

FY2020 REVIEW

12.2.2021



AGENDA

- 1 Year in Review
- 2 Financial Results
- 3 Summary & Outlook
- 4 Questions & Answers



Tero Virtala
CEO



Terhi Kauppi
CFO





YEAR IN REVIEW

Tero Virtala, CEO



FY2020 HIGHLIGHTS

- Revenue **41.1 M€** (31.6), **+30%**.
- Operating profit **13.2 M€** (6.5), **32%** of revenue.
- Board of Directors proposes a dividend of **0.15 €** per share.
- Strategy and objectives 2021–2025 announced at Capital Markets Day.
- Pandemic continued to have no significant impact on Remedy.



FY2020 HIGHLIGHTS

- **Control** received 2 paid expansions, brought to numerous new stores, platforms as well as subscription and streaming services.
- 3rd unannounced project and a related smaller-scale project signed with Epic Games Publishing.
- **Crossfire** team realigned on the publisher's decision to move the release of CrossfireX to 2021.

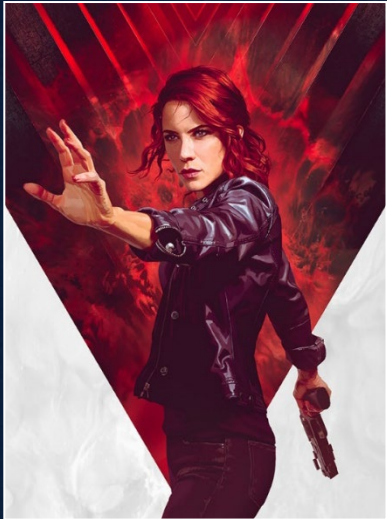


CATEGORY-DEFINING, CREATIVE SUPER-DEVELOPER

- Creator of world-class gaming brands.
- Developer of distinctive, benchmark-setting games.
- Professional multi-project developer.
- Ability to self-publish, and partner with publishers.
- Highly attractive home to world-class talent.
- Profitable growth company with managed risks.



GAMES WE ARE NOW WORKING ON



CONTROL

WITH

**505
GAMES**



CROSSFIRE

WITH


**Smilegate
Entertainment**



Two unannounced
projects

WITH

**EPIC
GAMES**



VANGUARD

REMEDY 

CONTROL™



REMEDY 

CONTROL DEVELOPMENTS 2019-2020

Deluxe
Edition

Season
Pass



PHOTO MODE



NEW GAME MODE



EXPEDITIONS



EXPANSION 1



THE FOUNDATION



EXPANSION 2



AWE



ULTIMATE EDITION

CONSOLE



SUBSCRIPTION SERVICES



PC



CLOUD



GROWING OVER TIME

**SELLING
STRONGER
THAN EVER**

NOVEMBER 2020
**STRONGEST
MONTH**
(copies sold)

2M

OVER
TWO
MILLION
COPIES SOLD

**DIGITAL
SALES
DOMINATING**

DIGITAL SALES IN 2019

60%

DIGITAL SALES IN 2020

OVER 90%

CROSSFIRE



SMILEGATE & REMEDY

- Close collaboration since 2016
- Crossfire created and owned by Smilegate
- One of the world's most popular online first-person shooters: 650M registered users, 8M simultaneous players in 80 countries
- Remedy creates single-player content to help elevate the Crossfire experience
- Remedy revenues based on development payments and potential royalties
- Our partnership with Smilegate continues.





Continuation to the Crossfire game in China

Platform: PC

Closed alphas and open-beta phases held throughout 2020

Developed by Smilegate

Published by Tencent

Will include Remedy's single-player Operations



A new console game in the Crossfire franchise

Platform: Xbox One & Series X | S

To be released in 2021

Developed by Smilegate

Published by Microsoft

Includes Remedy's single-player Operations



EPIC PUBLISHING & REMEDY

March 2020, we signed publishing agreements. AAA project and a smaller project with Epic Games

- Epic will fully fund the development
- For console and PC platforms
- Significant marketing investment
- Net revenues shared 50/50
- We had multiple concrete partnership options. We believe that Epic Games was the best for the games and Remedy
- Epic is strong in digital and has a global presence and operations
- Remedy to retain IP ownership
- Aims to shake up the publishing business
- Remedy is a key partner for Epic

VANGUARD

- Long-lasting service-based co-op multiplayer game combined with selected Remedy world-building and narrative strengths
- Iteratively developing the first playable version, continuously evaluating, learning and adjusting the development
- Still in early phase, but external tests and research shows promise
- Being designed as a Free-to-Play game
- Publishing model yet to be decided



AT THE HEART OF REMEDY: WORLD-CLASS TALENT

1

studio

275

employees



14

disciplines

30

nationalities

OUR PRODUCTION CAPABILITIES HAVE GROWN

5

main games

15

projects

to 10

different platforms

274 Remedy Talent

Representing 14 disciplines

31 external development partners

370 external talent

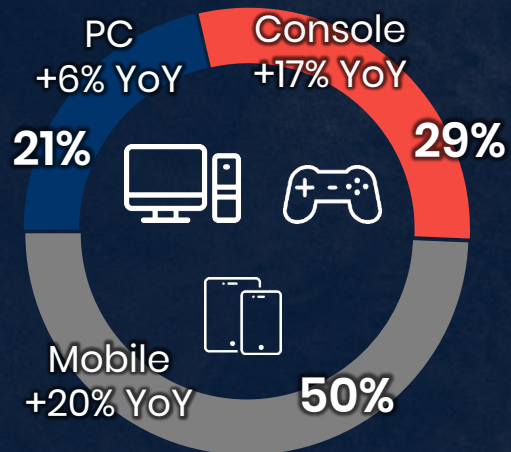
GLOBAL GAMES MARKET 2020

TOTAL MARKET

\$175Bn

+20% YoY

MARKET SHARES



North
America
\$44.7Bn

+21% YoY

Europe, Middle
East & Africa
\$39.1Bn

+21% YoY

Asia-Pacific
\$84.3Bn

+17% YoY

Latin
America
\$6.8Bn

+25% YoY

SOURCE: NEWZOO

REMEDY 

OUR FOCUS STAYS THE SAME



SOURCE: NEWZOO

MARKET CONTINUES TO GROW AND CHANGE

**New entrants
challenge existing
platforms & stores**

**Content
continues
to be king**

**Consolidation
accelerates**

**PC & console games
engage longer**

**AAA games are (still)
a hit-driven business**

CONCLUSIONS FOR REMEDY



We have a strong basis to build on.



Market has developed favourably to us.



We will aim for bigger opportunities.

LONG-TERM OBJECTIVES

- To create **several successful games**, and at least one **major hit game**.
- To own at least three expanding **game brands**, all with long-term **hit potential**.
- To have capabilities to select the right commercial model for each game: **self-finance, self-publish, or work with publishing partners**.
- To be **the most attractive** gaming industry **employer** in Europe.
- To reach these objectives while having a **profitable** and **growing** business with **well-managed risks**.

STRATEGIC GUIDELINES

...that we will follow to get to the objectives:

1

Build a portfolio of recognized, growing game brands.

2

Create long-engaging games in immersive and expanding worlds.

3

Further strengthen our position in the value chain.

4

Iterate towards bigger games with professional and scalable game productions.

5

Empower creative, world-class teams and people.

FINANCIAL RESULTS

Terhi Kauppi, CFO



KEY FIGURES

Revenue M€

41.1 (31.6)

30% growth

Operating cash flow M€

11.8 (-0.5)

EBIT M€

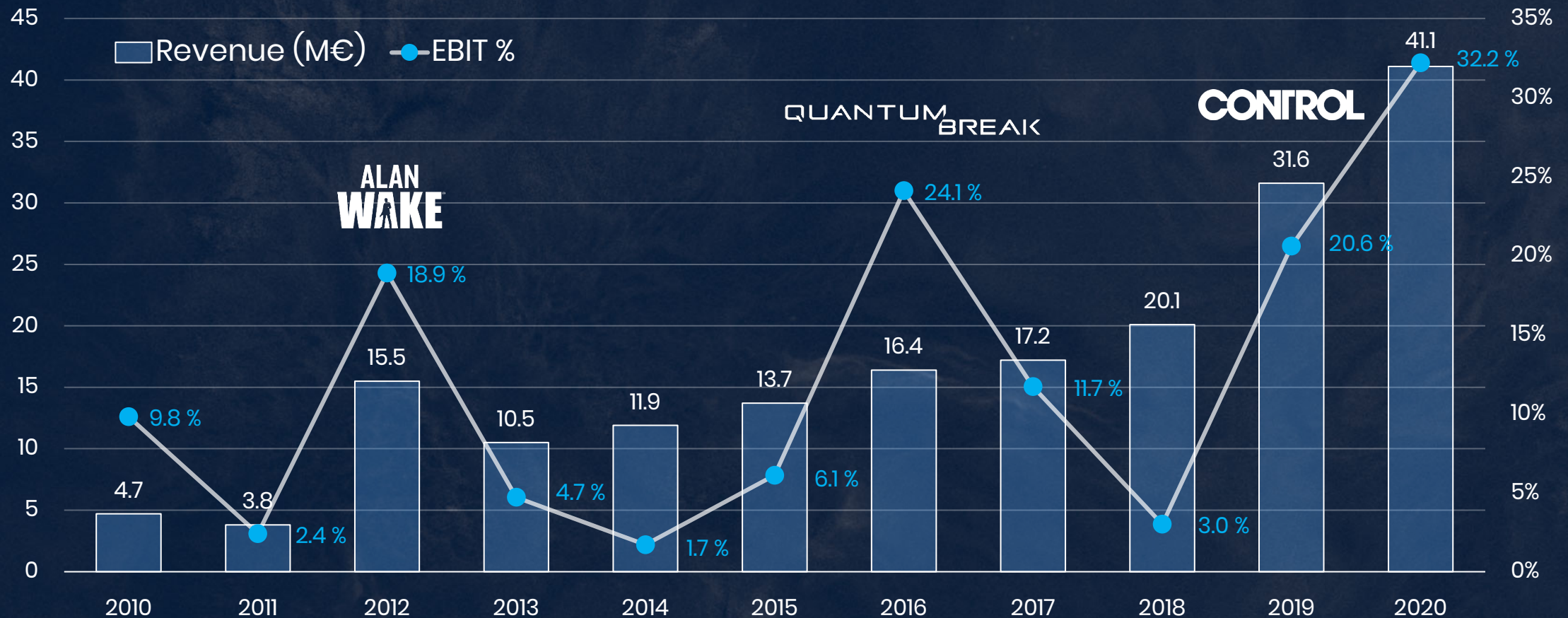
13.2 (6.5)

32.2% of revenue

Cash position M€

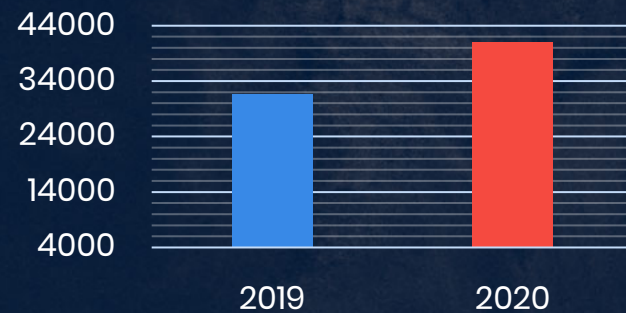
23.7 (19.6)

WE HAVE PROGRESSED IN A SUSTAINABLE WAY

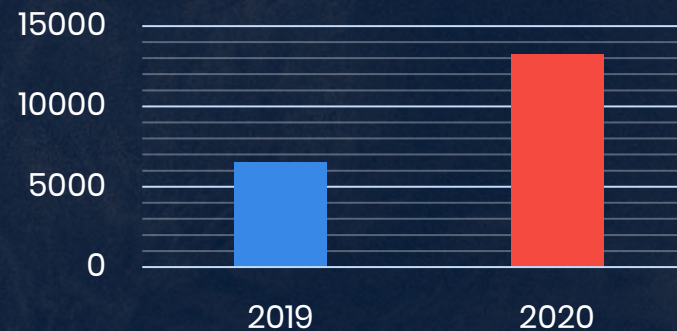


GROWTH ANALYSIS

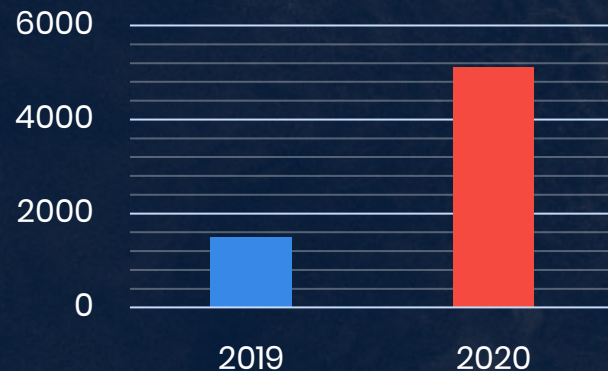
Net sales



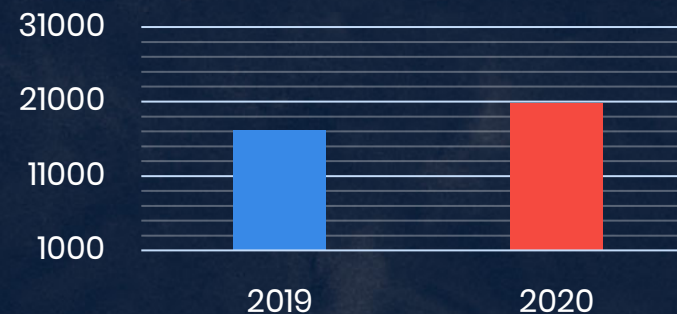
EBIT



Capitalization



Staff expenses



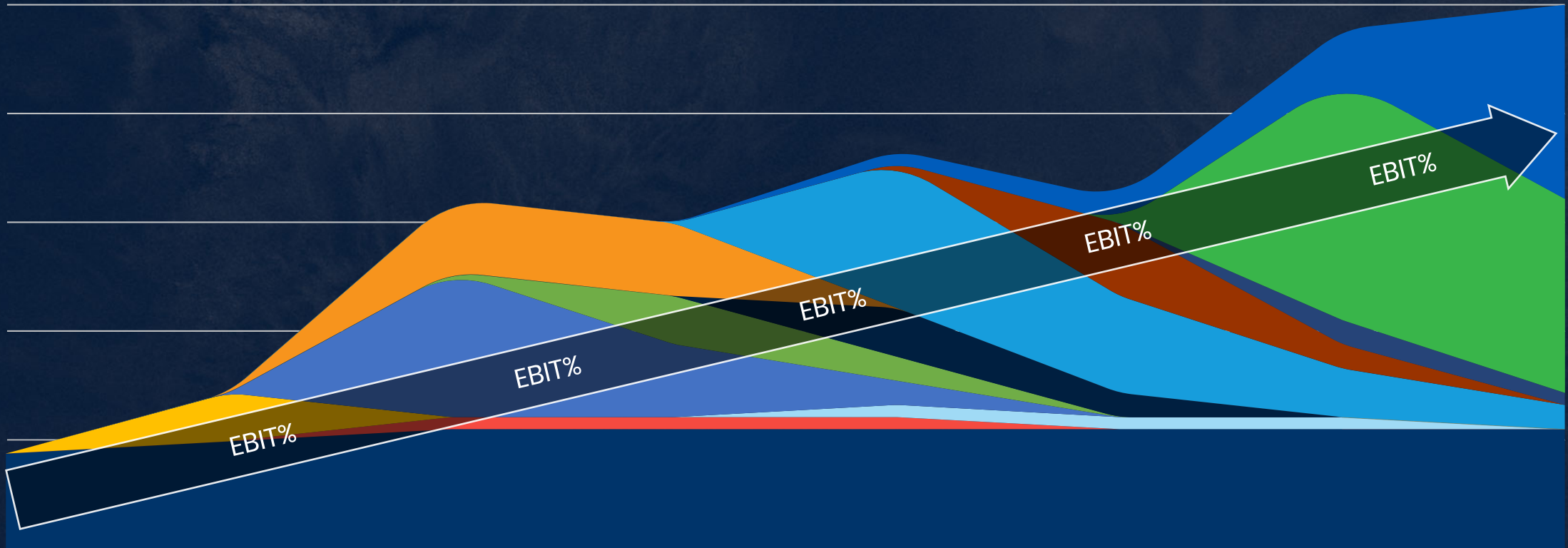
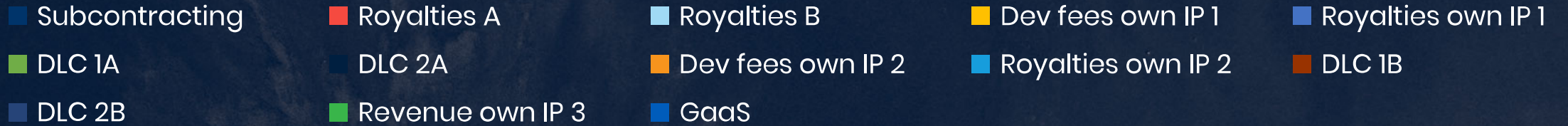
- Net sales growth driven by Control revenue share and Epic publishing deals.
- EBIT growth affected by revenue growth, capitalization and decreased other OPEX due to Covid-19.
- Capitalizations increased due to 4 different projects subject to capitalization.
- Staff expenses higher as average number of personnel increased by 16% and due to higher bonus accrual.
- Strategic intent of increasing external development: €2.9M more in 2020 than in 2019

MULTI-PROJECT FUTURE WITH MORE GAMES: BALANCING RISK AND REWARD



WE ARE IN A STRONG POSITION FOR THE FUTURE

ILLUSTRATIVE ONLY



SUMMARY & OUTLOOK

Tero Virtala, CEO

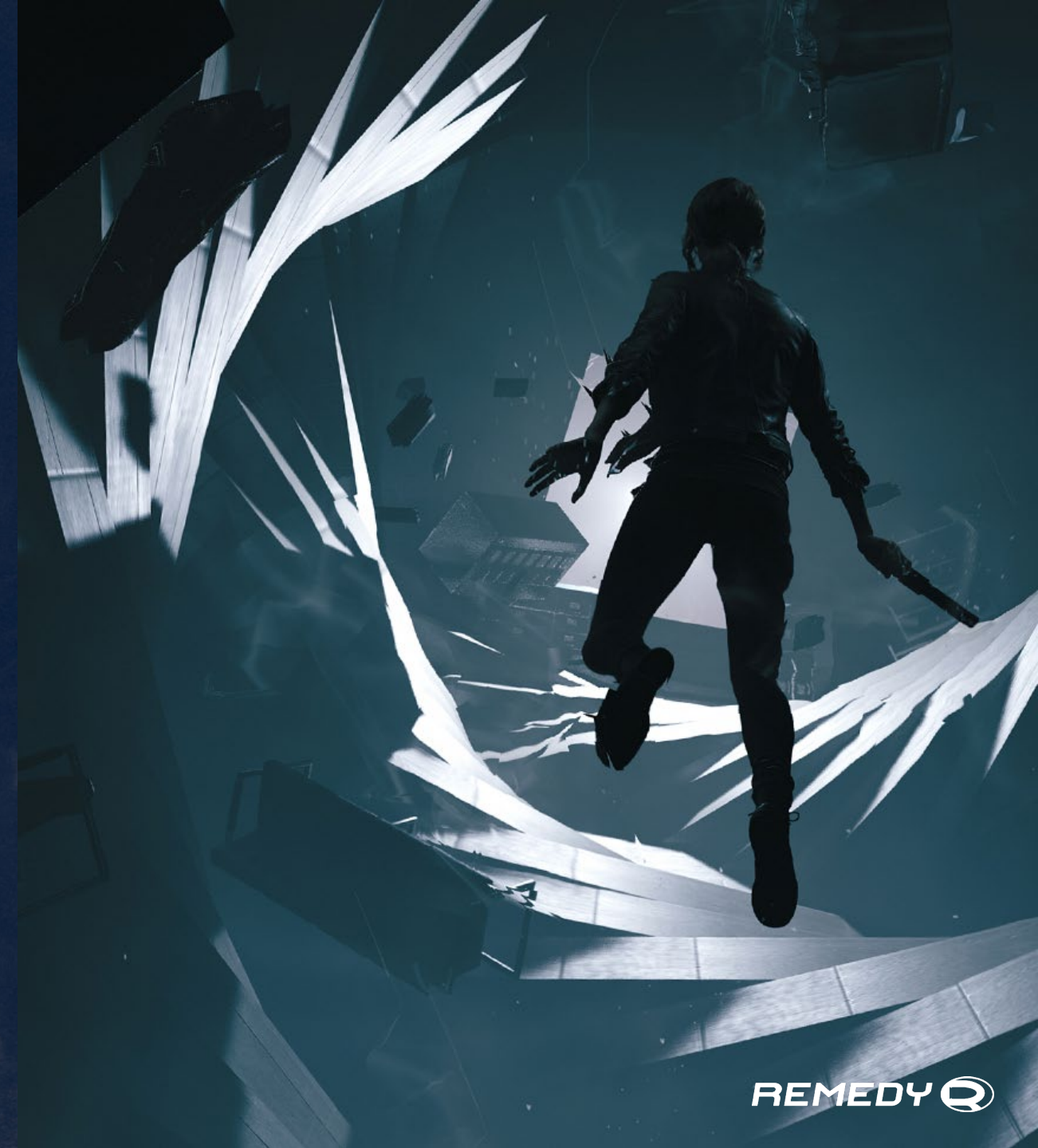


2020 SUMMARY

- During 2020, we worked on four game franchises and under them, had had five game projects in development.
- Control received two paid expansions, which were included in the Ultimate Edition. The game was also prepared for the next generation consoles.
- Control reached wider audiences as we brought it to numerous new stores, platforms as well as subscription and streaming services.
- Crossfire team continued preparing for the CrossfireX and Crossfire HD releases.
- Projects with Epic Games progressed well in different stages of production.
- Vanguard continued in early development stage.
- Strategy and objectives 2021–2025 were announced during CMD 2020.

OUTLOOK FOR 2021

- We continue according to our long-term growth plans with an aim to launch at least one game or game expansion annually.
- CrossfireX on Xbox platforms and Crossfire HD on PC expected to be released by Smilegate during 2021.
- We expect 2021 to be a good year and expect our revenue and EBIT to grow during 2021.
- Majority of the growth is expected during H2/2021.



QUESTIONS & ANSWERS

A person is floating in the center of a large, dark, industrial-looking room. Above them is a bright, rectangular light source, possibly a skylight or a large screen, which illuminates the person and the surrounding area. The room has a high ceiling with a grid of lights and various pieces of equipment, including tripods and cameras, are visible in the background. The floor is dark and reflective. The overall atmosphere is mysterious and futuristic.



THANK YOU!

Contact ir@remedygames.com
investors.remedygames.com

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