

Q1 2021 REVIEW

12.5.2021



REMEDY®

AGENDA

- 1 Q1 2021 in Review
- 2 Financial Results
- 3 Outlook
- 4 Questions & Answers



Tero Virtala
CEO



Terhi Kauppi
CFO



A cinematic scene from the game 'The Last of Us' showing a dark, cavernous space. A red laser beam cuts through the air, illuminating a path. Several figures are silhouetted against the light at the end of the tunnel. In the foreground, there is a makeshift camp with a tarp shelter and some equipment.

Q1 2021 IN REVIEW

Tero Virtala, CEO



Q1 2021 SUMMARY

- Revenue **8.1 M€** (7.8), **+3.4%**.
- Operating profit **0.9 M€** (1.1), **10.5%** of revenue.
- Control Ultimate Edition released on PlayStation 5 and Xbox Series X|S.
- Remedy raised 41.5 million euros with a directed offering of new shares to a limited number of domestic and international institutional investors.



OUR PRODUCTION CAPABILITIES HAVE GROWN

In 2020 we worked on:

5

main games

15

projects

to 10

different platforms

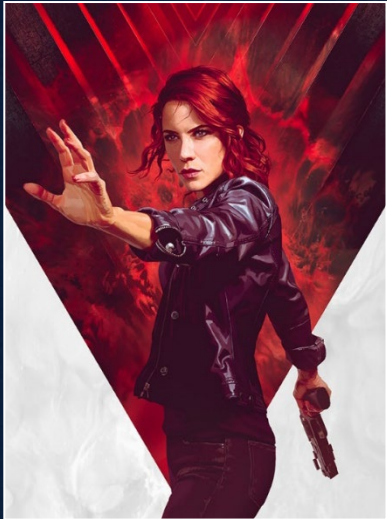
274 Remedy Talent

31 external development partners

Representing 14 disciplines

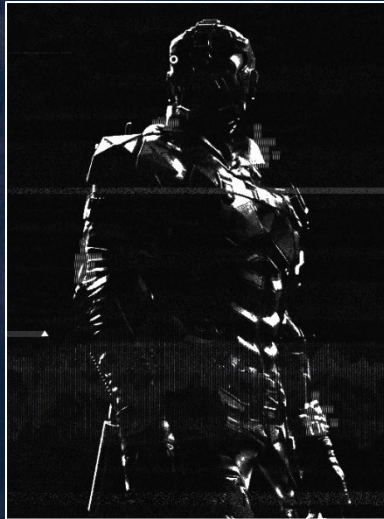
370 external talent

GAMES WE ARE NOW WORKING ON



CONTROL

WITH **505 GAMES**



CROSSFIRE

WITH 
Smilegate
Entertainment



Two unannounced
projects

WITH 
EPIC
GAMES



VANGUARD



Unannounced
new project

REMEDY 

CONTROL KEEPS GROWING OVER TIME



**SELLING
STRONGER
THAN EVER**

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

2M

OVER
**TWO
MILLION**
COPIES SOLD 12/2020

**EXPANDING TO
NEW PLATFORMS
AND SERVICES**

**CONTROL
ULTIMATE EDITION**
METAScore
85 on PlayStation 5
87 on Xbox Series X|S

CROSSFIRE – 2 GAMES TO LAUNCH IN 2021



Developed by **Smilegate**

Published by **Tencent**

Platform: **PC**

Closed alphas and open-beta phases held throughout 2020

Continuation to the Crossfire game in China

Includes Remedy's single player Operations



Developed by **Smilegate**

Published by **Microsoft**

Platforms: **Xbox One & Series X | S**

To be released in 2021

A new console game in the Crossfire franchise

Includes Remedy's single player Operations

EPIC PUBLISHING & REMEDY

- 2 games in development: AAA project and a smaller project
- Remedy to retain IP ownership
- Epic will fully fund the development
- For console and PC platforms
- Significant marketing investment
- Net revenues shared 50/50
- The AAA project is close to moving into full production
- The smaller-scale game continues in full production

VANGUARD

- Long-lasting service-based co-op multiplayer game combined with selected Remedy world-building and narrative strengths
- Iteratively developing the first playable version
- Being designed as a Free-to-Play game
- Publishing model yet to be decided
- Many of the core elements of the game defined.
- Development progresses at a good pace, internal playtesting continues
- We are also starting the next phase of closed external gameplay testing.



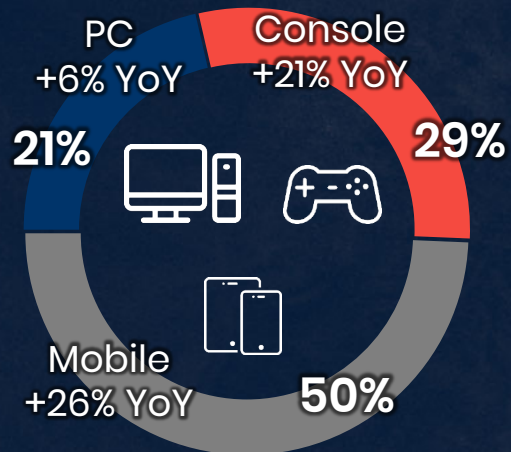
GLOBAL GAMES MARKET 2020

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

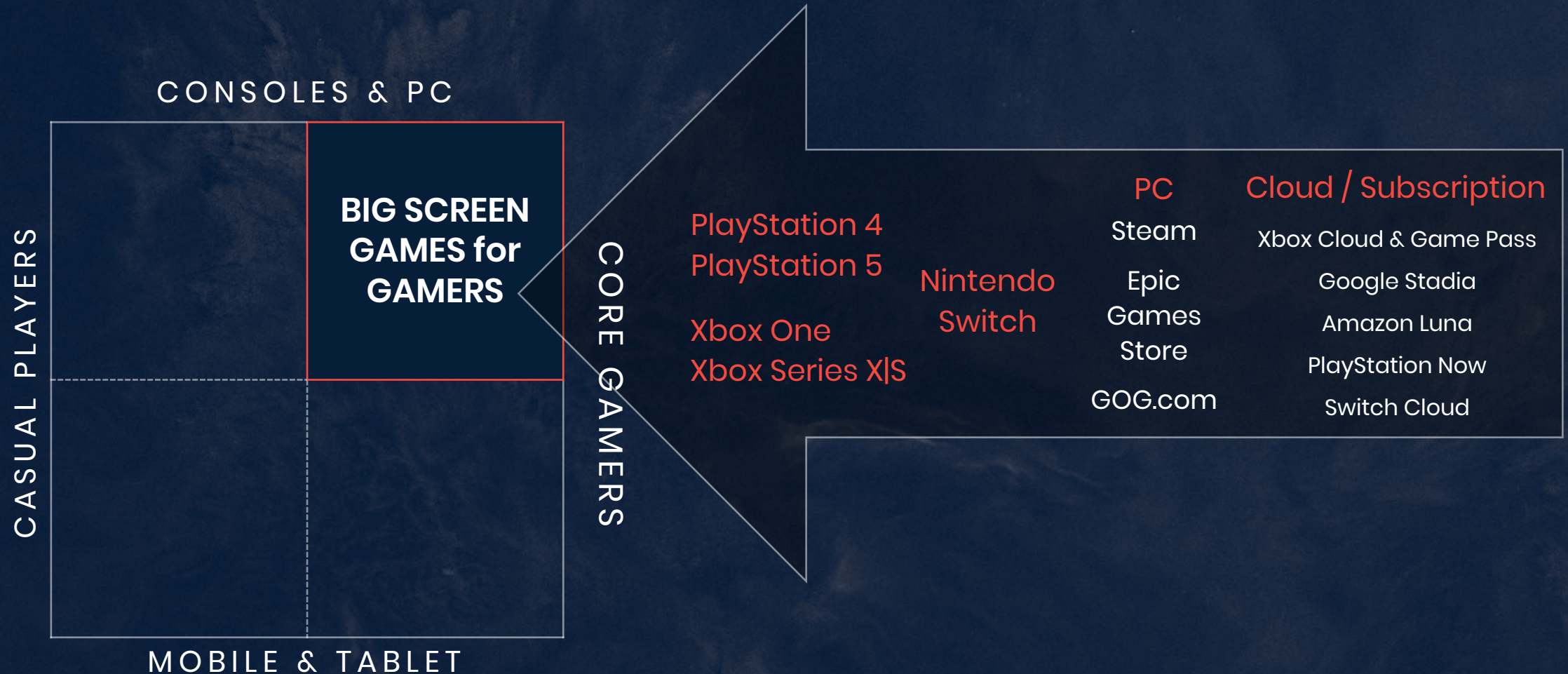
+17% YoY

Latin America
\$6.8Bn

+25% YoY

SOURCE: NEWZOO

OUR FOCUS STAYS THE SAME



GAMING CONSOLE USER BASE CONTINUES TO GROW

INSTALL BASE



115M



50M



84M



7.9M



4.8M

Strong demand for new generation consoles, but:

- Supply is still limited.
 - New gen is backwards compatible.
 - Still only few "new gen exclusive" games.
- New generation: Long-term outlook good, growth takes time.
- Previous generation: Stays relevant for longer time.

WESTERN PC-MARKET HAS TWO STRONG MARKETPLACES



Steam (Valve, 2003)

2020:

- 120M active monthly users (2019: 95M)
- 21% increase in games sold



Epic Games Store (Epic Games, 2018)

2020:

- 56M active monthly users (2019: 32M)
- Number of games 471 (2019: 190)
- 103 weekly free games

SUBSCRIPTION & STREAMING SERVICES GROW AND EVOLVE



XBOX LIVE



XBOX
GAME PASS

Project xCloud



PlayStation®Plus



PlayStation™Now



PlayStation®Plus
Collection

 ONLINE



STADIA



luna

 NVIDIA

GEFORCE NOW™

REMEDY 

HIGH DEMAND FOR GOOD AAA GAMES, BUT FEWER AND FEWER AVAILABLE STUDIOS TO CREATE THEM

~ 150 AAA-studios in the world.

Building new AAA studios is slow.

Most are already owned by
publishers and platform owners.

35 Independent studios remain.

CONCLUSIONS FOR REMEDY



We have a very strong basis to build on.



Market has developed favourably to us.



We are aiming 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**.

SHARE ISSUE IN FEBRUARY 2021

- We raised EUR 41.5 million to support the implementation of our updated strategy
- Gives us the possibility to expand our capabilities and to self-finance and self-publish selected future games



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.



FINANCIAL RESULTS

Terhi Kauppi, CFO



KEY FIGURES Q1 2021

Revenue M€

8.1 (7.8)

3% growth

Operating cash flow M€

4.0 (-0.4)

EBIT M€

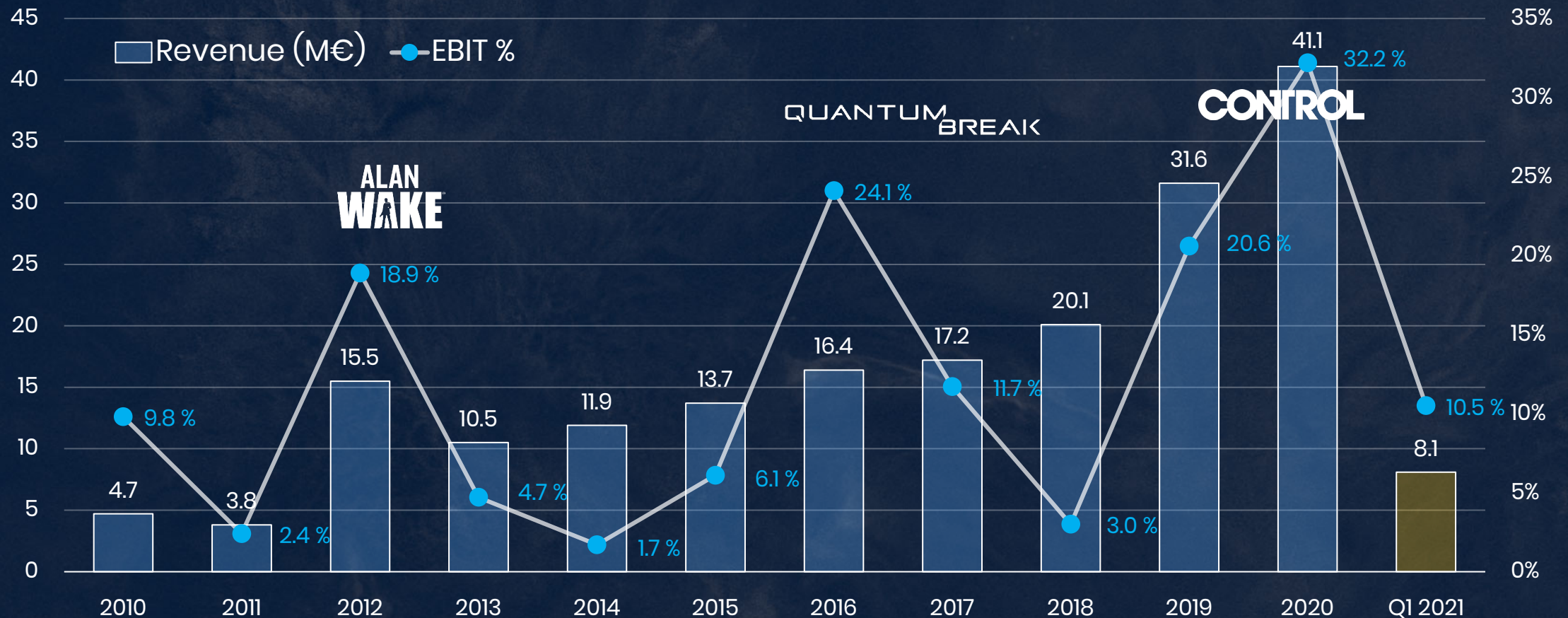
0.9 (1.1)

10.5% of revenue

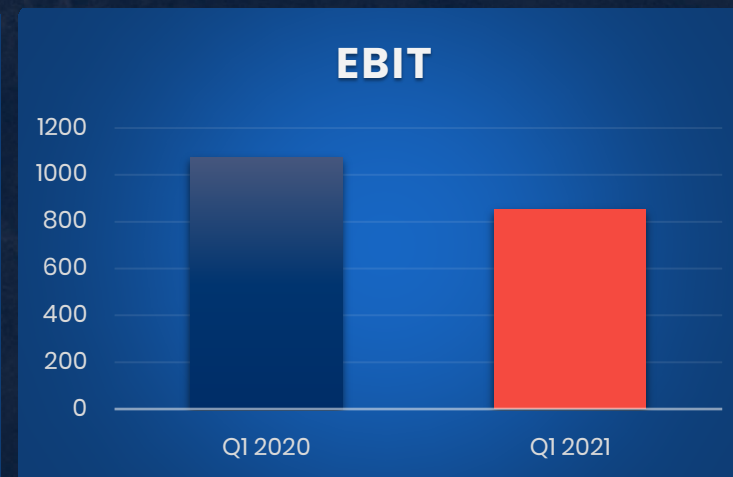
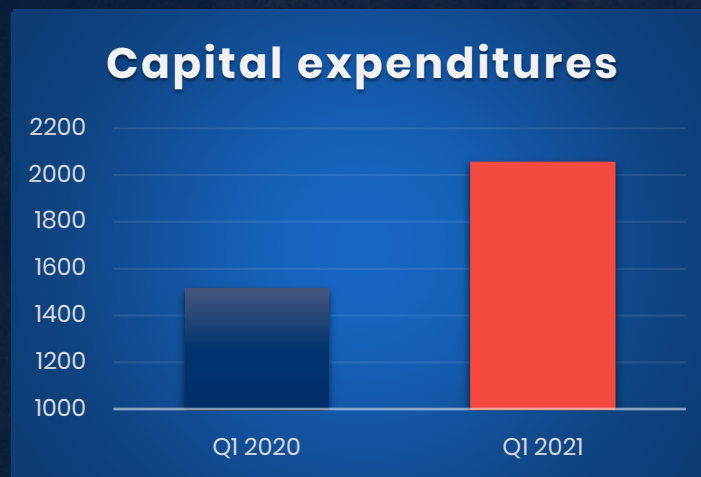
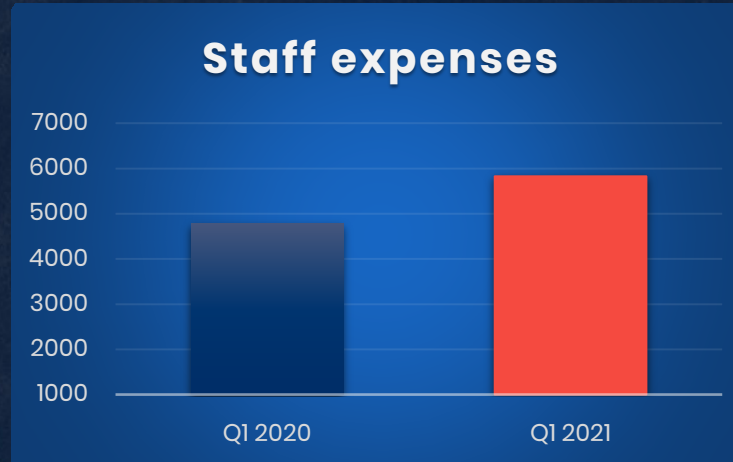
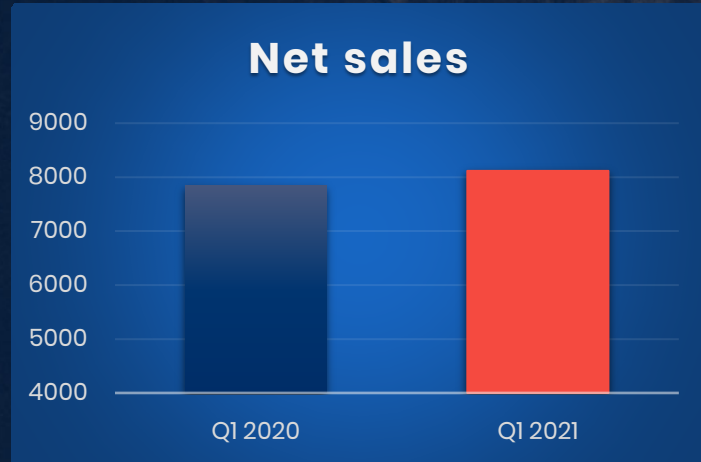
Net cash M€

62.4 (14.0)

WE HAVE PROGRESSED IN A SUSTAINABLE WAY



GROWTH ANALYSIS



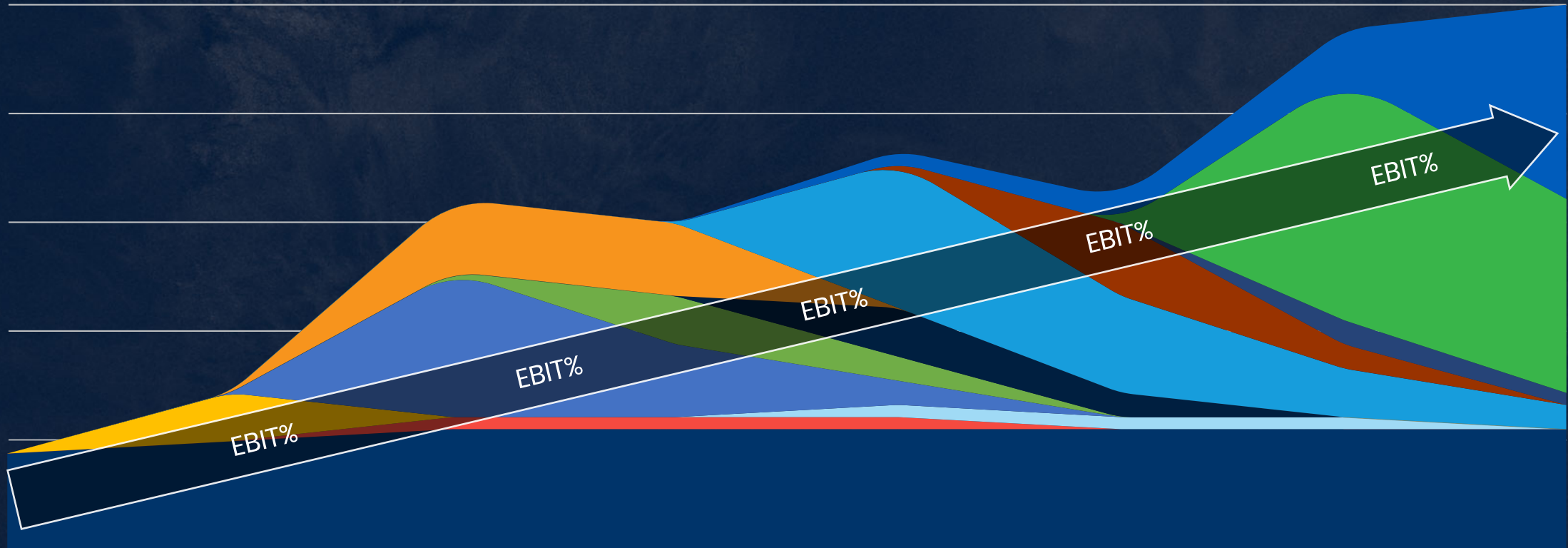
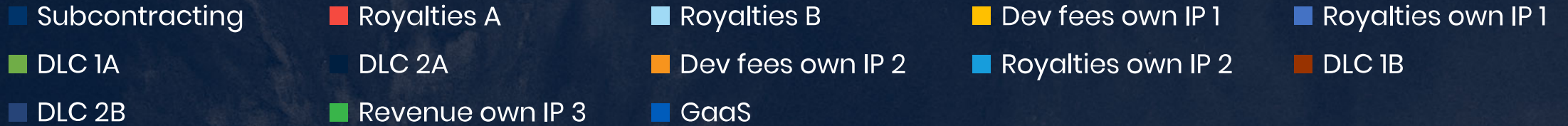
- Both royalties and development fees increased slightly net sales.
- EBIT affected by increased headcount and outsourcing as well as change in timing of bonus accruals.
- Investing in future continues, capex 36% higher.

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



WE ARE IN A STRONG POSITION FOR THE FUTURE

ILLUSTRATIVE ONLY



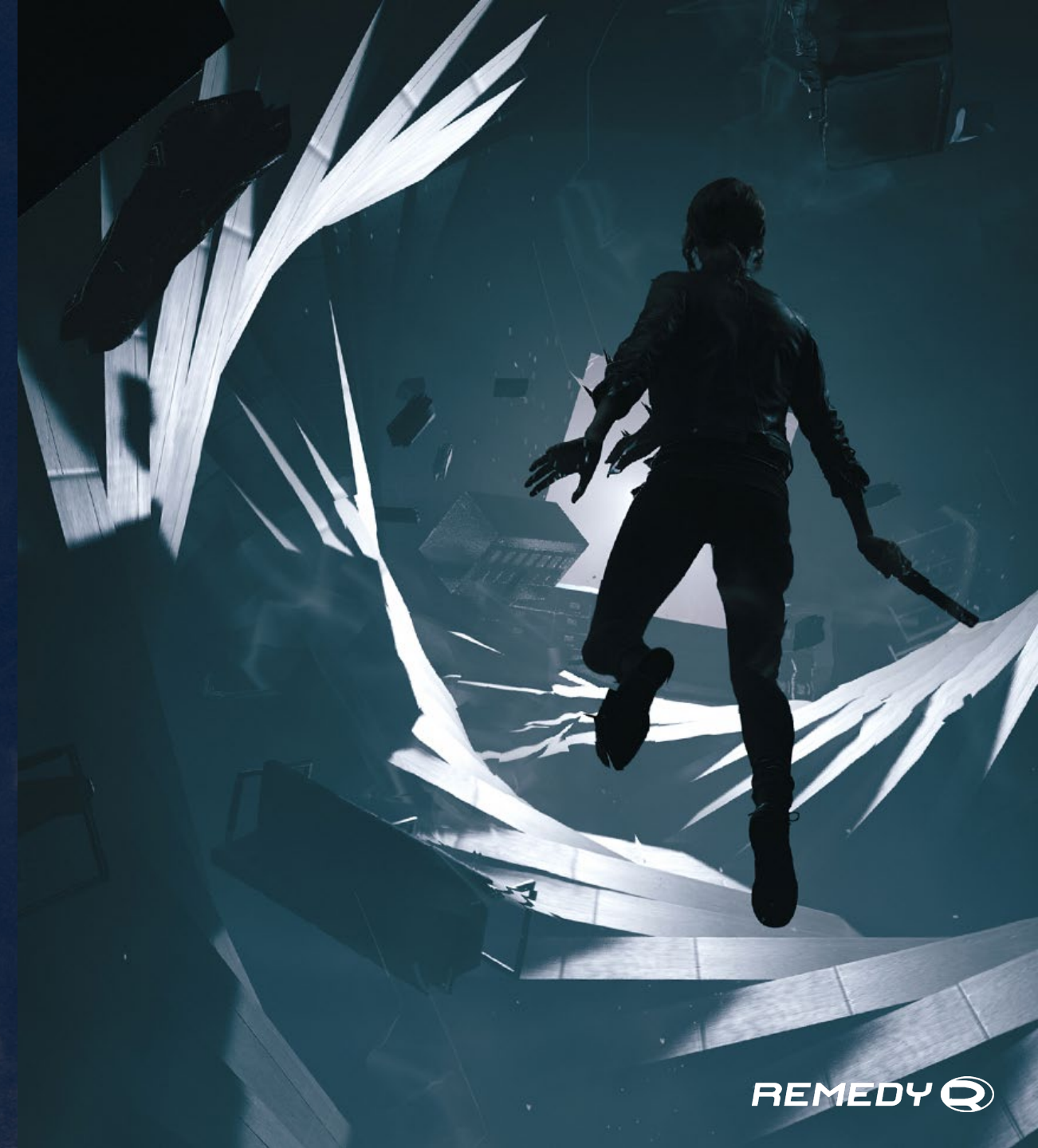
OUTLOOK

Tero Virtala, CEO



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.





THANK YOU!

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