



Strong results supported by good performance of Control and long-term partnerships

Unannounced projects get Epic publishing deals

Control and Crossfire prepare for 2020 releases

HIGHLIGHTS FROM JANUARY–JUNE 2020

- Revenue 17.0 (13.8) million euros, change +23%.
- Operating profit 3.2 (1.5) million euros, 18.6% of revenue.
- Remedy signed publishing deals with Epic Games for two new multi-platform games based on IP created and owned by Remedy. Epic covers development costs, Remedy receives 50% of game sales net revenue and retains IP ownership.
- *Control* team launched first paid expansion and is working on the second paid expansion and Steam version to be released in August, also preparing for the future launch on next generation consoles.
- *Crossfire* team preparing for the single-player campaign release on Xbox platforms in 2020.

KEY FIGURES

| FAS, unaudited | 1–6/2020* | 1–6/2019* | 1–12/2019 | 1–12/2018 |
|--|------------|------------|------------|------------|
| Revenue, 1 000 € | 16 970 | 13 799 | 31 645 | 20 146 |
| Growth in revenue, % | 23,0% | 49,6% | 57.1% | 17.3% |
| Operating profit (EBIT), 1 000 € | 3 161 | 1 461 | 6 534 | 609 |
| Operating profit, % of revenue | 18,6% | 10,6% | 20.6% | 3.0% |
| Result for review period, 1 000 € | 2 500 | 1 170 | 5 238 | 532 |
| Result for review period, % of revenue | 14,7% | 8,5% | 16.6% | 2.6% |
| Balance sheet total, 1 000 € | 37 843 | 30 432 | 35 896 | 28 261 |
| Net cash, 1 000 € | 13 081 | 18 018 | 15 876 | 20 089 |
| Cash position, 1 000 € | 16 755 | 20 957 | 19 550 | 23 028 |
| Net gearing, % | -47,5% | -80,7% | -60.2% | -89.9% |
| Equity ratio, % | 72.8% | 73,3% | 73.5% | 79.1% |
| Average number of personnel during review period | 262 | 213 | 228 | 169 |
| Earnings per share, € | 0,207 | 0,097 | 0.434 | 0.044 |
| Earnings per share, € (diluted) | 0,196 | 0,094 | 0.410 | 0.043 |
| Number of shares at the end of period | 12 072 150 | 12 072 150 | 12 072 150 | 12 072 150 |

* Figures for periods 1–6/2020 and 1–6/2019 are unaudited.

Calculation formulas used for the indicators

Net cash = cash in hand and at banks + liquid investments - interest-bearing liabilities

Net gearing = (interest-bearing liabilities - cash in hand and at banks - liquid investments) / shareholders' equity

Equity ratio = shareholders' equity / (balance sheet total - advances received)

COMMENTS BY CEO TERO VIRTALA

"We had a strong first half-year of 2020, supported by continued good sales of *Control*, signing the two-project deal with Epic Games and timely progress of our games in development. We continued implementing our growth plan with a focus on four game brands and the five game projects based on them.

Our revenue was 17.0 million euros (13.8), with 23% growth vs. the comparison period. Our operating profit was 3.2 million euros (1.5), or 18.6 % (10.6%) of our revenue, with 116% growth vs. the comparison period. Operating cash flow was 1.2 million euros (-12 thousand euros), and our cash position was 16.8 million euros (21.0) at the end of the period under review. Cash flow and cash position were affected by the timing of royalty payments related to *Control* and by our continued development investments.

We have continued to work on *Control*, which was originally released a year ago and has since then received 80 awards and accolades, including several Game of the Year awards. The first paid expansion "The Foundation" was released in March. The second paid expansion "AWE" has been in development during the period under review and will be released on PC, PlayStation 4 and Xbox One on August 27th. Both expansions are included also in the *Control* Ultimate Edition, which arrives first to Steam on the same date to celebrate the game's first anniversary, and later in September to other stores and platforms.

Control's high quality, uniqueness and technical innovation have generated us opportunities to expand to new platforms and services. This helps us reach different audiences and sales channels, but also boosts the game's overall awareness and visibility, supporting the good level of sales in current platforms and services. *Control* was added to Sony's PlayStation Now subscription service earlier this year. Additionally, the game is being developed for other services and platforms, including the next generation consoles PlayStation 5 and Xbox Series X, on which *Control* will launch by the end of 2020.

This year will also see the launch of *Crossfire X*, which means that players will finally get their hands on Remedy's single-player campaign developed for one of the world's most popular first-person shooter (FPS) games. The campaign is our FPS debut. It is split into operations, first one being "Operation Spectre", which was introduced in the Xbox Games Showcase in July. We are excited to be part of bringing Smilegate's highly successful gaming franchise to the western audience and be able to add Remedy's touch to it.

Our third unannounced project has proceeded well. We also have an additional smaller-scale project in development within the same franchise. Remedy had several good publisher candidates for the projects and we chose to sign a publishing deal with Epic Games. They were the best fit for these games, based on their experience as a developer, track-record of expanding into new areas of gaming business and ambition to take game publishing to a new level. As the publisher, Epic covers development and marketing costs. Once these costs are recouped from game sales, Remedy receives a 50% share of net revenue. Both projects are based on a game IP created and owned by Remedy, and we retain full creative freedom and ownership in this regard.

The team working on Vanguard – a project also based on our own IP – has taken the game's internally playable development version further, continuously evaluating, learning and adjusting the development. Some parts of the game show very good promise, some parts have been redesigned. We continue this iterative Vanguard-development with a mission to combine long-term service-based multiplayer experiences with Remedy's unique game style. The game is developed with the Unreal 4 engine and the early phase work continues with a small team.

Remedy's proprietary Northlight game engine and tools are used by *Control*, *Crossfire* and projects published by Epic Games. The Northlight team has supported the *Crossfire* project as they are preparing to release the game on Xbox One and the upcoming Xbox Series X this year. Our engine and tools are being developed to support the next generation of consoles. Northlight has also catered to the remote working environment, which has required developments and changes to our tool chains, pipelines and back-end systems. Despite of the challenging and unexpected pandemic, the team has continued developing the engine and tools according to plans, adding and improving features in a steady stream of new Northlight version releases to be implemented by our game projects.

We continued to improve our company-wide capabilities and functionalities and have developed Remedy's production competences, processes and ways of working. A special focus has been on extending our distributed development capabilities, including externally developed projects, co-developments with partners and outsourcing specific parts of the projects. Due to the pandemic, majority of our employees worked remotely during the reporting period. We had already prepared for certain risky but yet unlikely events, and we set up a special strike team to build on our capabilities. They were able to further mitigate the effects of the pandemic and enabled us to move quickly into productive remote work. As we have strived to keep our employees healthy, informed and capable of working from home, we have also continued to grow and develop as a company. A big thank you goes to our employees, whose professionalism and capability to adapt to these exceptional times has been truly impressive. At the end of the reporting period, we reached 266 full-time employees, 52% of which represent 28 different nationalities, the rest being Finns.

Consumer demand and the overall video gaming market continue to grow, while our industry evolves with new gaming platforms as well as subscription and streaming services during the next years. Signing the two-project deal with Epic Games demonstrates that the platforms, services and publishers have an exceptionally strong demand for new, high quality games. However, due to the industry consolidation and the high entry barrier to AAA game development, the number of independent and distinguished AAA developers has been decreasing. Remedy transformed to a well-functioning multi-project studio with very good timing, and *Control* is a proof of that – there are numerous great opportunities out there for us.

Remedy turns 25 years old this month, which is an exceptional achievement in our rather young industry. We have purposefully built our world-class competences and developed in phases, the most recent one being our big transformation which started in 2016. As key part of that, Remedy set out to become a long-term growth company. In 2019, we took our first steps on that path, and intend to stay on it. The launches of *Control* Ultimate Edition on Steam and next generation consoles as well as *Crossfire X* are the next big steps for us. 2020 is shaping up to be a good year for Remedy."

IMPACT OF THE COVID-19 PANDEMIC

The gaming industry has generally seen a boost in game sales during the pandemic and its negative effects have been minimal on our business during the reporting period. This has supported the already good sales level of *Control*, but more significant factors have been the award-winning game's reputation, our continued development of the game with DLCs as well as the successful sales campaigns with our publishing partner.

Remedy's game development and operations have continued according to plans and the project schedules have remained unchanged during the reporting period. Majority of our employees have been able to work well from home and efficiency has even increased in some areas. An extra effort has been put into internal communications, work equipment and infrastructure, but also finding solutions to support using our tools

externally. Additionally, we are looking into long-term solutions for performance capture, as Remedy's studio facilities are in Finland and travel restrictions might affect the availability of on-site actors.

The company has evaluated its assets and liabilities coming to the conclusion that the pandemic has not had an impact on their valuation.

Future outlook

Remedy expects its revenue and operating profit to increase during 2020. Majority of the revenue and operating profit growth is expected to materialize during the second half-year period.

Based on our growth strategy – and to enable frequent game releases in the future – we will continue working on Smilegate-owned *Crossfire* and on game brands that are owned by Remedy.

Financial targets

Remedy aims to create long-term profitable growth, primarily organically, by expanding the product portfolio and entering into new partnerships.

Royalties and development fees received from publisher partners depend on future game projects, game release schedules and other terms and conditions of each cooperation. Fluctuations between half-year results and even between fiscal years may be significant, depending on the amount and timing of received development fees as well as game release schedules.

Financial review 1 January – 30 June 2020

RESULT FROM BUSINESS OPERATIONS

Remedy's revenue for the period under review was 16 970 (13 799) thousand euros, an increase of 23% year-on-year. Main factors contributing to the growth in revenue were royalty income recognized from the game *Control* and development fees received from Epic Games. For *Control*, Remedy receives 45% of digital game sales net revenue. The revenue share for Remedy is calculated from net sales, which takes into account deductions from gross sales, such as distribution and marketing costs of the game. These deductions are front-loaded and affect revenue share calculation negatively especially in the first months of game sales and during periods of special marketing campaigns.

The company capitalized 2 057 thousand euros of product development expenses from three projects during the reporting period. The capitalized expenses were related to Vanguard and the two unannounced projects, which the company signed with Epic Games on 26 March 2020. Based on the publishing agreement, Epic covers development costs for the two projects. After the development and marketing costs are recouped, Remedy is entitled to a 50% share of the games' net sales revenue. Capitalizations for the two unannounced projects for Epic Games have been made based on future return expectations. The amount of capitalization is calculated from the total project cost, taking into account the percentage which corresponds to the share of return after the games' launch compared to total expected return. Vanguard's product development expenses were fully capitalized as it is fully funded by the company itself. The company has from 1 January 2019 onwards capitalized product development expenses for all new own game brand product development projects, subject to FAS product capitalization rules.

Other operating income for the period under review amounted to 0 (180) thousand euros. During the comparison period, other operating income consisted of cost reimbursements received from a partner.

Operating profit (EBIT) amounted to 3 161 (1 461) thousand euros, being 18.6% (10.6%) of revenue. Main factors contributing to the increase in operating profit were growth both in revenue and capitalized product development expenses. Personnel expenses increased by 16.2% during the reporting period due to the increased number of personnel and – as result of higher profit level than in comparison period – higher amount of bonus accrual than during the comparison period. Materials and services expenses increased by 79.4% mainly due to the strategic increase in the share of outsourced work related to a new unannounced project. Other operating expenses remained on the same euro-dominated level as during the comparison period and decreased compared to revenue to a level of 14.3 % (17.3%). Effect on operating profit from product development expense capitalization was 2 057 (445) thousand euros. In the financial tables section is comparison table eliminating items affecting the comparability of operating profit for the reporting period and comparison period.

The net result for the period under review amounted to 2 500 (1 170) thousand euros, being 14.7% (8.5%) of revenue.

FINANCIAL POSITION

The company's balance sheet total on 30 June 2020 was 37 843 (30 432) thousand euros.

The company's equity ratio on 30 June 2020 was 72.8 % (73.3%) and net gearing -47.5% (-80.7%). The company does not have any goodwill on its balance sheet.

Non-current assets

The non-current assets on the company's balance sheet on 30 June 2020 were 6 749 (3 372) thousand euros. The increase in non-current assets is largely due to product development expenses capitalization.

Current assets

The current assets on the company's balance sheet on 30 June 2020 were 31 094 (27 060) thousand euros. Current assets were mainly comprised of cash in hand and on bank accounts, totaling to 16 755 (20 957) thousand euros, and short-term receivables totaling to 13 791 (5 656) thousand euros. The amount of current receivables varies between periods due to the timing of the income payments based on agreed commercial terms.

Shareholders' equity

The company's shareholders' equity on 30 June 2020 was 27 555 (22 315) thousand euros. The shareholders' equity was affected by 1 328 thousand euros dividend payment and by 2 500 thousand euros net profit for the financial period and by net profit of 4 068 thousand euros from second half year period of financial year 2019.

Liabilities

The company's liabilities on 30 June 2020 amounted to 10 288 (8 117) thousand euros. The change in liabilities is primarily due to an increase in the amount of Business Finland research and development loan and in accruals. Higher bonus accrual than during the comparison period was main reason for accrual increase. Business Finland research and development loan of 3 674 (2 939) thousand euros is recorded in long-term liabilities.

CASH FLOW

Cash flow from business operations after interest paid and direct taxes for reporting period amounted to 1 163 (-12) thousand euros. Royalty revenue cash flow is based on agreed payments terms with partners and can differ at certain periods quite much from accrual basis revenue recognized within period. Cash flow for business operations is also affected by timing of significant project business payments, which vary according to invoicing milestones.

Cash flow from investing activities during the reporting period amounted to -2 634 (-2 064) thousand euros. The capitalized product development expenses included in the investing activities' cash flow amounted to 2 057 (445) thousand euros during the reporting period.

Financing cash flow amounted to -1 324 (-1 207) thousand euros. Financing cash flow during the reporting period consisted mainly of 1 328 thousand euros dividend payment.

Personnel, management and governance

The number of the company's personnel was 266 (220) at the end of the period under review, with a growth of 21% despite of the pandemic. 69% of the new employees were recruited from outside of Finland. During the springtime, the company was able to quickly adopt new ways of working to enable efficient remote work.

During the period under review, the company's Executive Team included CEO Tero Virtala, CFO Terhi Kauppi, CTO Markus Mäki, Creative Director Sami Järvi, HR Director Mikaela Öberg-Mattila, Chief Commercial Officer Johannes Paloheimo and Chief Operating Officer Christopher Schmitz.

The company's Annual General Meeting, convening on 6 April 2020, re-elected Markus Mäki (Chair), Christian Fredrikson, Jussi Laakkonen, Ossi Pohjola and Henri Österlund as members of the company's Board of Directors for the term lasting until the 2021 Annual General Meeting.

Annual General Meeting 2020

The Annual General Meeting was held on 6 April 2020 in Espoo. The Annual General Meeting decided on the matters belonging to the Annual General Meeting, and

- adopted the income statement and balance sheet for the financial period ended 31 December 2019, and
- decided based on the Board of Directors' proposal dividend distribution of 1 328 thousand euros from the profit and retained earnings of the financial year 2019, and
- re-elected KPMG Oy Ab as the auditor of the company with APA Petri Sammalisto acting as the auditor with the principal responsibility.

In addition, the Annual General Meeting resolved to authorize the Board of Directors to decide on

- issuing shares or option rights or other special rights so that the maximum number of shares to be issued is 2 000 000 new or existing Company shares for a fee, corresponding to 16,57 % of all Company shares; and
- directed repurchase of the company's shares so that the maximum number of shares to be repurchased is 500 000.

The authorization to decide on share issues or issuance of option rights or other special rights is valid for five years from the date of the Annual General Meeting and it replaces the previous authorizations. The authorization for the directed repurchase of own shares is valid until the closing of the next Annual General Meeting, however, no longer than 6 October 2021 and it replaces the previous authorizations.

At its organizing meeting held after the Annual General Meeting, the Board of Directors elected Markus Mäki to continue as the Chairman of the Board of Directors.

Shares, shareholders and share-based incentive schemes

Remedy Entertainment Plc shares are traded on the First North Growth Market Finland maintained by Nasdaq Helsinki Ltd with the trading code REMEDY. The closing price on the last trading day of the review period was 21.50 €.

| January–June 2020 | Highest share price, € | Lowest share price, € | Closing share price, € | |
|--|------------------------|-----------------------|------------------------|------------|
| REMEDY | 23.60 | 10.00 | 21.50 | |
| | | | 30.6.2020 | 30.6.2019 |
| | | | 31.12.2019 | 31.12.2018 |
| Market capitalization, € | 259 551 225 | 106 476 363 | 138 226 118 | 80 883 405 |
| Number of shareholders | 6 495 | 4 466 | 5 529 | 4 432 |
| Number of shares at the end of period | 12 072 150 | 12 072 150 | 12 072 150 | 12 072 150 |
| Number of shares at the end of period, diluted | 12 780 900 | 12 391 400 | 12 778 400 | 12 389 400 |
| Average number of shares within period | 12 072 150 | 12 072 150 | 12 072 150 | 12 072 150 |
| Average number of shares within period, diluted | 12 776 983 | 12 394 400 | 12 520 733 | 12 263 567 |

The company has one series of shares (ISIN: FI4000251897). The company has no treasury shares. The number of shares in the company was 12 072 150 on 30 June 2020. With its resolution on 6 April 2020, the Annual General Meeting authorized the Board of Directors to decide on a share issue and issue of special rights entitling to shares. Under the authorization, a maximum of 2 000 000 shares may be issued. On 30 June 2020, the unused authorization allowed the Board of Directors to issue 2 000 000 new shares.

The Board of Directors of Remedy Entertainment Plc has, by virtue of the authorization granted by the Annual General Meeting held on 26 March 2018, decided at its meeting held on 8 June 2018 to adopt an option plan "Option Plan 2018" directed to the key persons as decided separately by the Board of Directors. The maximum total number of option rights issued is 400 000, entitling their holders to subscribe for a maximum of 400 000 new shares of the company or existing shares held by the company, corresponding to 3.21 percent of all company shares and votes after a potential subscription if executed with only new shares. Option rights will be granted without payment. The Board of Directors decides on the distribution of option rights until the beginning of the share subscription period. The share subscription period begins on 1 June 2021 and ends on 31 May 2024. The share subscription price is 7.02 euros, which is the trade volume-weighted average price of the company's share on First North Growth Market Finland marketplace during 1 March – 31 May 2018 with an addition of 10 percent. The Board of Directors have allocated 317 750 option rights until the end of the period under review, and 82 250 option rights remain for the company to allocate at a later time to key persons decided by the Board of Directors.

The Board of Directors of Remedy Entertainment Plc has, by virtue of the authorization granted by the Annual General Meeting held on 8 April 2019, decided at its meeting held on 11 July 2019 to adopt an option plan "Option Plan 2019" directed to the key persons as decided separately by the Board of Directors. The maximum total number of option rights issued is 400 000, entitling their holders to subscribe for a maximum of 400 000 new shares of the company or existing shares held by the company, corresponding to 3.21 percent of all company shares and votes after a potential subscription if executed with only new shares. Option rights will be granted without payment. The Board of Directors decides on the distribution of option rights until the beginning of the share subscription period. The share subscription period begins on 1 June 2022 and ends on 31 May 2025. The share subscription price is 9.23 euros, which is the trade volume-weighted average price of the company's share on First North Growth Market Finland marketplace during 1 April – 30 June 2019 with an addition of 10 percent. The Board of Directors have allocated 391 000 option rights until the end of the period under review, and 9 000 option rights remain for the company to allocate at a later time to key persons decided by the Board of Directors.

The option plans are part of the Board of Directors' longer term plan to introduce a long-term share-based incentive program to the company's key persons during 2018–2020, corresponding a total of 10 percent of all company shares and votes after a potential subscription.

Risks and uncertainties

The most substantial short-term risks and uncertainties are:

- The company's in-house game development may fail, and the company might not necessarily be able to realize the games it has planned with the sufficient quality, schedule or budget.
- Games developed by the company may fail commercially after their release.
- There is no certainty of the continuity of the company's major publisher partnerships and the company's publisher partners may present claims towards the company.
- The company might not be able to recruit or retain key employees and professionally skilled employees.
- Changes in foreign exchange rates may have a negative impact on the company's foreign currency-denominated receivables from its customers and payables for its vendors.

The above-mentioned risks might, if they materialize, have a significant negative impact on the company's business operations, result, financial position, outlook and share price.

Events after the end of the reporting period

The Board of Directors of Remedy Entertainment Plc has, by virtue of the authorization granted by the Annual General Meeting held on 6 April 2020, decided at its meeting held on 2 July 2020 to adopt an option plan "Option Plan 2020" directed to the key persons as decided separately by the Board of Directors. The maximum total number of option rights issued is 400 000, entitling their holders to subscribe for a maximum of 400 000 new shares of the company or existing shares held by the company, corresponding to 3.21 percent of all Company shares and votes after a potential subscription if executed with only new shares. Option rights will be granted without payment. The Board of Directors decides on the distribution of option rights until the beginning of the share subscription period. The share subscription period begins on 1 June

2023 and ends on 31 May 2026. The share subscription price is 22.21 euros, which is the trade volume-weighted average price of the company's share on First North Growth Market Finland marketplace during 1 April–30 June 2020 with an addition of 10 percent. As the "Option Plan 2020" was adopted only after the end of the reporting period, no allocations exist for this program by the end of the reporting period.

The option plans are part of the Board of Directors' longer term plan to introduce a long-term share-based incentive program to the company's key persons during 2018–2020, corresponding a total of 10 percent of all Company shares and votes after a potential subscription.

Potential new long-term share-based incentive program will be decided separately.

Accounting principles applied in the financial statements release

The financial statements release has been prepared in accordance with good accounting practice and Finnish legislation. The information has been presented to the extent required by item 4.4 (e) of the Nasdaq First North Growth Market rulebook. The disclosed figures have been rounded up from the accurate figures.

The half-year figures disclosed in the financial statements release are unaudited. The full-year figures disclosed in the financial statements release are audited.

Financial disclosures in 2021

12 February 2021

Financial review for 1 January – 31 December 2020

Income statement (FAS)

| | 1.1.- 30.6.2020 | 1.1.- 30.6.2019 | 1.1.- 31.12.2019 | 1.1.- 31.12.2018 |
|---|--------------------|--------------------|---------------------|---------------------|
| Income statement | | | | |
| REVENUE | 16 970 451 | 13 799 198 | 31 645 315 | 20 146 402 |
| Production for own use / Capitalization | 2 057 403 | 445 449 | 1 509 678 | 0 |
| Other operating income | 0 | 180 334 | 180 634 | 248 816 |
| Materials and services | -3 133 873 | -1 747 261 | -3 683 470 | -2 556 595 |
| GROSS PROFIT | 15 893 981 | 12 677 719 | 29 652 157 | 17 838 623 |
| Personnel expenses | -9 799 143 | -8 435 770 | -17 200 955 | -11 677 169 |
| Wages and salaries | -8 177 487 | -6 891 995 | -14 296 191 | -9 686 247 |
| Social security expenses | -1 621 656 | -1 543 775 | -2 904 765 | -1 990 922 |
| Depreciation and impairment | -499 152 | -393 065 | -821 911 | -492 702 |
| Depreciation according to plan | -499 152 | -393 065 | -821 911 | -492 702 |
| Other operating expenses | -2 434 849 | -2 387 737 | -5 094 797 | -5 059 484 |
| OPERATING PROFIT (LOSS) | 3 160 836 | 1 461 147 | 6 534 493 | 609 268 |
| Financial income and expenses | -35 019 | 4 625 | 24 321 | 61 517 |
| Other interest income and other financial income | 84 129 | 36 521 | 207 862 | 199 605 |
| Interest and other financial expenses | -119 148 | -31 896 | -183 541 | -138 088 |
| PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES | 3 125 818 | 1 465 772 | 6 558 814 | 670 785 |
| Income taxes | -625 704 | -296 132 | -1 321 201 | -138 617 |
| Taxes for the financial year and previous financial years | -625 704 | -296 132 | -1 321 201 | -138 617 |
| PROFIT (LOSS) FOR THE FINANCIAL YEAR | 2 500 113 | 1 169 640 | 5 237 613 | 532 169 |

Balance sheet (FAS)

| BALANCE SHEET | 30.6.2020 | 30.6.2019 | 31.12.2019 | 31.12.2018 |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| NON-CURRENT ASSETS | 6 748 745 | 3 372 127 | 4 613 944 | 2 968 534 |
| Product development expenses | 3 567 080 | 445 449 | 1 509 678 | 0 |
| Other intangible assets | 1 246 583 | 1 488 091 | 1 333 403 | 1 670 834 |
| Tangible assets | 1 935 082 | 1 438 586 | 1 770 863 | 1 297 700 |
| CURRENT ASSETS | 31 094 249 | 27 059 780 | 31 282 451 | 25 292 926 |
| Non-current receivables | 547 818 | 446 848 | 520 813 | 445 029 |
| Loans receivable | 48 373 | 6 440 | 51 962 | 6 347 |
| Other debtors | 499 445 | 440 409 | 468 852 | 438 682 |
| Current receivables | 13 791 341 | 5 655 785 | 11 211 332 | 1 819 850 |
| Trade receivables | 4 884 672 | 4 358 259 | 788 161 | 875 345 |
| Loan receivables | 0 | 55 000 | 0 | 0 |
| Other receivables | 672 571 | 275 238 | 295 521 | 319 202 |
| Prepayments and accrued income | 8 234 099 | 967 288 | 10 127 651 | 625 303 |
| Cash in hand and at banks | 16 755 089 | 20 957 147 | 19 550 306 | 23 028 047 |
| TOTAL ASSETS | 37 842 994 | 30 431 906 | 35 896 395 | 28 261 460 |
| SHAREHOLDERS' EQUITY | 27 554 724 | 22 314 575 | 26 382 548 | 22 352 150 |
| Share capital | 80 000 | 80 000 | 80 000 | 80 000 |
| Share premium account | 38 005 | 38 005 | 38 005 | 38 005 |
| Other reserves (Itd) | 13 747 629 | 13 747 629 | 13 747 629 | 13 747 629 |
| Retained earnings (losses) | 11 188 977 | 7 279 300 | 7 279 300 | 7 954 347 |
| Profit (loss) for the financial year | 2 500 113 | 1 169 640 | 5 237 613 | 532 169 |
| LIABILITIES | 10 288 270 | 8 117 332 | 9 513 847 | 5 909 310 |
| Non-current liabilities | 3 674 000 | 2 939 200 | 3 674 000 | 2 939 200 |
| Loans from financial institutions | 3 674 000 | 2 939 200 | 3 674 000 | 2 939 200 |
| Current liabilities | 6 614 270 | 5 178 132 | 5 839 848 | 2 970 110 |
| Trade liabilities | 939 884 | 1 404 023 | 845 137 | 689 399 |
| Other liabilities | 644 677 | 113 123 | 275 305 | 250 359 |
| Accruals | 5 029 709 | 3 660 985 | 4 719 406 | 2 030 352 |
| TOTAL EQUITY AND LIABILITIES | 37 842 994 | 30 431 906 | 35 896 395 | 28 261 460 |

Cash flow statement (FAS)

| CASH FLOW STATEMENT | 1.1.-30.6.2020 | 1.1.-30.6.2019 | 1.1.-31.12.2019 | 1.1.-31.12.2018 |
|--|-----------------------|-----------------------|------------------------|------------------------|
| Cash flow from business operations | 1 163 085 | -11 935 | -492 390 | 2 398 303 |
| Cash flow from investments | -2 633 954 | -851 658 | -2 467 321 | -3 009 572 |
| Cash flow from financing | -1 324 348 | -1 207 308 | -518 030 | 1 050 667 |
| Liquid assets – opening balance | 19 550 306 | 23 028 047 | 23 028 047 | 22 588 649 |
| Change in liquid assets | -2 795 216 | -2 070 900 | -3 477 741 | 439 399 |
| Liquid assets – closing balance | 16 755 089 | 20 957 147 | 19 550 306 | 23 028 047 |

Statement of changes in shareholders' equity (FAS)

| Changes in shareholders' equity 1.1.–30.6.2020 | Share capital | Share premium account | Invested unrestricted equity fund | Retained earnings | Profit for the financial year | SHAREHOLDERS' EQUITY TOTAL |
|---|---------------|-----------------------|-----------------------------------|-------------------|-------------------------------|-----------------------------------|
| Opening balance 1.1.2020 | 80 000 | 38 005 | 13 747 629 | 12 516 913 | 0 | 26 382 548 |
| Increase in share capital | | | | | | |
| Share issue and other share subscriptions | | | | | | |
| Dividend | | | | -1 327 937 | | |
| Amount paid for own shares | | | | | | |
| Profit/loss for the period under review | | | | | 2 500 113 | |
| SHAREHOLDERS' EQUITY 30.6.2020 | 80 000 | 38 005 | 13 747 629 | 11 188 977 | 2 500 113 | 27 554 724 |

| Changes in shareholders' equity 1.1.–30.6.2019 | Share capital | Share premium account | Invested unrestricted equity fund | Retained earnings | Profit for the financial year | SHAREHOLDERS' EQUITY TOTAL |
|---|---------------|-----------------------|-----------------------------------|-------------------|-------------------------------|-----------------------------------|
| Opening balance 1.1.2019 | 80 000 | 38 005 | 13 747 629 | 8 486 516 | 0 | 22 352 150 |
| Increase in share capital | | | | | | |
| Share issue and other share subscriptions | | | | | | |
| Dividend | | | | -1207215 | | |
| Amount paid for own shares | | | | | | |
| Profit/loss for the period under review | | | | | 1 169 640 | |
| SHAREHOLDERS' EQUITY 30.6.2019 | 80 000 | 38 005 | 13 747 629 | 7 279 301 | 1 169 640 | 22 314 575 |

| Changes in shareholders' equity 1.1.–31.12.2019 | Share capital | Share premium account | Invested unrestricted equity fund | Retained earnings | Profit for the financial year | SHAREHOLDERS' EQUITY TOTAL |
|--|---------------|-----------------------|-----------------------------------|-------------------|-------------------------------|-----------------------------------|
| Opening balance 1.1.2019 | 80 000 | 38 005 | 13 747 629 | 8 486 516 | 0 | 22 352 150 |
| Increase in share capital | | | | | | |
| Share issue and other share subscriptions | | | | | | |
| Dividend | | | | -1 207 215 | | |
| Amount paid for own shares | | | | | | |
| Profit/loss for the period under review | | | | | 5 237 613 | |
| SHAREHOLDERS' EQUITY 31.12.2019 | 80 000 | 38 005 | 13 747 629 | 7 279 300 | 5 237 613 | 26 382 548 |

| Changes in shareholders' equity 1.1.–31.12.2018 | Share capital | Share premium account | Invested unrestricted equity fund | Retained earnings | Profit for the financial year | SHAREHOLDERS' EQUITY TOTAL |
|--|---------------|-----------------------|-----------------------------------|-------------------|-------------------------------|-----------------------------------|
| Opening balance 1.1.2018 | 80 000 | 38 005 | 13 747 629 | 7 954 347 | 0 | 21 819 981 |
| Increase in share capital | | | | | | |
| Share issue and other share subscriptions | | | | | | |
| Dividend | | | | | | |
| Amount paid for own shares | | | | | | |
| Profit/loss for the period under review | | | | | 532 169 | |
| SHAREHOLDERS' EQUITY 31.12.2018 | 80 000 | 38 005 | 13 747 629 | 7 954 347 | 532 169 | 22 352 150 |

Items affecting comparability of EBIT

| | 1.1.-30.6.2020 | 1.1.-30.6.2019 | 1.1.-31.12.2019 | 1.1.-31.12.2018 |
|---|-----------------------|-----------------------|------------------------|------------------------|
| EBIT for the reporting period | 3 160 836 | 1 461 147 | 6 534 493 | 609 268 |
| Product development capitalization effect | 2 057 403 | 445 449 | 1 509 678 | 0 |
| Effect of one-time retroactive royalty income | 0 | 2 470 626 | 2 470 626 | 0 |
| Comparable EBIT | 1 103 433 | -1 454 928 | 2 554 189 | 609 268 |

Major shareholders 30 June 2020

| | NAME | SHARES | PERCENTAGE |
|-----|---|-------------------|-------------------|
| 1. | Mäki Markus | 3 297 000 | 27.3 |
| 2. | Järvi Sami Antero | 610 000 | 5.1 |
| 3. | Virtala Tero Tapani | 350 000 | 2.9 |
| 4. | Taaleri Micro Markka Equity A | 266 042 | 2.2 |
| 5. | Lehtinen Saku | 253 000 | 2.1 |
| 6. | Tolsa Tero Sakari Anttoni | 173 000 | 1.4 |
| 7. | Reini Mika Olavi | 170 000 | 1.4 |
| 8. | Hyytiäinen Anssi Kalervo | 155 348 | 1.3 |
| 9. | Pulkinen Janne Petteri | 111 500 | 0.9 |
| 10. | Paloheimo Johannes Alfred Gustaf | 103 000 | 0.9 |
| | 10 largest shareholders total | 5 488 890 | 45.5 |
| | Accendo Capital SICAV, SIF (nominee registered) | 2 329 987 | 19.3 |
| | Other nominee registered | 1 072 595 | 8.9 |
| | Other shares | 3 180 678 | 26.3 |
| | Total | 12 072 150 | 100.0 % |

Espoo, 14 August 2020

Remedy Entertainment Plc

Board of Directors

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REMEDY IN BRIEF

Remedy Entertainment Plc is a globally successful video game company known for story-driven and visually stunning console and computer games such as *Control*, *Alan Wake* and *Max Payne*. Remedy also develops its own Northlight game engine and game development tools.

Founded in 1995 and based in Finland, the company employs over 270 game industry professionals from 29 different countries. Remedy is listed on the Nasdaq First North Growth Market Finland marketplace.

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