



-PRESS RELEASE -



April 17, 2023  
SEGA CORPORATION

**SEGA to Acquire Rovio Entertainment Oyj**  
**~ Global Expansion of the Consumer Business through**  
**Enhancement of**  
**Mobile Gaming Capabilities ~**

SEGA CORPORATION (the “Company”), a subsidiary of SEGA SAMMY HOLDINGS, at the meeting of its Board of Directors held on April 17, 2023, resolved to implement a tender offer (tender offer under the Finnish Law, the “Tender Offer”) to acquire Rovio Entertainment Oyj (“Rovio”), a mobile game company headquartered in Finland, through SEGA’s wholly-owned UK subsidiary SEGA Europe Limited (the “Acquisition”) and SEGA SAMMY HOLDINGS has entered into a definitive agreement with Rovio pursuant to which the Tender Offer is made.

Through the Tender Offer, SEGA aims to acquire the entirety of Rovio’s outstanding shares and options at EUR 9.25 per share and EUR 1.48 per option, or EUR 706 million in total (approximately ¥103,680 million converted at EUR1 = ¥146.9 (FX rate as of April 14, 2023). The same FX rate is applied hereinafter). The Acquisition is a friendly takeover, as Rovio’s board of directors has agreed to, and has expressed support towards the Tender Offer. 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 Acquisition is expected to close in the second quarter of FY2024/3 and is contingent on the completion of reviews under applicable antitrust laws and other customary conditions.

**1. Background and purpose of the Acquisition**

**(1) Positioning of the Consumer business for the Company**

The Company positions the Consumer segment of its Entertainment Contents Business as a growth area under its Mid-Term Plan (FY2022/3-FY2024/3), and has accelerated its efforts to strengthen the business through initiatives such as converting existing IPs into global brands, strengthening user engagement through multi-platform support and enhanced media mix, etc.

As a part of its growth strategy to invest up to ¥250 billion during the five-year period ending FY2026/3, the Company has been exploring investment opportunities in the Consumer area to strengthen its development capabilities as well as to create new ecosystems.

In order to strengthen global development capabilities, SEGA has historically acquired numerous development studios, from the UK-based The Creative Assembly Ltd. in 2005, to the Japan-based ATLUS. CO., LTD. (formerly, Index Corporation) in 2013, and the acquired studios have all greatly expanded its scale while also releasing many new titles across the globe.

## (2) Background of the Acquisition

The size of the global gaming market is projected to reach US\$263.3 billion by 2026, growing at a CAGR of 3.5% from 2022 to 2026. The mobile gaming market in particular, is set to grow at a CAGR of 5.0% to represent 56% of the global gaming market overall, an increase from 53% in 2022. (Source: IDG Report (dated October, 2022))

The Company 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.

Through the Acquisition, the Company aims to take-in Rovio's live-operated mobile game development capabilities and expertise in mobile game operation, to accelerate the development of mobile-compatible and multi-platform-supported version of SEGA's existing game IPs, thereby strengthening and further accelerating global expansion of SEGA's game portfolio.

## (3) Purpose of the acquisition

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, anime, and consumer products through brand licensing.

SEGA aims to accelerate its growth in the global gaming market and increase its corporate value by generating synergies between SEGA's existing businesses and Rovio's strengths, including its global IPs and live-operated mobile game development capabilities. More specifically, SEGA 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’s current and new titles to the global mobile gaming market, where there is large potential, and many users can be accessed
  - SEGA 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 have both succeeded in extending its 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’s capabilities
  - Rovio is aiming to expand its platform outside of mobile gaming, and SEGA will actively look to support this process through its capabilities

## **2. Comments from Haruki Satomi, President and Group CEO, Representative Director of SEGA SAMMY HOLDINGS**

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.

## **3. Comments from 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 the Hedgehog: 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.

#### **4. Overview of the Acquisition**

- 1) Tender offeror (The “Offeror”)  
SEGA Europe Limited
- 2) Target of the Tender Offer  
Rovio Entertainment Oyj
- 3) Tender Offer Period (tentative)  
Tender Offer will be commenced on or about May 8 2023.  
The Company plans to commence the Tender Offer as soon as the offering document related to the Tender Offer (Tender offer document to be published to the shareholders of Rovio) is approved by the Finnish Financial Supervisory Authority, the regulatory authority of Finland’s financial markets
- 4) Tender Offer Price  
EUR 9.25 per share  
The Tender Offer price represents approximately a 63.1% premium to the closing price on January 19, 2023, approximately a 55.2% premium to the 3M VWAP ending January 19, 2023, approximately a 19.0% premium to the closing price of Rovio’s shares on April 14, 2023, the last day of trading before the announcement of the Tender Offer, and approximately a 17.5% premium to the 3M VWAP ending April 14, 2023
- 5) Funds Required for the Tender Offer  
EUR 706 million in total (c. ¥103,680 million)  
The Company plans to use cash on hand to fund the Tender Offer (SEGA SAMMY HOLDINGS may continue to draw loans as appropriate based on its capital policy, in a way that does not affect the capability and willingness to fund the offer)
- 6) Minimum Number of Shares to be Purchased  
The Company has set the minimum acceptance level of at least 90% of all shares and voting rights in Rovio (on a fully diluted basis) for the Tender Offer, which can be waived by the Company, to successfully complete.

## 5. Overview of Rovio (Note 1)

(1) Trade name	Rovio Entertainment Oyj		
(2) Location of head office	Keilaranta 7 02150, Espoo, Uusimaa Finland		
(3) Name / title of the representative	Alexandre Pelletier-Normand / CEO		
(4) Business overview	Planning, development, management, and distribution of mobile games, as well as licensing of Angry Birds IP		
(5) Capital	EUR 0.7 million (as of December 31, 2022)		
(6) Establishment	2003		
(7) Major shareholders, and their ownership ratio (as of March 31, 2023)	MOOR Holding AB	15.57%	
	Adventurous Ideas Oy	7.79%	
	Brilliant Problems Oy	7.79%	
	Impera Oy Ab	6.13%	
(8) Relationship between the Company and Rovio	Capital relationship	N/A	
	Human relationship	N/A	
	Business relationship	N/A	
	Applicability to Related Parties	N/A	
(9) Consolidated performance and financials of Rovio for the last three years			
Fiscal year (Units: EUR millions)	FY2020/12	FY2021/12	FY2022/12
Consolidated net assets	165.4	197.5	226.8
Consolidated total assets	208.4	287.0	294.3
NAV per share on a consolidated basis (euro)	2.27	2.66	2.73
Consolidated sales	272.2	286.2	317.7
Consolidated operating profit	42.5	37.7	28.5
Profit for the period	32.1	30.1	22.8
EPS on a consolidated basis (EUR)	0.43	0.41	0.30
Dividend per share (EUR)	0.12	0.12	0.13

(Note 1) Per-share figures are calculated on a fully diluted basis (assuming all outstanding options are converted into shares). Some financial figures differ from audited figures due to the figures in this document being rounded down.

**6. Number of shares to be acquired, acquisition price, and ownership of shares before and after the Acquisition (Note 2)**

(1) Ownership of shares before the Acquisition	0 shares (Number of voting rights: 0 shares) (Ratio of voting rights: 0%)
(2) Number of shares to be acquired	76,179,063 shares, 742,300 options (as of April 17, 2023) (Number of voting rights: 76,179,063 votes)
(3) Acquisition price	Acquisition Price: c. EUR 706 million (c.¥103,680 million) Advisory Fee: c. EUR 9 million (c.¥1,300 million)
(4) Intended Ownership of shares after the Acquisition	76,179,063 shares, 742,300 options (Number of voting rights: 76,179,063) (Ratio of voting rights: 100%)

(Note 2) Acquisition price represents the amount of payment for purchasing shares and options outstanding

Ownership of shares after the Acquisition provided above assumes that the Company successfully completes the Tender Offer and acquires the entirety of Rovio's shares outstanding after the full exercise of options. If the Company successfully acquires more than 90% of all shares and voting rights in Rovio, the Company intends to implement a squeeze-out procedure set forth in the Finnish Companies Act to acquire the remaining untendered shares and to make Rovio its wholly owned subsidiary

(Reference) Share price of Rovio: EUR 7.78 (closing price of Rovio's shares on Nasdaq Helsinki on April 14, 2023)

**7. Schedule**

(1) Resolution of the Board of Directors	April 17, 2023
(2) Closing	April 17, 2023
(3) Expected Start of Tender Offer	Commences +1 business day after the approval of the tender offer document
(4) Expected Acceptance Offer Period	The offer period is expected to commence on or about May 8, 2023, and to expire on or about July 3, 2023

**8. Impact on the Company's business performance**

The Company will announce the impact of the Acquisition on its consolidated performance after the completion of the process at the appropriate timing, as the assessment is currently on-going.

## 9. Advisor

BofA Securities Japan Co. Ltd., a subsidiary of Bank of America Corporation, is acting as SEGA's sole financial advisor and Hannes Snellman Attorneys Ltd. is acting as SEGA's legal counsel for the Acquisition.

## 10. Important Information

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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 Tender 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 Tender 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 Tender 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 Tender 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 Tender Offer, and other than pursuant to the Tender 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 Tender Offer, passed upon the merits or fairness of the Tender Offer, or passed any comment upon the adequacy, accuracy or completeness of the disclosure in relation to the Tender Offer. Any representation to the contrary is a criminal offence in the United States.

The receipt of cash pursuant to the Tender 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 Tender Offer.

To the extent the Tender 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 disclaimer**

This 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,

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