee benefits expense

Wages and salaries	14.043.203	8.371.823
Post-employment benefit expense	1.995.740	1.312.714
Social security contributions	81.985	31.153
Other employee expense	416.035	293.704
	<b>16.536.963</b>	<b>10.009.394</b>

Average number of employees	23	20
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### 2. Finance expenses

Other finance expenses	66.967	36.018
	<b>66.967</b>	<b>36.018</b>

### 3. Tax expense

Annual tax	436.546	118.727
Regulation for deferred tax	-14.536	-25.947
	<b>422.010</b>	<b>92.780</b>

### 4. Fixtures, fittings, tools and equipment

Cost at the beginning of the year	1.823.041	1.535.597
Addition during the year, incl. improvements	0	287.444
<b>Cost at the end of the year</b>	<b>1.823.041</b>	<b>1.823.041</b>

Depreciation and amortisation at the beginning of the year	-1.284.187	-942.673
Amortisation for the year	-252.660	-341.514
<b>Impairment losses and amortisation at the end of the year</b>	<b>-1.536.847</b>	<b>-1.284.187</b>

<b>Carrying amount at the end of the year</b>	<b>286.194</b>	<b>538.854</b>
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### 5. Leasehold improvements

Cost at the beginning of the year	46.622	46.622
<b>Cost at the end of the year</b>	<b>46.622</b>	<b>46.622</b>

Depreciation and amortisation at the beginning of the year	-21.058	-15.064
Amortisation for the year	-7.993	-5.994
<b>Impairment losses and amortisation at the end of the year</b>	<b>-29.051</b>	<b>-21.058</b>

<b>Carrying amount at the end of the year</b>	<b>17.571</b>	<b>25.564</b>
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## Notes

### 6. Contingent liabilities

Contingent liabilities of a non-cancellation period on 6 months for the firm's tenancy. The liability obligation amounts to DKK 367,000.

### 7. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

### 8. Group information

Rovio Group's parent company is Rovio Entertainment Corporation which is domiciled in Espoo, Finland. Copies of the consolidated financial report of Rovio Group are available at Rovio Entertainment Corporation's headquarters at Keilaranta 7, 02150 Espoo, Finland.