

## **Inside information: Sega announces a recommended cash offer of EUR 9.25 per share to the shareholders and EUR 1.48 per option to the option holders of Rovio**

SEGA EUROPE LIMITED / ROVIO ENTERTAINMENT CORPORATION INSIDE INFORMATION April 17, 2023, at 9:00 a.m. EEST

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### **Sega announces a recommended cash offer of EUR 9.25 per share to the shareholders and EUR 1.48 per option to the option holders of Rovio**

Sega Europe Limited (“**Sega Europe**” or the “**Offeror**”), a private limited company incorporated and existing under the laws of England and Wales, that is directly and wholly owned by Sega Corporation (“**Sega Corporation**”), a corporation incorporated and existing under the laws of Japan, that, in turn, is directly and wholly owned by Sega Sammy Holdings Inc. (“**SSHD**”), a corporation incorporated and existing under the laws of Japan, with its shares listed on the Tokyo Stock Exchange, hereby announces a voluntary recommended cash offer to the shareholders of Rovio Entertainment Corporation (“**Rovio**” or the “**Company**”) to tender all their shares in Rovio to Sega Europe for a cash consideration of EUR 9.25 per share as well as an offer to the option holders under the Company’s Stock Options 2022A plan to tender all their options for a cash consideration of EUR 1.48 per option (the “**Offer**”). The total value of the Offer, based on all 76,179,063 issued and outstanding shares in Rovio (the “**Shares**”) and all 742,300 issued and outstanding options under the Company’s Stock Options 2022A plan (the “**Options**”), amounts in aggregate to approximately EUR 706 million. The Shares in Rovio are admitted to trading on the official list of Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”). Shareholders in Rovio who in aggregate hold Shares corresponding to approximately 49.1 percent of the outstanding Shares and votes in Rovio, have irrevocably undertaken to accept the Offer, subject to certain customary conditions.

The Board of Directors of Rovio, represented by a quorum comprising all members of the Board of Directors, has unanimously agreed to recommend that the shareholders and the option holders of Rovio accept the Offer.

### **KEY HIGHLIGHTS AND SUMMARY OF THE OFFER**

- On April 17, 2023, SSHD and Rovio entered into a combination agreement (the “**Combination Agreement**”) pursuant to which the Offeror makes the Offer for all Shares and Options in Rovio.
- The shareholders of Rovio are offered EUR 9.25 in cash for each validly tendered Share (the “**Share Offer Price**”) and the option holders of Rovio are offered EUR 1.48 in cash for each validly tendered Option (the “**Option Offer Price**”), each respectively subject to any adjustments as set out in the section “The Offer in Brief” below.
- The Share Offer Price represents a premium of:
  - approximately 63.1 percent compared to the closing price of EUR 5.67 for Rovio’s Share on Nasdaq Helsinki on January 19, 2023, i.e. the last day of trading prior to the announcement by a certain third party regarding its non-binding indicative proposal to acquire all issued and outstanding shares of Rovio;
  - approximately 55.2 percent compared to the volume-weighted average trading price of EUR 5.96 for Rovio’s Share on Nasdaq Helsinki during the last three-months before January 19, 2023;

- approximately 19.0 percent compared to the closing price of EUR 7.78 for Rovio's Share on Nasdaq Helsinki on April 14, 2023, being the last day of trading before the announcement of the Offer; and
  - approximately 17.5 percent compared to the volume-weighted average trading price of EUR 7.87 for Rovio's Share on Nasdaq Helsinki during the last three-months before the announcement of the Offer.
- Moor Holding AB, Brilliant Problems Oy, Adventurous Ideas Oy, Oy Impera Ab, Niklas Hed, Mert Can Kurum, Ilmarinen Mutual Pension Insurance Company and Veritas Pension Insurance Company Ltd., who in aggregate hold approximately 49.1 percent of the outstanding Shares and votes in Rovio, have irrevocably undertaken to accept the Offer, subject to certain customary conditions, as set out in more detail under "Support by major shareholders of Rovio".
  - The Offeror has secured the required financing to finance the Offer at completion in accordance with its terms, and subsequent compulsory redemption proceedings, if any, in accordance with the Finnish Companies Act (624/2006, as amended, the "**Finnish Companies Act**"). The Offeror's obligation to complete the Offer is not conditional upon availability of financing.
  - The Offeror expects to publish a tender offer document (the "**Offer Document**") with detailed information on the Offer on or about May 5, 2023. The offer period under the Offer is expected to commence on or about May 8, 2023, and to expire on or about July 3, 2023, unless the Offeror extends the offer period in order to satisfy the conditions to completion of the Offer. The Offer is currently expected to be completed during the third quarter of 2023.
  - The completion of the Offer is subject to the satisfaction or waiver by the Offeror of certain customary conditions on or prior to the Offeror's announcement of the final results of the Offer, including, among others, that approvals by all necessary regulatory authorities have been received and the Offeror having achieved acceptances in respect of more than 90 percent of the Shares and votes in Rovio on a fully diluted basis.

#### **Commenting on the Offer, Alexandre Pelletier-Normand, CEO of Rovio:**

*"I grew up playing Sonic the Hedgehog, captivated by its state-of-the-art design. Later, when I played Angry Birds for the first time, I knew that gaming had evolved into a true mainstream phenomenon, with the power to shape modern culture.*

*Joining Rovio has been an honour and I am proud to have seen Angry Birds continue to grow, as we released new games, series and films. Less known but equally impressive is our industry-leading proprietary technology platform, Beacon, holding 20 years of expertise, allowing tight-knit teams to develop world-class GaaS products.*

*Our mission is to 'Craft Joy' and we are thrilled at the idea of using our expertise and tools to bring even more joy to our players, enhancing and expanding Rovio's and Sega's vibrant IPs.*

*Red and Sonic: two globally recognized and iconic characters made by two remarkably complementary companies, with a worldwide reach that spans mobile, PC/console, and beyond. Combining the strengths of Rovio and Sega presents an incredibly exciting future."*

#### **Commenting on the Offer, Haruki Satomi, President and Group CEO, Representative Director of Sega Sammy Holdings Inc.:**

*"Among the rapidly growing global gaming market, the mobile gaming market has especially high potential, and it has been Sega's long-term goal to accelerate its expansion in this field. I feel blessed to be able to announce such a transaction with Rovio, a company that owns "Angry Birds", which is loved across the world, and home to many skilled employees that support the company's industry leading mobile game development and operating capabilities. Historically, as represented by the "Sonic the Hedgehog" series, Sega has released countless video game titles to various gaming platforms. I am confident that, through combination of both companies' brands, characters, fanbase, as well as corporate culture and functionality, there will be significant synergies created going forward."*

## **About the Offeror and Sega Corporation**

Sega Europe is a UK private limited company, domiciled in the United Kingdom with its registered address at 27 Great West Rd, Brentford TW8 9BW, Middlesex, United Kingdom, that is directly and wholly owned by Sega Corporation. Sega Europe is the European distribution arm of Sega Corporation, a worldwide leader in interactive entertainment. Headquartered in Brentford, London, Sega Europe wholly owns some leading development studios, including Sports Interactive and Creative Assembly, the creators of Football Manager and Total War, respectively.

Sega Corporation engages in the planning, development, sales, and operation of consoles, PCs, and mobile games, as well as arcade equipment. Sega Corporation also plans, develops and provides products based on characters, in the form of digital services and prizes, by utilizing expertise gained from the video game business. In the console, PC, and mobile game business, Sega Corporation develops content through its various studios in Japan and overseas and distributes them worldwide through its many marketing bases around the globe. In the arcade products business, Sega Corporation has developed many ground-breaking products that symbolized each era with innovation and creativity, such as prize machines, and medal games, in addition to various different arcade games. In order to strengthen global development capabilities, Sega Corporation has historically acquired numerous development studios, from the UK-based Creative Assembly in 2005, to the Japan-based ATLUS. CO., LTD. (formerly, Index Corporation) in 2013, and the acquired studios have all greatly expanded in scale while also releasing many new titles across the globe.

## **About Rovio**

Rovio is a public limited liability company incorporated and existing under the laws of Finland with its shares admitted to trading on the official list of Nasdaq Helsinki. Rovio 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, and its sequel. The Company offers multiple mobile games and has eight game studios – one in Espoo (Finland), one in Stockholm (Sweden), one in Copenhagen (Denmark), one in Barcelona (Spain), two in Montreal and one in Toronto (Canada). The studios also include a subsidiary in Izmir (Turkey) called Ruby Oyun ve Yazılım Danışmanlık Sanayi Ticaret Anonim Şirketi, which was acquired in 2021. Most of the employees are based in Finland where Rovio is headquartered.

## **Background and Strategic Rationale**

Rovio is a global mobile-first games company that develops, and publishes mobile games, as well as licenses the Angry Birds brand for, among others, consumer products, movies and animations. Led by its most popular Angry Birds series, Rovio has achieved 5 billion total downloads across its mobile game catalogue, highly acclaimed for its robust popularity around the world, particularly in the United States and Europe.

This acquisition by the Offeror is part of SSHD's growth strategy to invest up to JPY 250 billion (EUR 1,702 million based on an EUR to JPY foreign exchange rate of 146.9) during the five-year period ending FY2026/3, part of which has been looked at as investment opportunity to strengthen its Entertainment Contents Business. SSHD firmly believes that it is imperative to continue investing in its game development and operating capabilities, in order to further strengthen its position in this fast-growing mobile and global gaming market, which therefore led to the decision to acquire Rovio.

Sega Corporation aims to accelerate its growth in the global gaming market and increase its corporate value by generating synergies between Sega Corporation's existing businesses and Rovio's strengths, including its global IPs and live service-mobile game development capabilities. More specifically, Sega Corporation aims to create synergies with particular focus in the following areas:

- Utilization of Rovio's distinctive know-how in live service mobile game operation, to bring Sega Corporation's current and new titles to the global mobile gaming market, where there is large potential, and many users can be accessed
  - Sega Corporation strongly believes Rovio's platform, Beacon, holds 20 years of high-level expertise in live service-mobile game operation centered around the United States and Europe

- Rapid expansion of both companies' fanbase by sharing know-how regarding multi-media expansion of global characters
  - Rovio and Sega Corporation have both succeeded in extending their IPs, "Angry Birds" and "Sonic the Hedgehog", to various media outside of video games, such as movies, anime, and merchandising, and accordingly hold a strong fanbase around the world as well as know-how regarding IP expansion
- Support cross-platform expansion of Rovio's IP using Sega Corporation's capabilities
  - Rovio is aiming to expand its platform outside of mobile gaming, and Sega Corporation will actively look to support this process through its capabilities

The completion of the Offer is not expected to have any immediate material effects on the operations, assets, the position of the management or employees, or the location of the offices of Rovio. However, as is customary, the Offeror intends to change the composition of the Board of Directors of Rovio after the completion of the Offer and, without prejudice to the foregoing, might investigate the possibility to change the legal domicile of the Company.

## THE OFFER IN BRIEF

On April 17, 2023, SSHD and Rovio entered into the Combination Agreement pursuant to which the Offeror makes the Offer and pursuant to which SSHD has transferred its rights and obligations to Sega Europe (in accordance with its terms). A summary of the Combination Agreement is provided below under section "The Combination Agreement".

The Offeror and Rovio have undertaken to comply with the Helsinki Takeover Code issued by the Finnish Securities Market Association (the "**Helsinki Takeover Code**").

As at the date of this announcement, Rovio has 82,963,825 issued shares, of which 76,179,063 are outstanding and 6,784,762 of which are held in treasury, and a total of 742,300 outstanding Options. As at the date of this announcement, neither the Offeror nor its parent companies hold any Shares in the Company.

The Offeror and its parent companies reserve the right to acquire, or enter into arrangements to acquire, Shares and Options before, during and/or after the offer period outside the Offer in public trading on Nasdaq Helsinki or otherwise. Any purchases made or arranged will be disclosed in accordance with applicable rules.

## The Share Offer Price and the Option Offer Price

The shareholders of Rovio are offered EUR 9.25 in cash for each validly tendered Share and the option holders of Rovio are offered EUR 1.48 in cash for each validly tendered Option, subject to any adjustments as set out below.

The Share Offer Price represents a premium of:

- approximately 63.1 percent compared to the closing price of EUR 5.67 for Rovio's Share on Nasdaq Helsinki on January 19, 2023, i.e. the last day of trading prior to the announcement by a certain third party regarding its non-binding indicative proposal to acquire all issued and outstanding shares of Rovio;
- approximately 55.2 percent compared to the volume-weighted average trading price of EUR 5.96 for Rovio's Share on Nasdaq Helsinki during the last three-months before January 19, 2023;
- approximately 19.0 percent compared to the closing price of EUR 7.78 for Rovio's Share on Nasdaq Helsinki on April 14, 2023, being the last day of trading before the announcement of the Offer; and
- approximately 17.5 percent compared to the volume-weighted average trading price of EUR 7.87 for Rovio's Share on Nasdaq Helsinki during the last three-months before the announcement of the Offer.

The Share Offer Price has been determined based on 76,179,063 Shares and the Option Offer Price has been determined based on 742,300 Options. Should the Company increase the number of Shares as a result of any measure with a dilutive effect, excluding any subscription for the Company's shares based on the Options, or in any other way distribute or transfer value to its shareholders or option holders, or if a record date with

respect to any of the foregoing occurs prior to any settlement of the Offer (with the effect that any resulting distribution of funds is not payable to the Offeror), then the Share Offer Price and the Option Offer Price payable by the Offeror shall be reduced accordingly on a euro-for-euro basis.

### **The offer period**

The offer period is expected to commence on or about May 8, 2023, and to expire on or about July 3, 2023. The Offeror reserves the right to extend the offer period from time to time in accordance with, and subject to, the terms and conditions of the Offer and applicable laws and regulations, in order to satisfy the conditions to completion of the Offer, including, among others, the receipt of all necessary regulatory, governmental or similar approvals, permits, clearances and consents from authorities or similar, required under applicable laws in any jurisdiction for the completion of the Offer. The Offer is currently expected to be completed during the third quarter of 2023.

The detailed terms and conditions of the Offer as well as instructions on how to accept the Offer will be included in the Offer Document, which the Offeror expects to publish on or about May 5, 2023.

### **Recommendation by the Board of Directors of Rovio**

The Board of Directors of Rovio, represented by a quorum comprising all members of the Board of Directors, has unanimously agreed to recommend that the shareholders and option holders of Rovio accept the Offer. The Board of Directors will issue its statement on the Offer in accordance with the Finnish Securities Markets Act (746/2012, as amended, the “**Finnish Securities Markets Act**”) before the commencement of the offer period and it will be appended to the Offer Document.

The Board of Directors of Rovio has received an opinion, dated April 17, 2023, from Rovio’s financial adviser, Goldman Sachs International (“**Goldman Sachs**”), that, as of April 17, 2023 and based upon and subject to the factors and assumptions set forth therein, the EUR 9.25 in cash per Share to be paid to the shareholders (other than SSHD and its affiliates) pursuant to the Offer is fair from a financial point of view to such shareholders. The opinion of Goldman Sachs does not relate to the offer for the Options.

The full text of the written opinion of Goldman Sachs, dated April 17, 2023, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, will be attached to the statement that will be issued by the Board of Directors of Rovio. Goldman Sachs provided its opinion solely for the information and assistance of the Board of Directors of Rovio in connection with its consideration of the Offer. The Goldman Sachs opinion is not a recommendation as to whether any shareholder or option holder should tender their Shares or Options in connection with the Offer or any other matter.

### **Support by major shareholders of Rovio**

Moor Holding AB, Brilliant Problems Oy, Adventurous Ideas Oy, Oy Impera Ab, Niklas Hed, Mert Can Kurum, Ilmarinen Mutual Pension Insurance Company and Veritas Pension Insurance Company Ltd., who in aggregate hold approximately 49.1 percent of the outstanding Shares and votes in Rovio, have irrevocably undertaken to accept the Offer, subject to certain customary conditions. The undertakings are among other terms subject to the condition that the Offeror does not announce that it will no longer pursue or complete (or that it will cancel) the Offer, and that no other party announces a competing offer to acquire the Shares in Rovio for a consideration of at least EUR 9.72 per Share where Sega Europe does not within seven (7) business days match or exceed the competing offer by increasing the Share Offer Price.

### **Conditions to Completion of the Offer**

The obligation of the Offeror to complete the Offer is conditional upon the requirements set forth below (the “**Conditions to Completion**”) being fulfilled on or by the date of the Offeror’s announcement of the final result of the Offer in accordance with Chapter 11, Section 18 of the Finnish Securities Markets Act, or, to the extent permitted by applicable law, their fulfilment being waived by the Offeror:

1. the Offer having been validly accepted with respect to Shares representing, together with any Shares otherwise held by the Offeror prior to the announcement of the final result of the Offer, on a fully diluted

basis, more than 90 percent of the Shares and voting rights of the Company as calculated in accordance with Chapter 18 Section 1 of the Finnish Companies Act allowing the Offeror to commence compulsory redemption proceedings;

2. the receipt of all necessary approvals, permits, consents, clearances or other actions by any competition authorities or other regulatory authorities required under any applicable competition laws or other regulatory laws in any jurisdiction for the completion of the Offer by the Offeror;
3. no legislation or other regulation has been issued or decision by a competent court or regulatory authority has been given that would wholly or in part prevent or postpone the completion of the Offer;
4. no fact or circumstance having arisen or been discovered after the announcement of the Offer that, individually or taken together with any other information, constitutes a material adverse change;
5. the Company not having failed to make public or disclose any information that should have been made public or disclosed by it under applicable laws, provided that, in each case, the information made public, disclosed, or the failure to disclose information, constitutes a material adverse change;
6. the Combination Agreement has not been terminated in accordance with its terms and remains in full force and effect, and no event having occurred that would give the Offeror the right to terminate the Combination Agreement in accordance with its terms;
7. the Board of Directors of the Company having issued its unanimous and unconditional recommendation that the shareholders and option holders of the Company accept the Offer and the recommendation remaining in full force and effect and having not been modified, cancelled or changed (excluding any technical modification or amendment of the recommendation required under applicable laws or the Helsinki Takeover Code as a result of a competing offer or otherwise so long as the recommendation to accept the Offeror's Offer is upheld); and
8. the undertakings by Moor Holding AB, Brilliant Problems Oy, Adventurous Ideas Oy, Oy Impera Ab, Niklas Hed and Mert Can Kurum to accept the Offer remain in full force and effect in accordance with their terms and have not been modified, cancelled or changed.

The Conditions to Completion set out herein are exhaustive. The Offeror may invoke any of the Conditions to Completion so as to cause the Offer not to proceed, to lapse or to be withdrawn, if the circumstances which give rise to the right to invoke the relevant Condition to Completion have a significant meaning to the Offeror in view of the Offer, as referred to in the Finnish Financial Supervisory Authority's Regulations and Guidelines (9/2013) on Takeover Bids and Mandatory Bids and the Helsinki Takeover Code. The Offeror reserves the right to waive, to the extent permitted by applicable law and regulation, any of the Conditions to Completion that have not been fulfilled. If all Conditions to Completion have been fulfilled or the Offeror has waived the requirements for the fulfilment of all or some of them no later than at the time of announcement of the final results of the Offer, the Offeror will consummate the Offer in accordance with its terms and conditions after the expiration of the offer period by purchasing the Shares and Options validly tendered in the Offer and paying the offer consideration to the shareholders and option holders that have validly accepted the Offer.

### **Approvals from authorities**

The Offeror will, as soon as reasonably practicable, make all material and customary submissions, notifications and filings required to obtain all necessary regulatory, governmental or similar approvals, permits, clearances and consents from authorities or similar, required under applicable laws in any jurisdiction for the completion of the Offer.

The Offer is subject to certain regulatory approvals from competition authorities. The Offeror will use its reasonable best efforts to obtain such regulatory approvals. Based on currently available information, the Offeror expects to obtain such necessary approvals to complete the Offer during the third quarter of 2023. However, the length and outcome of the regulatory approval process is not within the control of the Offeror, and there can be no assurances that clearances will be obtained within the estimated timeframe, if at all. If all such regulatory approvals have not been obtained prior to the expiry of the offer period, the Offeror may extend the offer period in accordance with, and subject to, the terms and conditions of the Offer and applicable laws and regulations, in order to satisfy the Conditions to Completion.

## **Financing of the Offer**

The Offeror plans to use cash on hand available within the Sega group to fund the Offer. The funds available to the Offeror suffice for completing the Offer and for financing the potential compulsory redemption proceedings in accordance with the Finnish Companies Act. The completion of the Offer is not subject to any financing condition. As part of Sega group's capital policy, the Offeror or its parent companies may access external debt, in a way that does not affect the capability and willingness to fund the Offer.

## **Future plans concerning the Shares and the Options**

The Offeror intends to acquire all the Shares and Options. If the Offeror, as a result of the completion of the Offer or otherwise, acquires Shares representing more than 90 percent of all the Shares and votes in the Company, then:

- a) the Offeror will as soon as reasonably practicable initiate compulsory redemption proceedings for all the remaining Shares in accordance with the Finnish Companies Act. Thereafter, the Offeror will apply for the shares in Rovio to be delisted from Nasdaq Helsinki, as soon as permitted and reasonably practicable under the applicable laws and regulations and the rules of Nasdaq Helsinki; and
- b) the Options of the option holders who have not accepted the Offer nor exercised their Options within a time period determined by the Board of Directors of the Company, will be transferred to the Offeror in accordance with the terms and conditions of the Options at the Option Offer Price.

## **The Combination Agreement**

The Combination Agreement between SSHD and Rovio sets forth the principal terms under which the Offeror will make the Offer. Pursuant to the Combination Agreement, SSHD may transfer any and all of its rights, interests and obligations under the agreement to Sega Europe, provided that SSHD remains jointly and severally liable for all of the obligations in relation to the Offer and to the Company so assigned or transferred under the Combination Agreement.

Pursuant to the Combination Agreement, the Board of Directors of the Company may, at any time prior to the completion of the Offer, withdraw, modify, amend or include conditions to or decide not to issue its recommendation for the shareholders and option holders of the Company to accept the Offer or take actions contradictory to its earlier recommendation but only if the Board of Directors of the Company, on the basis of its fiduciary duties under Finnish laws and regulations (including the Helsinki Takeover Code), considers that, due to materially changed circumstances (arising out of either a competing offer, a superior offer or an intervening event), the acceptance of the Offer would no longer be in the best interest of the holders of Shares and Options, the Board of Directors of the Company has taken advice from its external legal advisor and its financial advisor, and the Board of Directors of the Company has provided the Offeror with a reasonable opportunity, during not less than five (5) business days after having informed the Offeror of its intentions to take any of the actions listed above, to negotiate with the Board of Directors of the Company in respect of such actions. Withdrawing, modifying, amending or including conditions to or deciding not to issue its recommendation requires further, that (i) the Board of Directors of the Company has given the Offeror a reasonable opportunity, during not less than five (5) business Days after the Offeror having received all material information from the Company relating to such superior offer, competing offer or intervening event, to agree with the Board of Directors of the Company on improving the terms of the Offer, and in case of a superior offer or a competing offer, (ii) the Company has informed the Offeror that the Board of Directors of the Company has determined, after having considered in good faith any revisions to the terms of the Combination Agreement and having consulted with the Company's external legal advisor and financial advisor, that such competing offer constitutes a superior offer as a whole or would, if announced, constitute a superior offer, as and if applicable, and (iii) such competing offer has been publicly announced such that it becomes a superior offer. The foregoing shall apply mutatis mutandis in the event of any of the relevant financial or other material terms of the superior offer being amended, in which case the time period above for the Offeror to negotiate with the Board of Directors of the Company shall be extended by no less than five (5) business days.

The Company has agreed not to, and to cause its representatives to, (a) not actively solicit, directly or indirectly, any inquiries or any proposal or offer (including, without limitation, any proposal or offer to holders of outstanding Shares or Options) that constitutes, or would reasonably be expected to lead to, any competing offer or that would otherwise materially harm or hinder the completion of the combination, (b) not, upon receipt of a competing offer, directly or indirectly, promote the progress of such competing offer, except, in

each case, if (and only to the extent that) the Board of Directors of the Company after careful consideration deems such promoting measures to be necessary in order for the Board of Directors to comply with its mandatory fiduciary duties under Finnish law or the disclosure obligations of the Company under Finnish law, regulation or applicable stock exchange rules, and (c) provide the Offeror with a reasonable opportunity to negotiate with the Board of Directors of the Company about matters arising from such competing offer in accordance with certain procedures.

The Combination Agreement further includes certain customary representations, warranties and undertakings by both parties, such as restrictions on the conduct of business by the Company such that it may only carry on matters in the ordinary course of business before the completion of the Offer and use of reasonable best efforts by the parties to do, or cause to be done, and to assist and cooperate with the other party in doing, all things necessary or advisable to consummate in the most expeditious manner practicable, the Offer as contemplated by the Combination Agreement.

The Combination Agreement may be terminated by the Offeror or the Company under certain circumstances, including, among others, if any order preventing the consummation of the Offer or a material part of it shall have been issued by any court or other authority of competent jurisdiction and shall have become final and non-appealable, the Conditions to Completion no longer being reasonably capable of satisfaction for any reason provided, that this right to terminate is not available to the party whose failure to fulfil any obligation under the Combination Agreement has resulted in any of the Conditions to Completion no longer being reasonably capable of satisfaction, or upon a material breach of any warranty or certain covenants or agreements by the Offeror or the Company, subject to certain cure periods. In the event the Combination Agreement is terminated for certain reasons specified in the Combination Agreement, the Company has agreed to reimburse expenses incurred by the Offeror up to the maximum amount of EUR 8 million and, in other certain circumstances, the Offeror has agreed to reimburse expenses incurred by the Company up to the maximum amount of EUR 2 million.

## **Advisers**

The Offeror and Sega Corporation have appointed BofA Securities Japan Co., Ltd as financial adviser, Danske Bank A/S, Finland Branch as arranger and Hannes Snellman Attorneys Ltd as legal adviser in connection with the Offer. Rovio has appointed Goldman Sachs International as financial adviser and Roschier, Attorneys Ltd. as legal adviser in connection with the Offer.

## **Investor and Media enquiries:**

### **Rovio**

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Information about the Offer is made available at <https://blueoffer.tenderoffer.fi/en>.

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## **Information for shareholders and option holders of Rovio in the United States**

Shareholders and option holders of Rovio in the United States are advised that the Shares are not listed on a U.S. securities exchange and that Rovio is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the “**SEC**”) thereunder.

The Offer will be made for the Shares and Options of Rovio, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Offer is expected to be made in the United States pursuant to Section 14(e) of, and Regulation 14E, under the Exchange Act, subject to the exemption provided under Rule 14d-1(d) under the Exchange Act, for a Tier II tender offer and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those applicable under the tender offer procedures and laws of the United States for domestic offers. In particular, the financial information included in this announcement has been prepared in accordance with applicable accounting standards in Finland, which may not be comparable to the financial statements or financial information of U.S. companies. The Offer is made to Rovio’s shareholders and option holders resident in the United States on the same terms and conditions as those made to all other shareholders and option holders of Rovio to whom an offer is made. Any informational documents, including this announcement, are being disseminated to U.S. shareholders and option holders on a basis comparable to the method that such documents are provided to Rovio’s other shareholders and option holders.

To the extent permissible under applicable law or regulations, the Offeror and its affiliates or its brokers and its brokers’ affiliates (acting as agents for the Offeror or its affiliates, as applicable) may from time to time after the date of this stock exchange release and during the pendency of the Offer, and other than pursuant to the Offer, directly or indirectly purchase or arrange to purchase Shares or any securities that are convertible into, exchangeable for or exercisable for Shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, and the consideration in the Offer must be increased to match any such consideration paid outside the Offer. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders and option holders of Rovio of such information. In addition, the financial advisers to the Offeror may also engage in ordinary course trading activities in securities of Rovio, which may include purchases or arrangements to purchase such securities. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law.

Neither the SEC nor any U.S. state securities commission has approved or disapproved the Offer, passed upon the merits or fairness of the Offer, or passed any comment upon the adequacy, accuracy or completeness of the disclosure in relation to the Offer. Any representation to the contrary is a criminal offence in the United States.

The receipt of cash pursuant to the Offer by a U.S. holder of Shares or Options may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of Shares or Options is urged to consult its independent professional advisers immediately regarding the tax and other consequences of accepting the Offer.

To the extent the Offer is subject to U.S. securities laws, those laws only apply to U.S. holders of Shares or Options, and will not give rise to claims on the part of any other person. It may be difficult for Rovio’s shareholders or option holders to enforce their rights and any claims they may have arising under the U.S. federal securities laws, since the Offeror and Rovio are located in non-U.S. jurisdictions and some or all of their respective officers and directors may be residents of non-U.S. jurisdictions. Rovio’s shareholders or option holders may not be able to sue the Offeror or Rovio or their respective officers or directors in a non-U.S. court for violations of the U.S. federal securities laws. It may be difficult to compel the Offeror and Rovio and their respective affiliates to subject themselves to a U.S. court’s judgment.

## **Forward-looking statements**

This stock exchange release contains statements that, to the extent they are not historical facts, constitute “forward-looking statements”. Forward-looking statements include statements concerning plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and

weaknesses, plans or goals relating to financial position, future operations and development, business strategy and the trends in the industries and the political and legal environment and other information that is not historical information. In some instances, they can be identified by the use of forward-looking terminology, including the terms “believes”, “intends”, “may”, “will” or “should” or, in each case, their negative or variations on comparable terminology. By their very nature, forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Given these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements contained herein speak only as at the date of this stock exchange release.

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