A woman with short reddish-brown hair and blue eyes, wearing a black leather jacket, is shown from the waist up. She is holding a black handgun with her right hand, pointing it downwards. The background is dark and textured, possibly a wall or a large object. The lighting is dramatic, with a strong light source from the left casting shadows on her face and the wall.

The webcast will begin soon.



Q3 2021 BUSINESS REVIEW

12.11.2021



AGENDA

- 1 Q3 2021 in Review
- 2 Q3 and Q1-Q3 2021 Financial Results
- 3 Outlook
- 4 Questions & Answers



Tero Virtala
CEO



Terhi Kauppi
CFO

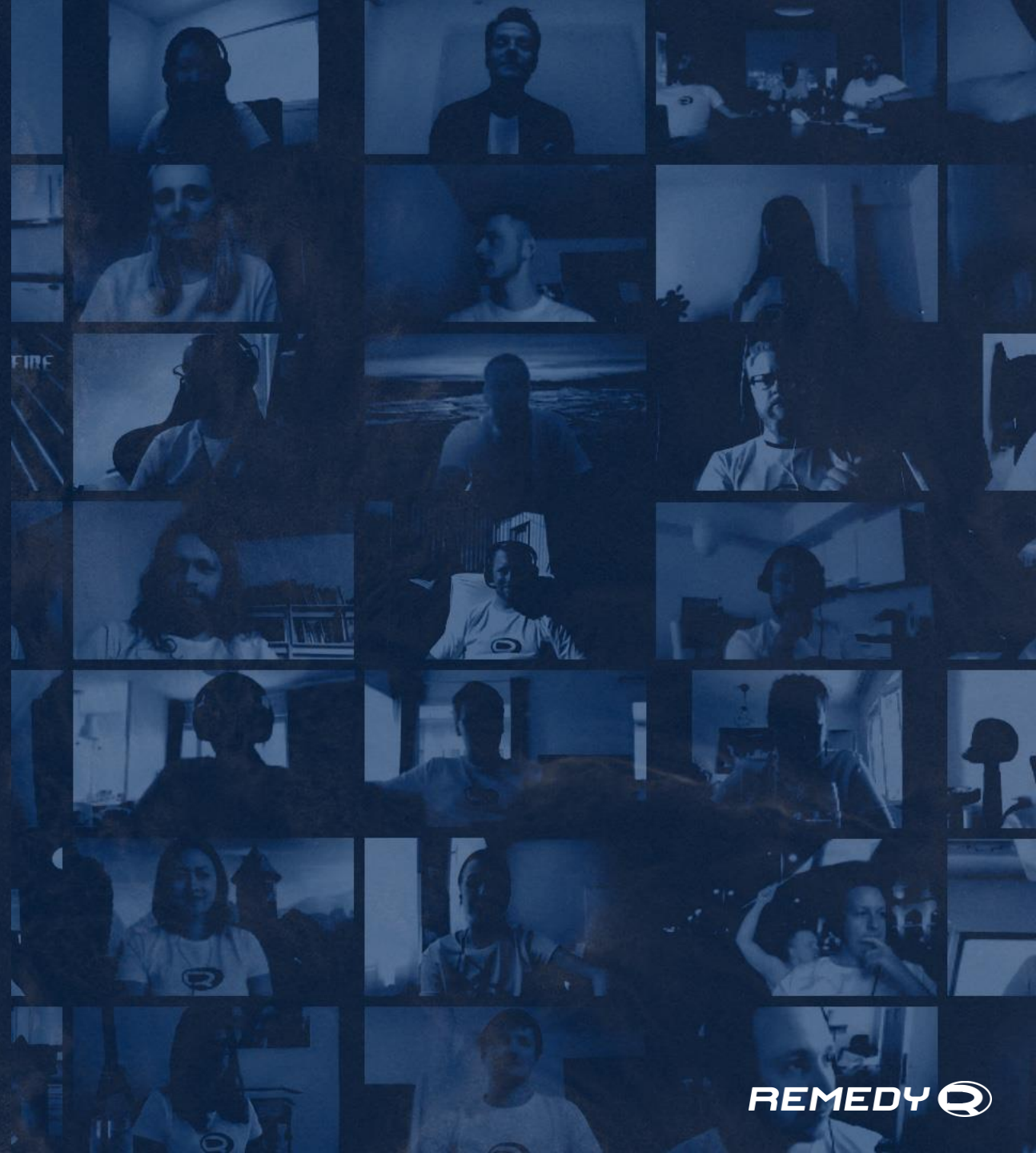
Q3 2021 IN REVIEW

Tero Virtala, CEO



Q3 2021 SUMMARY

- Revenue was **7.4 M€** (9.9), **-25.4% year on year**
- Operating profit **0.3 M€** (3.4), operating profit margin **3.9%** (34.7%)
- Redirected more personnel to support selected projects with the strongest long-term fit
- Alan Wake Remastered finished and was announced to launch October 5th
- Bigger Epic project went into full production phase
- Crossfire projects were finetuned and polished to prepare them for launch
- Strengthening Remedy's presence in Sweden progressed



OUR 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**.

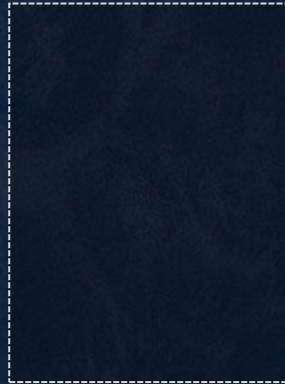
CURRENT PROJECT PORTFOLIO



CONTROL



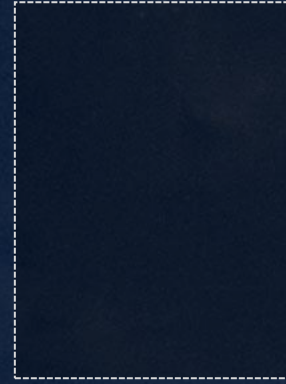
Condor – a
spinoff from
Control



Bigger
new Control
game



~~CROSSFIRE~~



Bigger
unannounced
project



Alan Wake
Remastered



VANGUARD

WITH

505GAMES

WITH



Smilegate
Entertainment

WITH



REMEDY

CROSSFIRE – LAUNCHES PENDING



Developed by **Smilegate**

With **Tencent**

Platform: **PC**

Crossfire's HD story mode release pending, exact timing at the discretion of Smilegate

Continuation to the Crossfire game in China

Includes Remedy's single player Operations



Developed by **Smilegate**

With **Microsoft**

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

CrossfireX release pending, exact timing at the discretion of Smilegate

A new console game in the Crossfire franchise

Includes Remedy's single player Operations

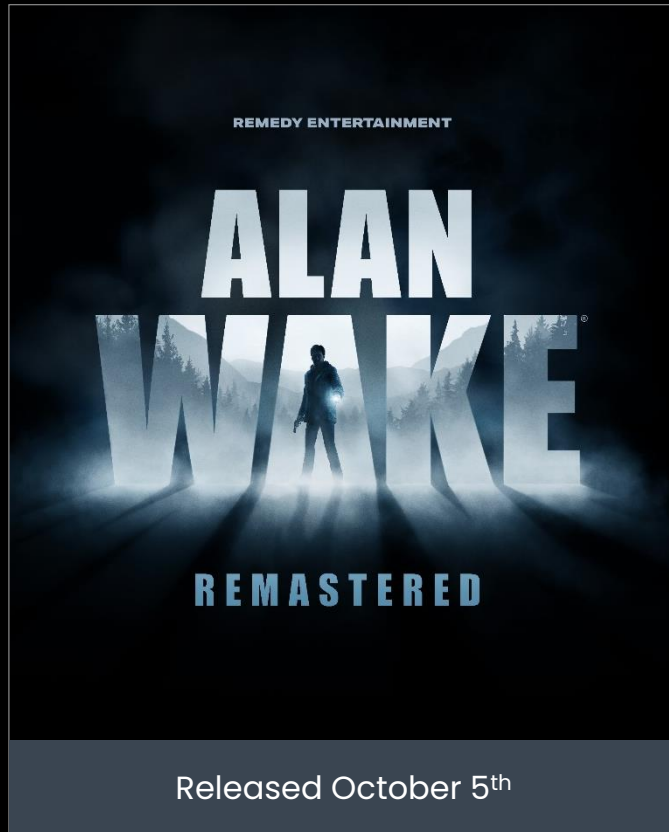
CONDOR & BIGGER CONTROL GAME

June 2021: co-publishing and development agreement with 505 Games

- Condor
 - Multiplayer spin-off game of Control
 - 4-player cooperative PvE (player vs. environment) game
 - For console and PC platforms
 - Initial development budget of EUR 25 million
 - Development and marketing investments shared 50-50
 - Net revenues* shared 50-50
 - Remedy to retain IP ownership
- Collaboration terms for a future, bigger-budget Control-game also agreed

*Net revenue equals Gross revenue minus VAT, store fees, marketing, localization & other.

EPIC PUBLISHING & REMEDY



VANGUARD

- Long-lasting service-based co-op multiplayer game combined with selected Remedy world-building and narrative strengths
- Free-to-Play game
- Development progresses at a good pace, internal and closed external playtesting continues
- Remedy is actively negotiating and evaluating different partnership models and options for the project.



WE CONTINUE TO GROW OUR WORLD CLASS TALENT POOL

294

Remedy talents
(Sept 30th 2021)

ESTABLISHING A NEW HUB IN SWEDEN

CATEGORY-DEFINING, CREATIVE SUPER-DEVELOPER

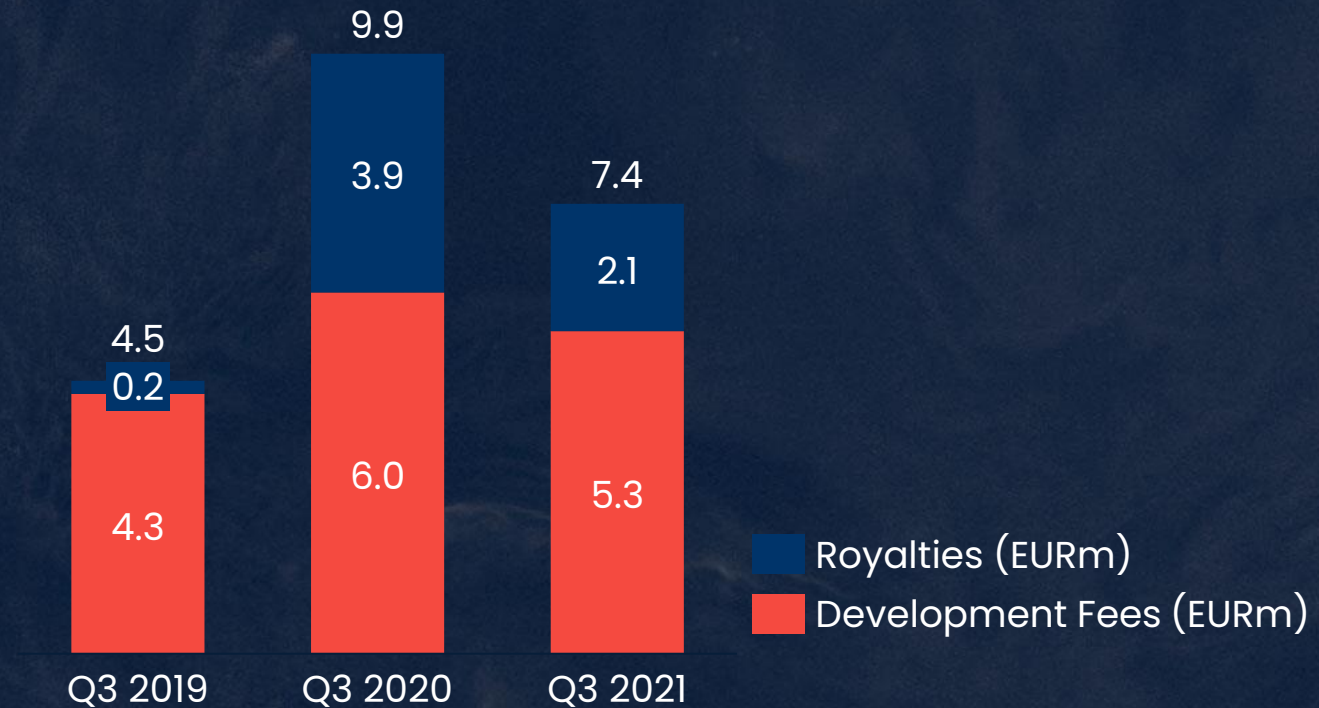
- Creator of world-class gaming brands
- Developer of distinctive, benchmark-setting games
- Professional multi-project developer
- Ability to self-publish, and partner with publishers
- Highly attractive home to world-class talent
- Profitable growth company with managed risks

Q3 AND Q1-Q3 2021 FINANCIAL RESULTS

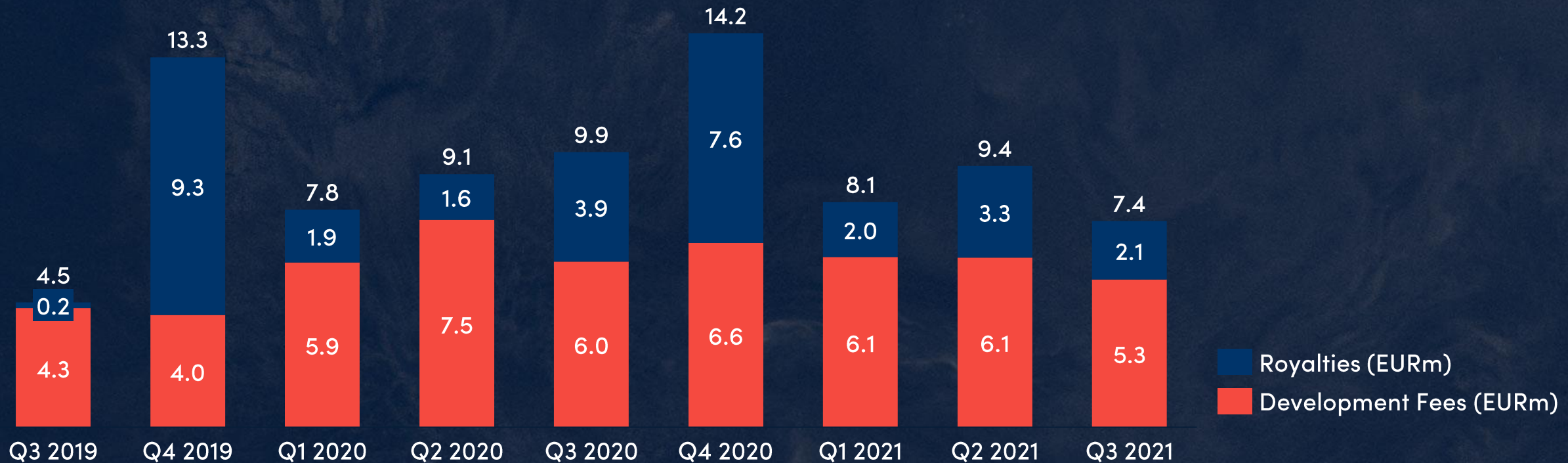
Terhi Kauppi, CFO



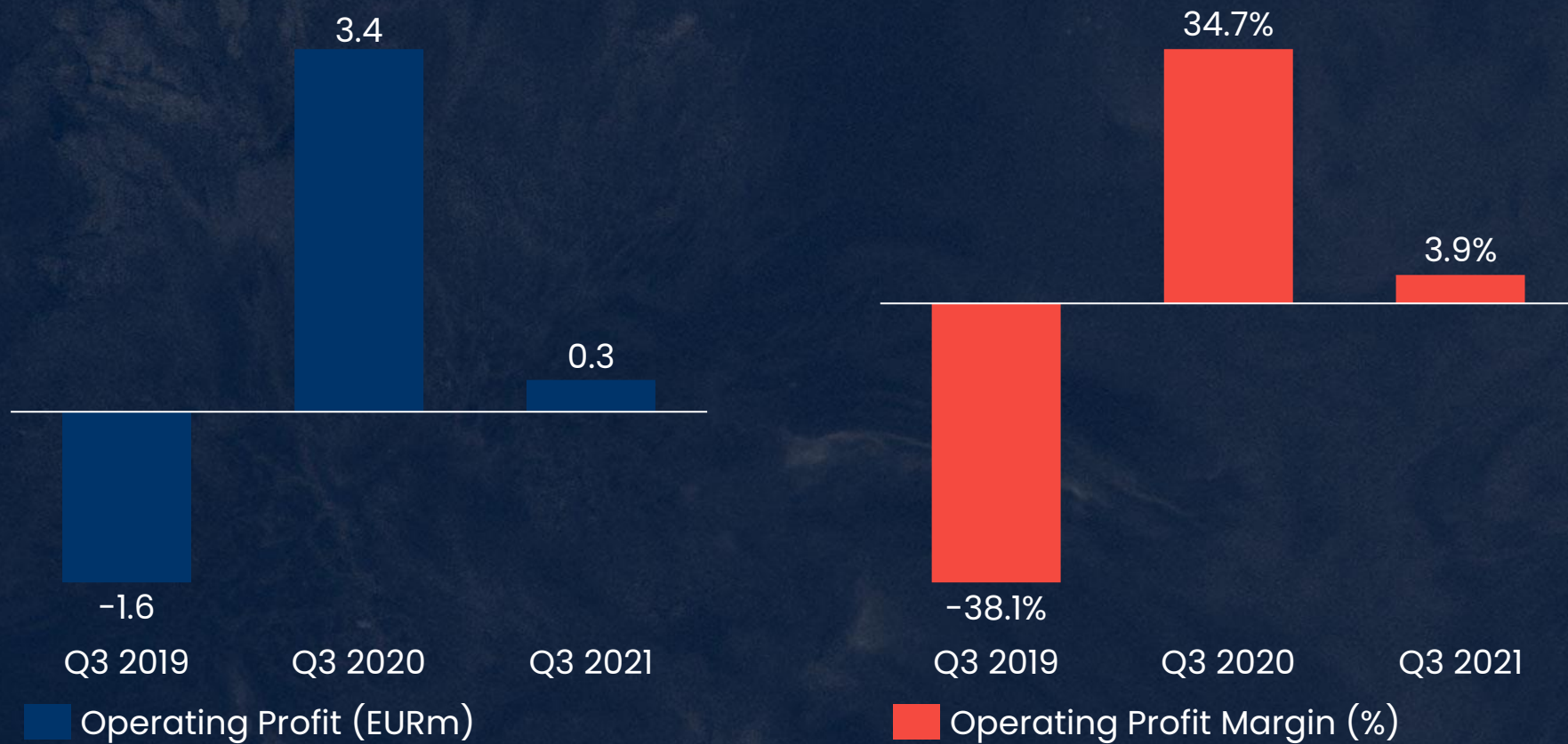
Q3 2021: REVENUE DECLINED Y-O-Y DRIVEN BY LOWER GAME ROYALTIES AND SUBCONTRACTING FEES FROM SMILEGATE



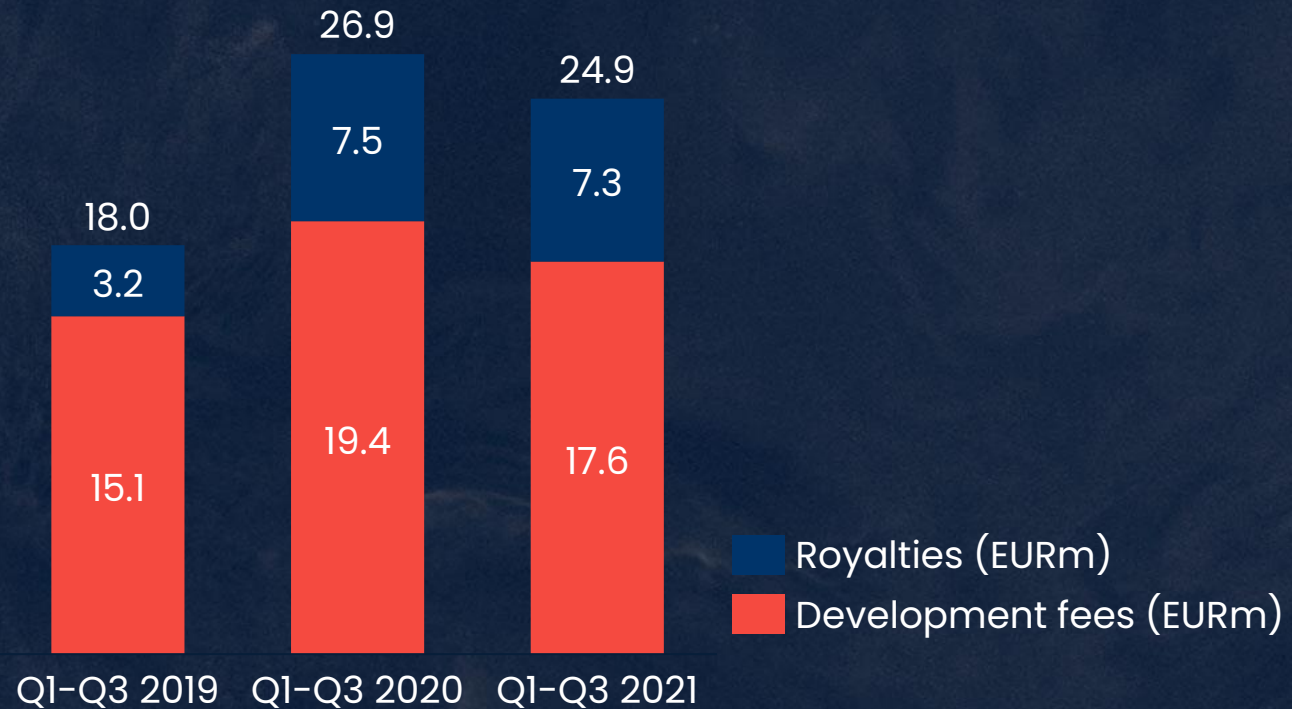
HISTORICAL BREAKDOWN OF REVENUE



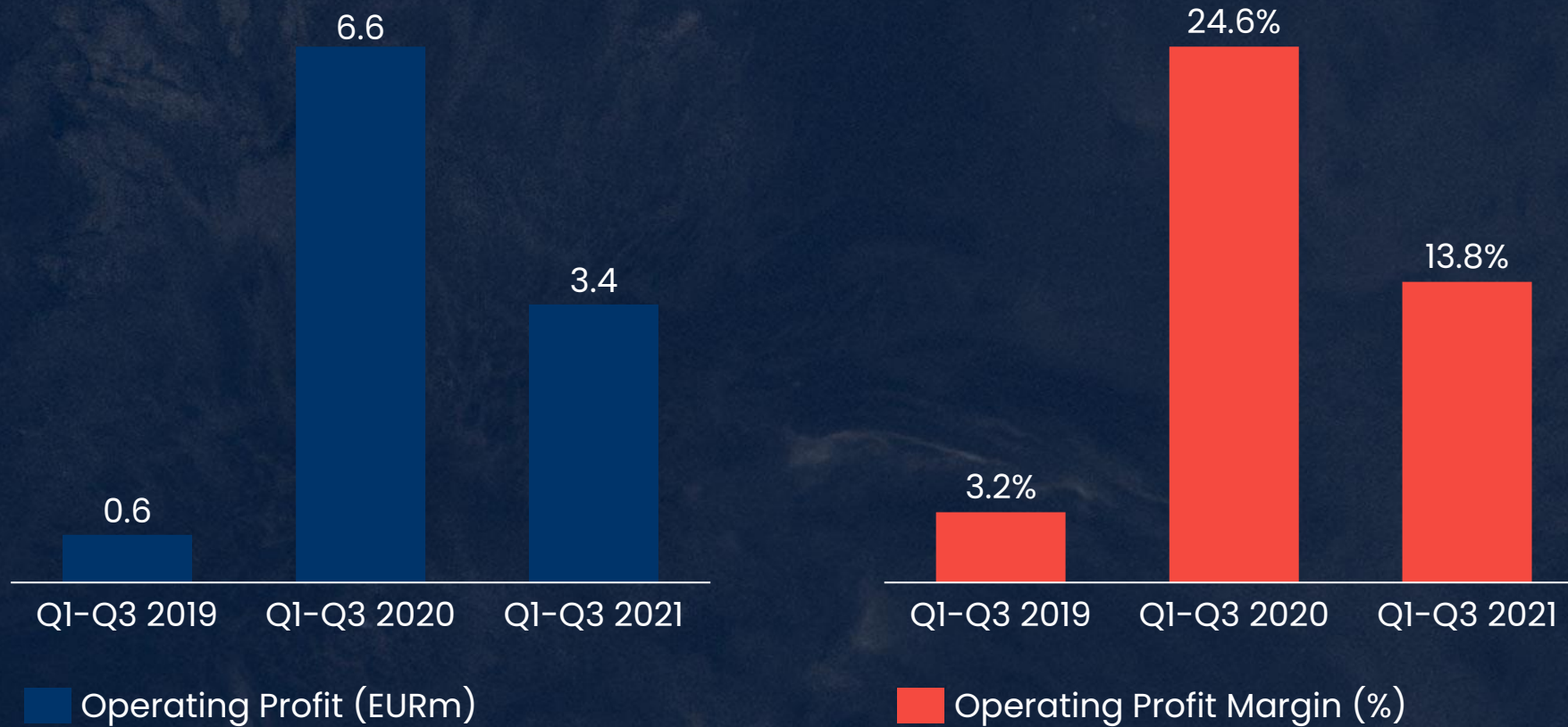
Q3 2021: PROFITABILITY DECLINED DUE TO LOWER GAME ROYALTIES AND SLIGHTLY INCREASED OPERATING COSTS



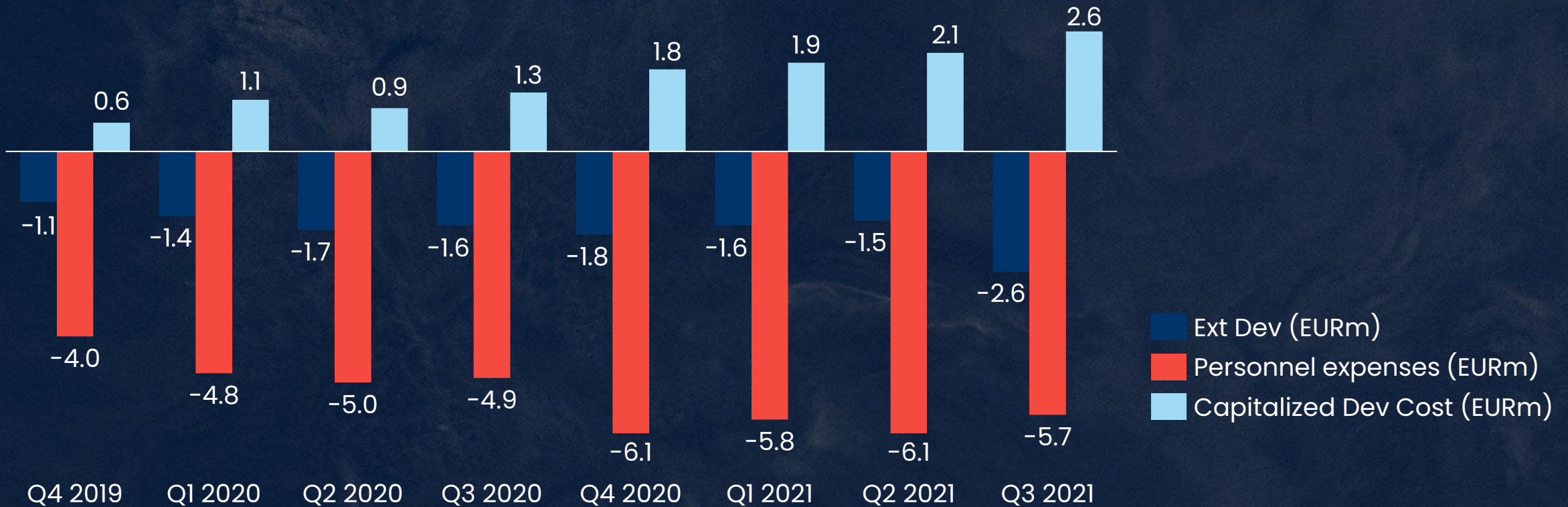
Q1-Q3 2021: REVENUE SLIGHTLY BELOW THE LEVEL OF 2020, EXPECTATIONS HIGH FOR Q4 2021



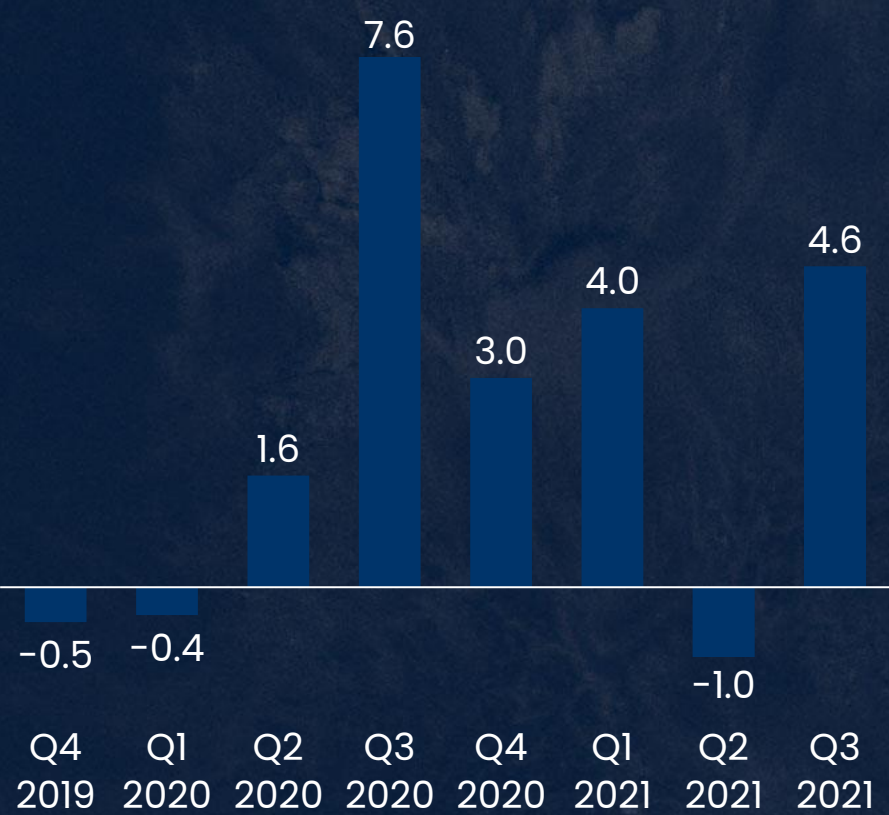
Q1-Q3 2021: PROFITABILITY AT A GOOD LEVEL



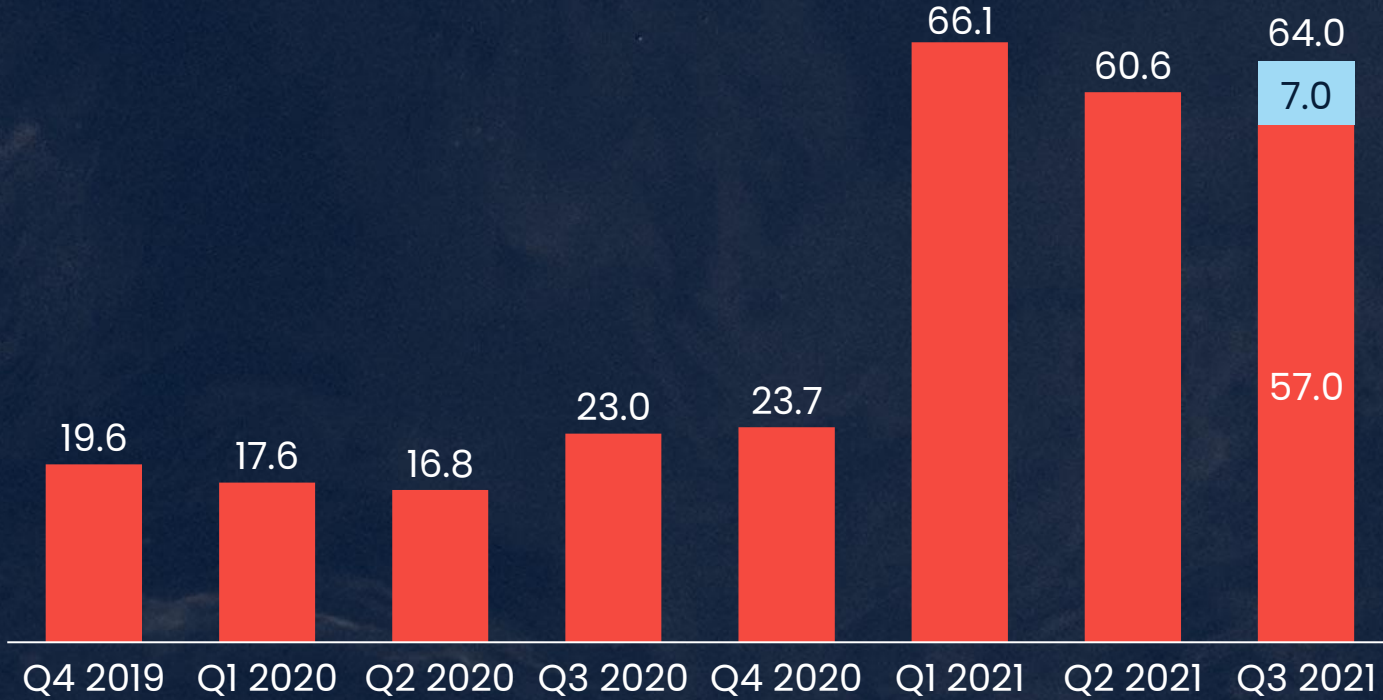
Q3 2021: SMALL Y-O-Y INCREASE IN PERSONNEL COSTS AS PROJECTS MOVE AHEAD IN THE DEVELOPMENT PIPELINE



Q3 2021: OPERATING CASH FLOW ON GOOD LEVEL, CHANGE IN CASH BALANCE RESULTED FROM FINANCIAL INVESTMENTS

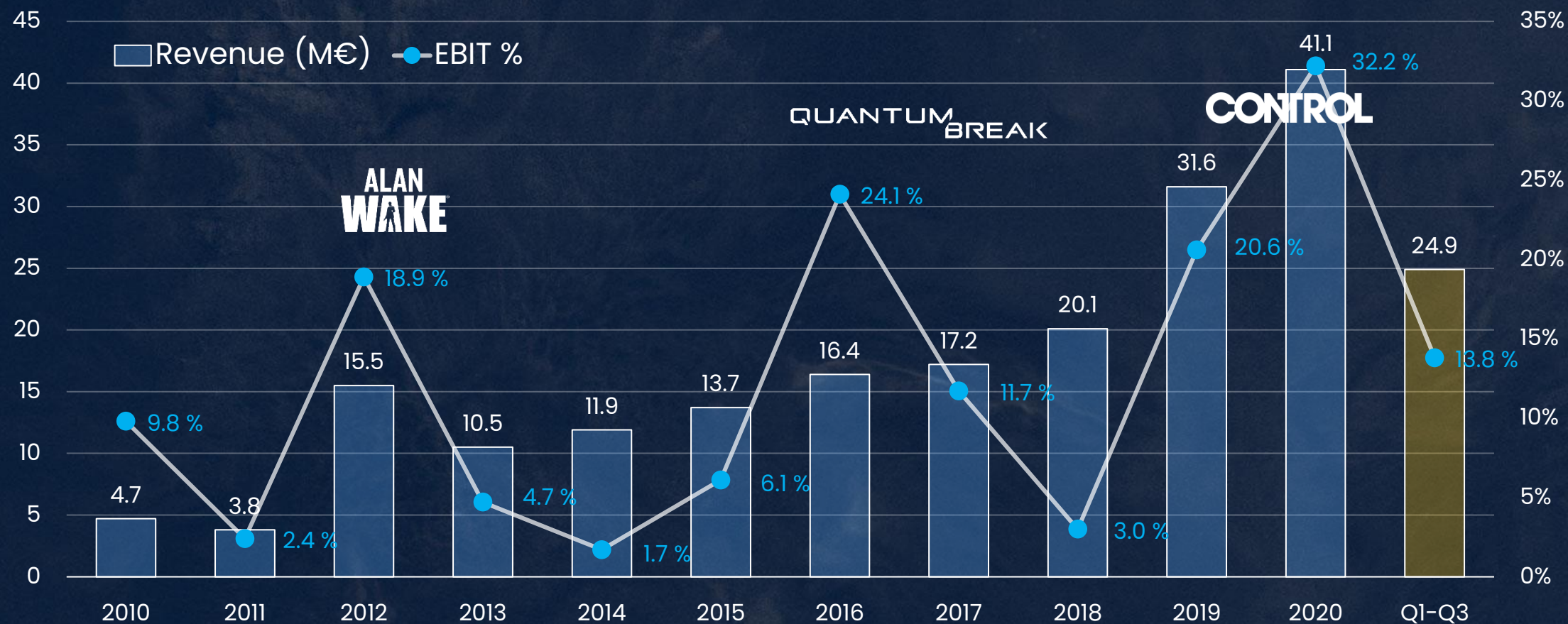


Operating Cash Flow (EURm)

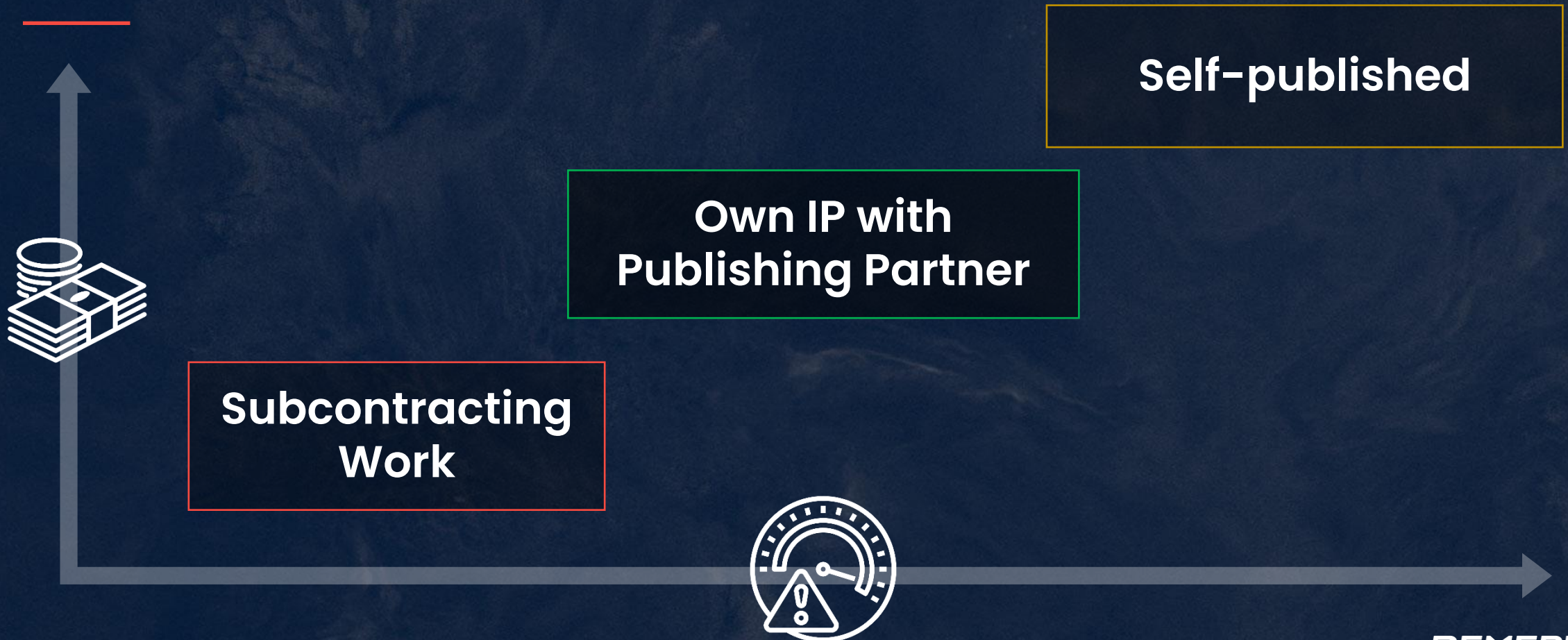


Cash and Cash Equivalents (EURm)
Financial instruments (EURm)

WE HAVE PROGRESSED IN A SUSTAINABLE WAY



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



OUTLOOK

Tero Virtala, CEO



OUTLOOK FOR 2021 (UNCHANGED)

Remedy expects its revenue and operating profit to increase during 2021. Majority of the revenue and operating profit growth is expected to materialize during the second half-year period.




QUESTIONS & ANSWERS

NSC - 02

Q&A INSTRUCTIONS

Speakers will now take questions from the investors, analysts and media representatives

Web participants:

- Type in your question, or
- request a speaking turn by clicking  **Raise Hand** in Zoom controls

Call participants:

- Dial ***9** to request a speaking turn





THANK YOU!

Contact ir@remedygames.com
investors.remedygames.com

     [RemedyGames](#)



REMEDY 