

The webcast will begin soon.





# FINANCIAL STATEMENT BULLETIN

JANUARY - DECEMBER 2021

---

11.02.2022





# AGENDA

---

- 1 Q4 2021 Review
- 2 Q4 and 2021 Financial Results
- 3 Outlook
- 4 Questions & Answers



**Tero Virtala**  
CEO



**Terhi Kauppi**  
CFO

# Q4 2021 REVIEW

---

Tero Virtala, CEO

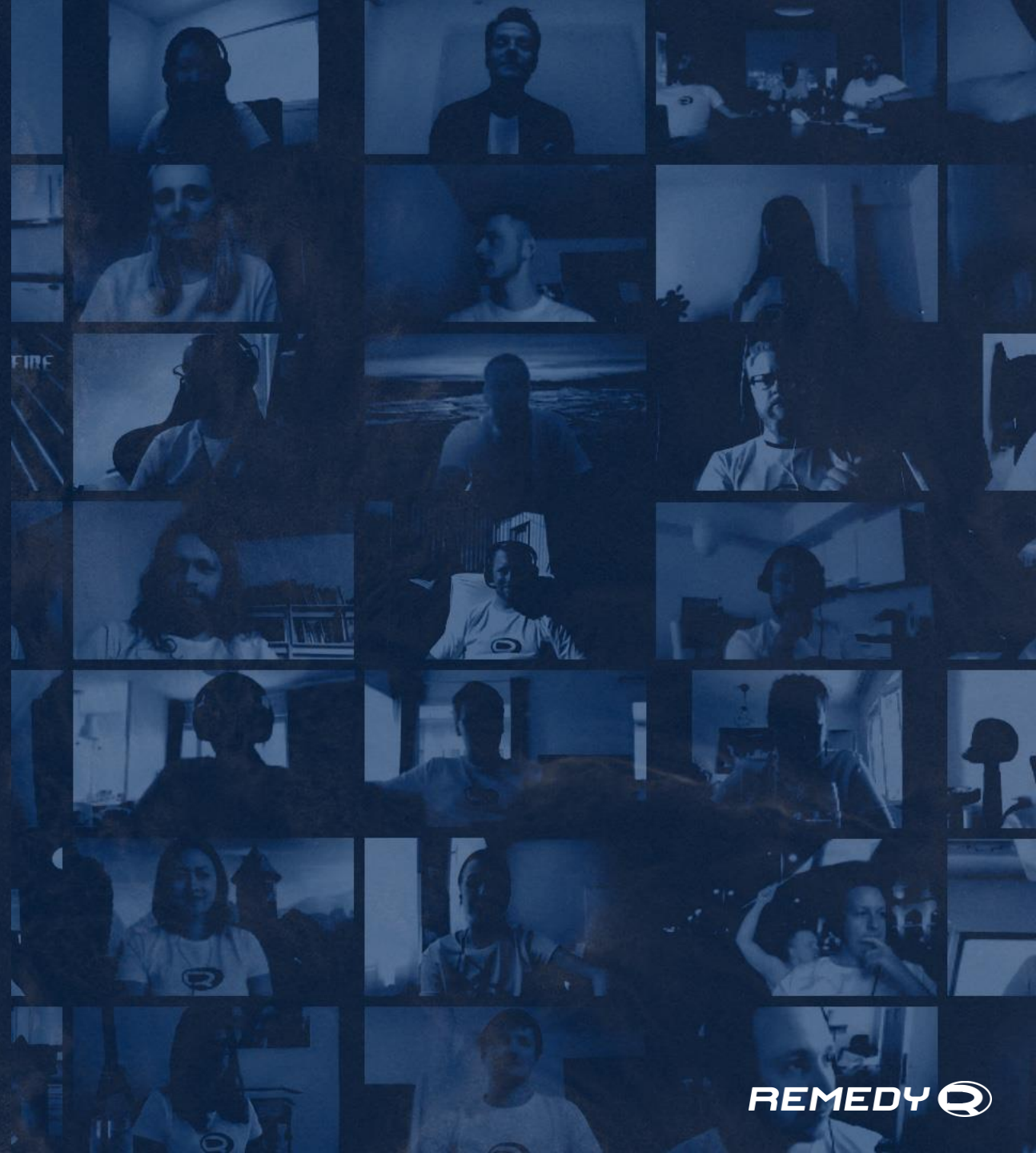




# Q4 2021 HIGHLIGHTS

---

- Revenue **19.8 M€** (14.2), **+39.4% year on year**
- Operating profit **11.3 M€** (6.6), operating profit margin **56.9%** (46.8%)
- Alan Wake Remastered and Crossfire's HD version launched in October and November respectively
- Alan Wake 2 revealed during The Game Awards to be launched in 2023 by Epic Games Publishing
- A global development, license and distribution agreement with signed with Tencent on Vanguard





# FULL YEAR 2021 HIGHLIGHTS

---

- Revenue **44.7 M€** (41.1), **+8.9% year on year**
- Operating profit **14.7 M€** (13.2), operating profit margin **32.9%** (32.2%)
- 41.5 M€ capital raise
- Control Ultimate Edition released on PlayStation 5 and Xbox Series X|S.
- Alan Wake Remastered launched and Alan Wake 2 announced.
- Crossfire's HD single-player story mode launched.
- Agreement with 505 Games for Condor.
- Agreement with Tencent for Vanguard.
- Board of Directors proposes a dividend of 0.17 (0.15) euros per share.





# KEY OPERATIONAL DEVELOPMENTS IN 2021

---

- In-development game projects have made good progress.
- Visibility to our product road map is excellent.
- Game leadership teams strengthened.
- Successful recruitment and people related developments.
- Preparations underway for a Remedy studio in Stockholm, Sweden.
- Significant developments to Northlight-technology and tools.
- Forged new external development partnerships.
- Ability to execute is stronger than ever.



# 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**.



# STRATEGIC GUIDELINES

...that we 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.

# CURRENT PROJECT PORTFOLIO



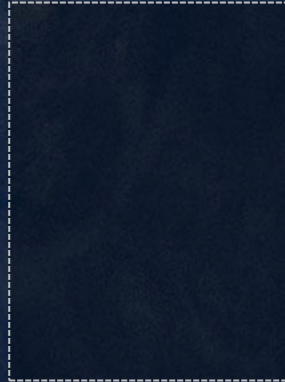
**CONTROL**

LAUNCHED



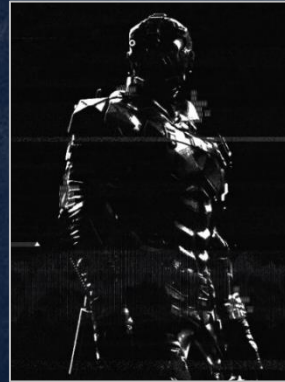
Condor\* – a  
spinoff from  
Control

PROOF-OF-CONCEPT



Bigger  
new Control  
game aka  
Project Heron\*

CONCEPT



**CROSSFIRE**

LAUNCHED



Alan Wake  
Remastered

LAUNCHED



Alan Wake II

FULL PRODUCTION



VANGUARD

PROOF-OF-CONCEPT

WITH

**505GAMES**

WITH



Smilegate  
Entertainment

WITH



WITH

**Tencent**

\* project codename

**REMEDY**



# CROSSFIRE – CROSSFIRE'S HD AND CROSSFIREX ARE OUT IN THE MARKET WITH SINGLE PLAYER STORY MODES BY REMEDY



Developed by Smilegate

With Tencent

Platform: PC

Crossfire's HD story mode released in November 2021

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 released in February 2022

A new console game in the Crossfire franchise

**Includes Remedy's single player Operations**

# CONDOR & BIGGER CONTROL GAME (CODENAME HERON)

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
  - In proof-of-concept stage
- Bigger-budget Control-game (codename Heron)
  - In concept stage

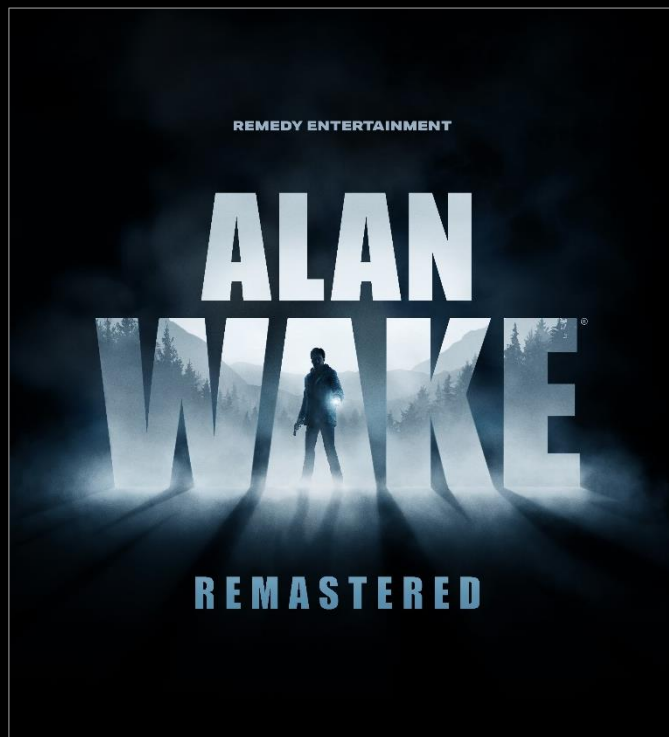
\*Net revenue equals Gross revenue minus VAT, store fees, marketing, localization & other.



# ALAN WAKE

---

## Alan Wake Remastered



Released October 5<sup>th</sup>

## Alan Wake II



Full production stage

# VANGUARD

---

- Long-lasting service-based co-op multiplayer game combined with selected Remedy world-building and narrative strengths
- Free-to-Play game
- Development progressing at a good pace, internal and closed external playtesting continuing
- Remedy signed a global development, license and distribution agreement with Tencent
- Remedy will develop and publish the game worldwide, excluding selected Asian markets, where Tencent will localize and publish the game
- In proof-of-concept stage





# WE CONTINUE TO GROW AND INVEST INTO OUR WORLD CLASS TALENT POOL

---

320

Remedy talents  
(Dec 31<sup>st</sup> 2021)

ESTABLISHING  
A NEW  
DEVELOPMENT STUDIO  
IN STOCKHOLM  
DURING 2022

CONTINUING TO EXPAND  
EXTERNAL DEVELOPMENT CAPABILITIES

# 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





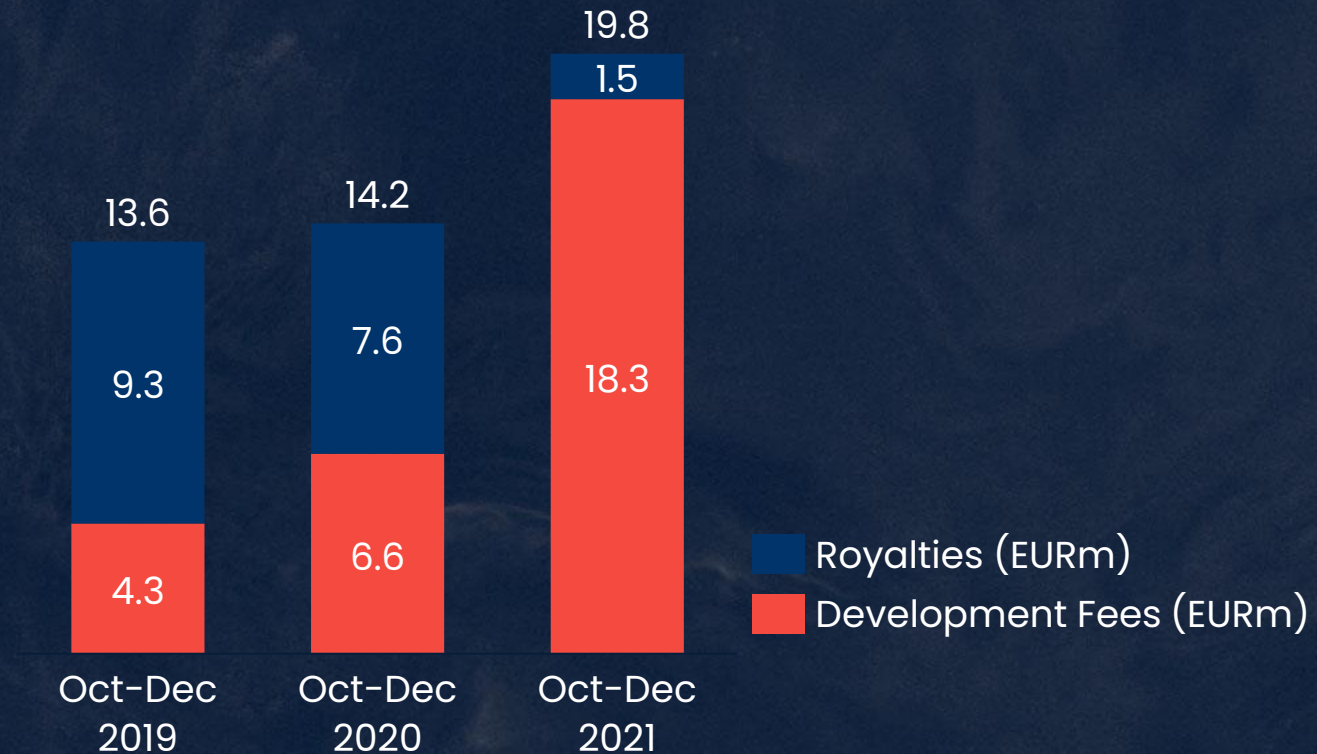
# Q4 AND 2021 FINANCIAL RESULTS

Terhi Kauppi, CFO



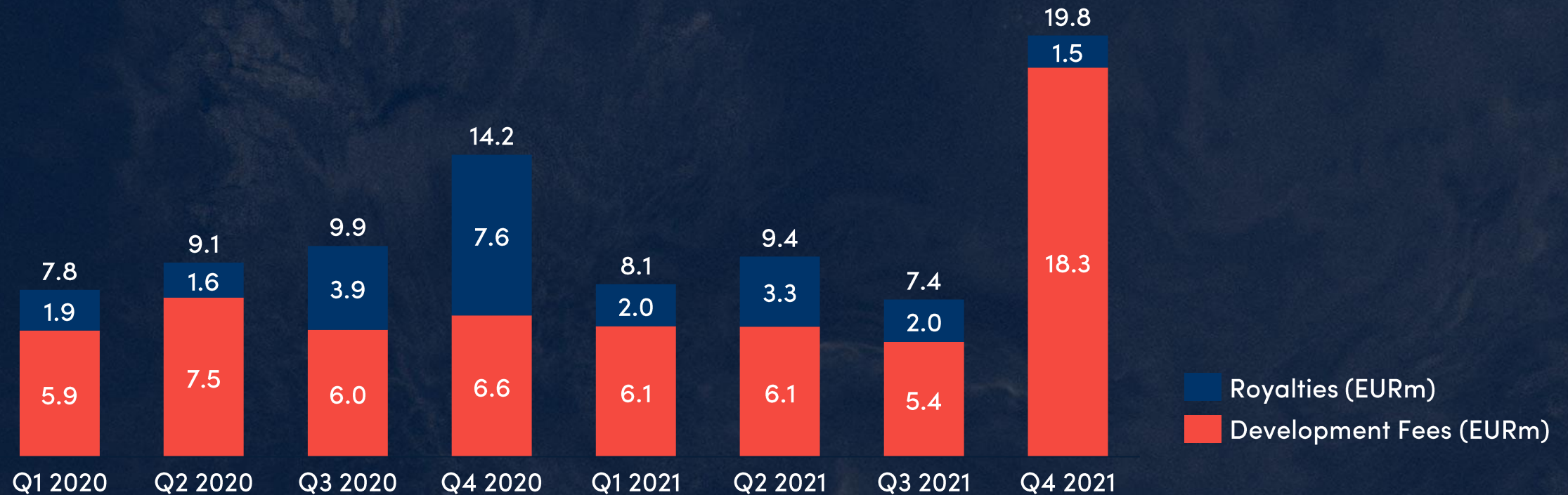
REMEDY®

# Q4 2021: SIGNIFICANT REVENUE GROWTH DRIVEN BY DEVELOPMENT FEES FROM VANGUARD AND ALAN WAKE 2

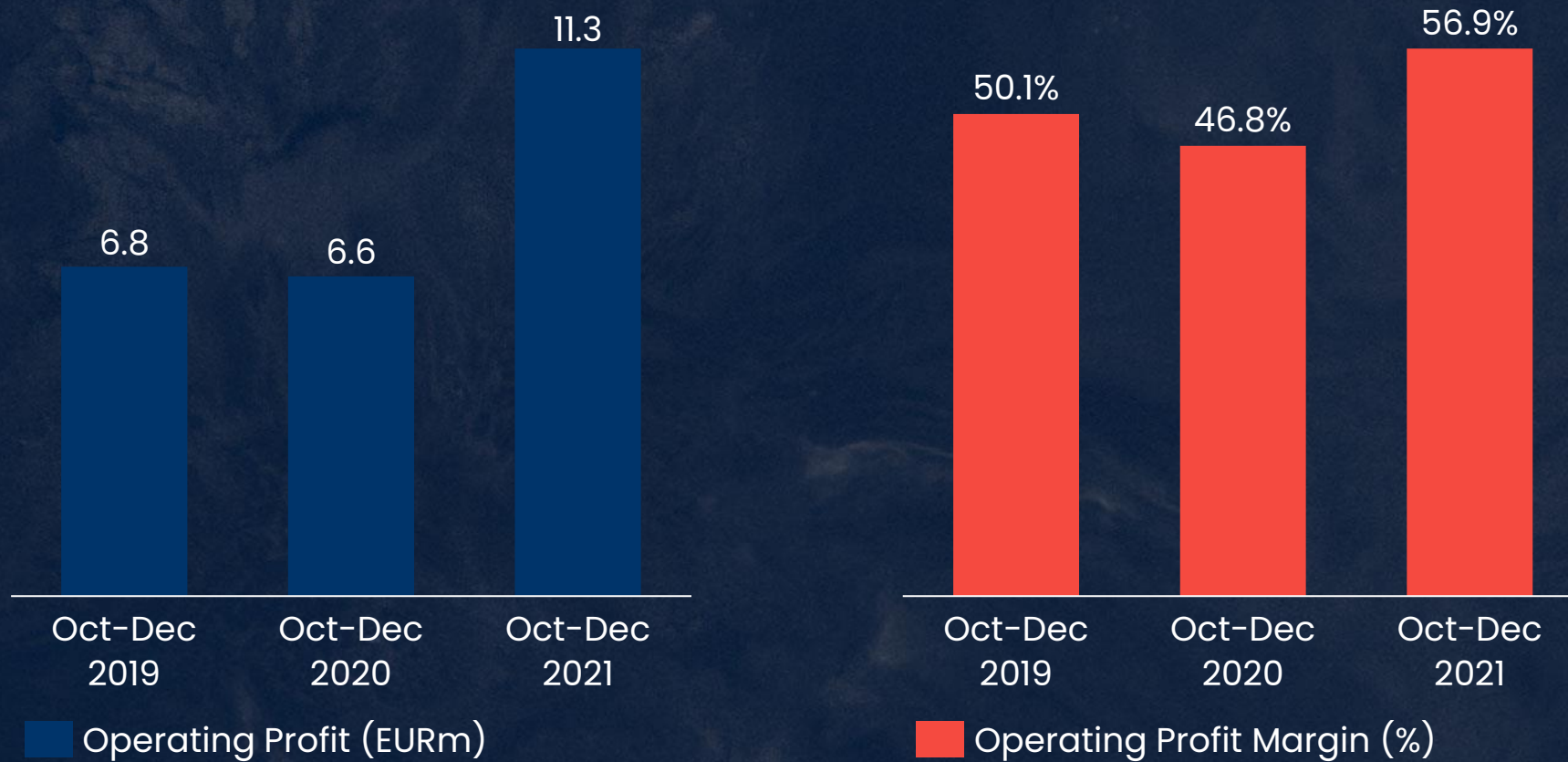




# HISTORICAL BREAKDOWN OF REVENUE

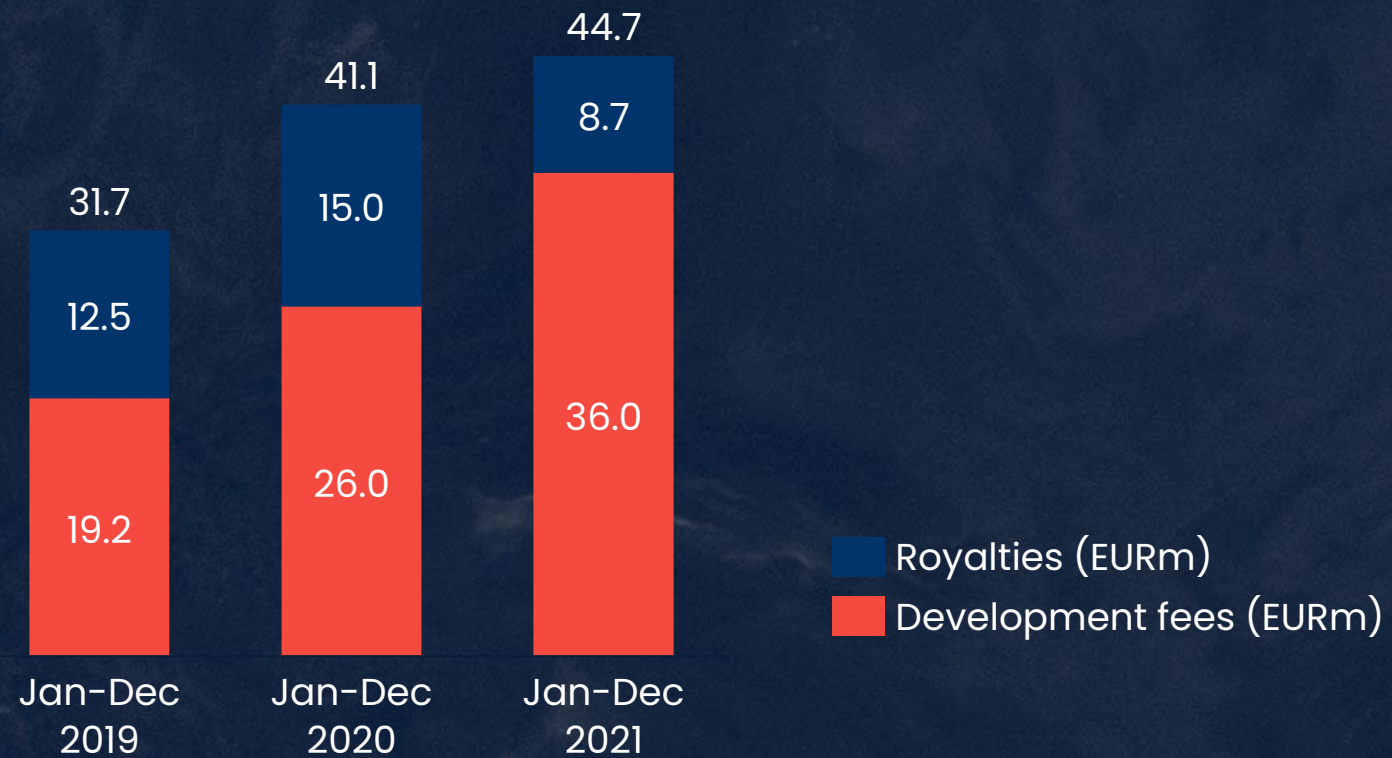


# Q4 2021: IMPROVEMENT IN PROFITABILITY FROM NEW AND AMENDMENT PUBLISHING AGREEMENTS

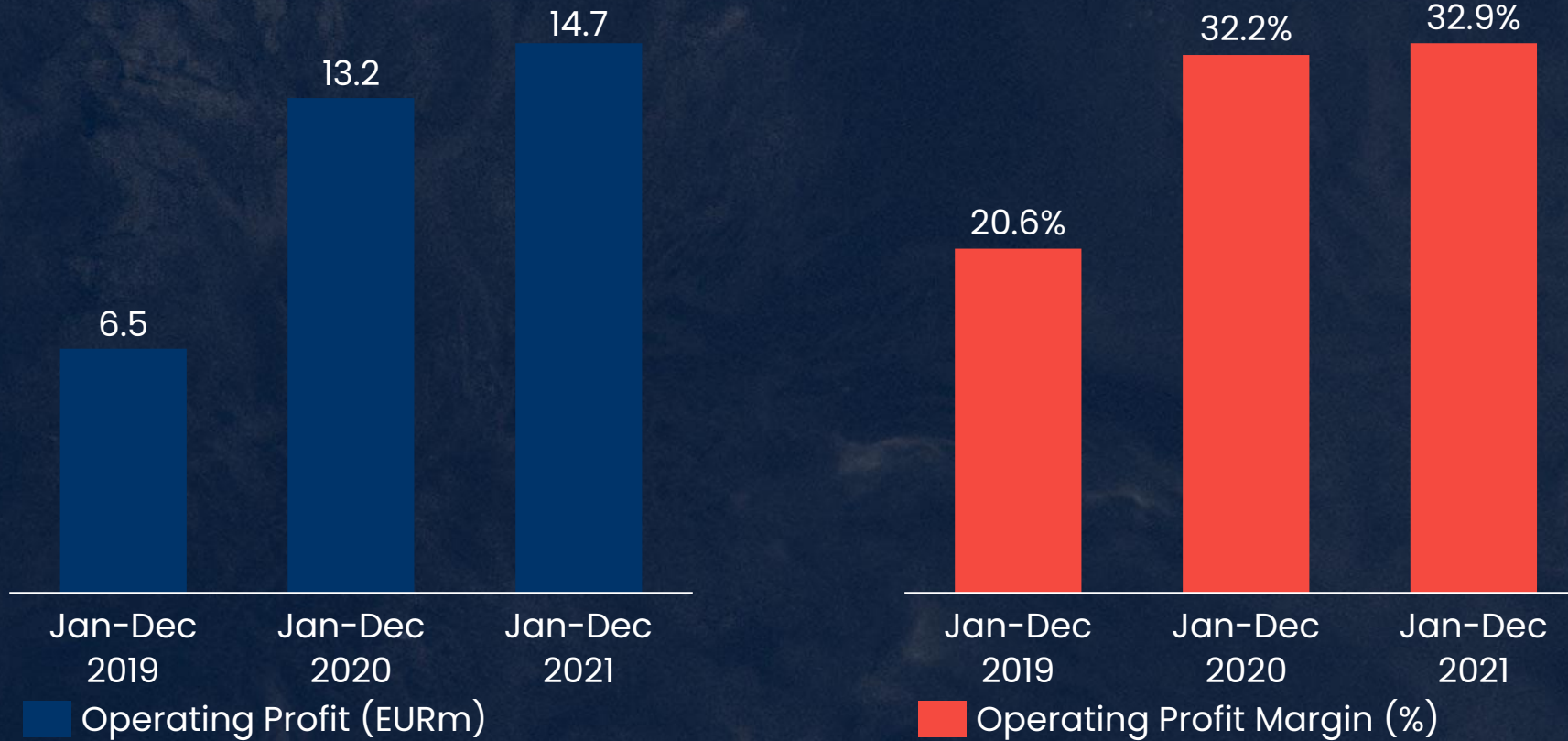




# 2021: REVENUES GREW Y-O-Y DRIVEN BY DEVELOPMENT FEES FROM A BROADER GAMES PIPELINE

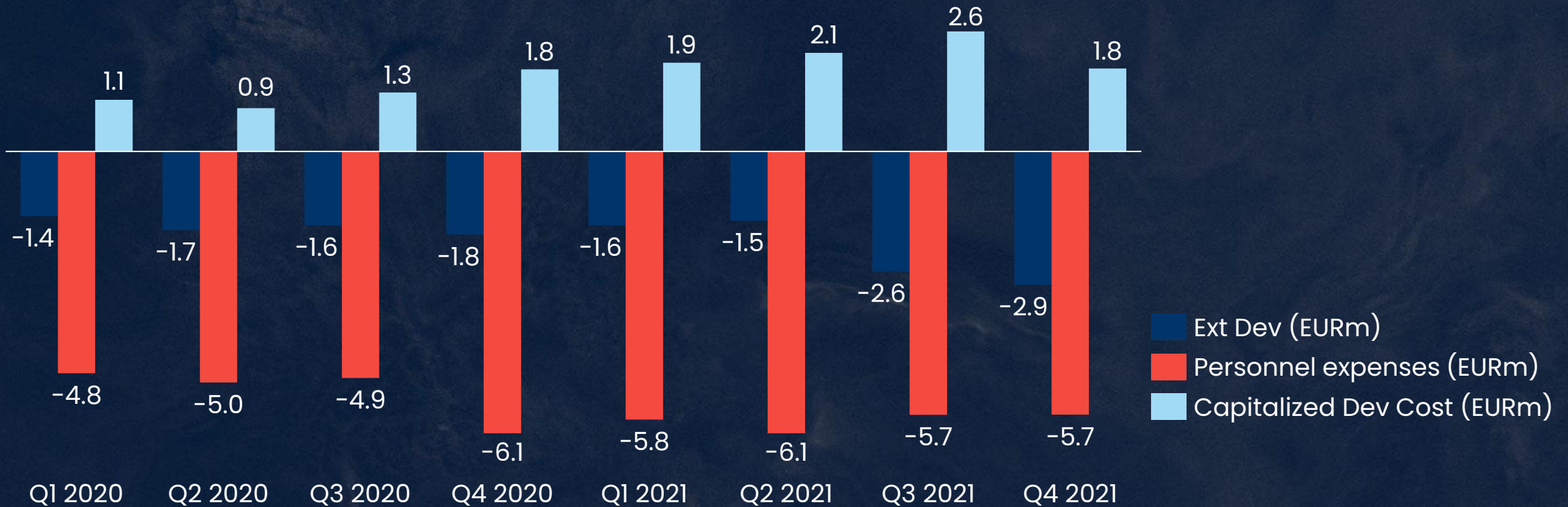


# 2021: PROFITABILITY REMAINED HIGH

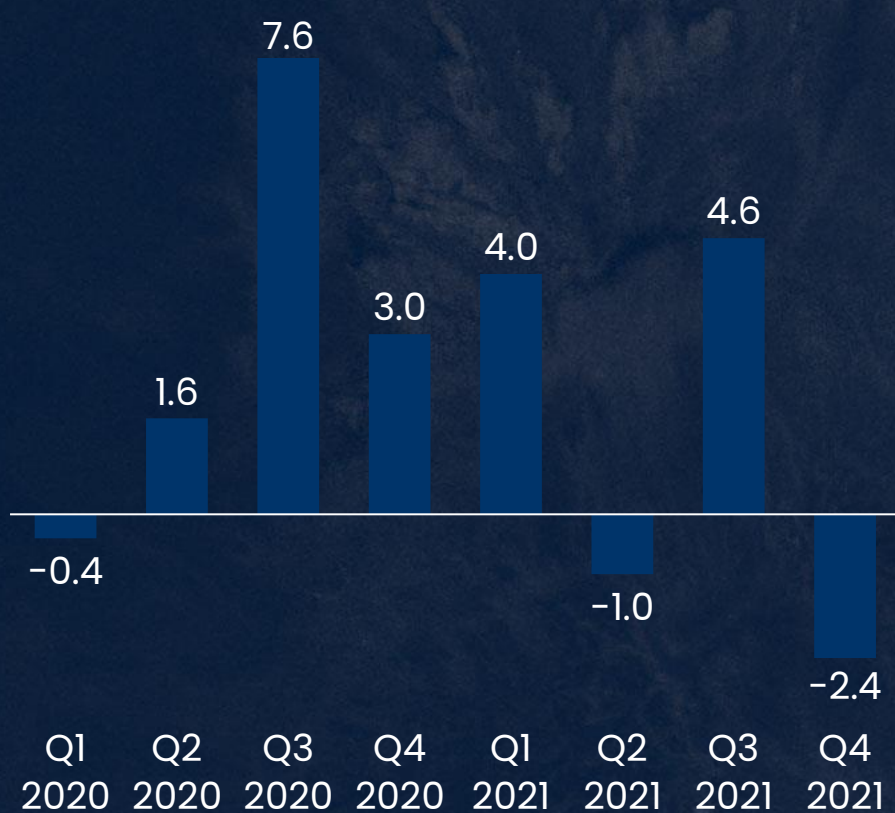




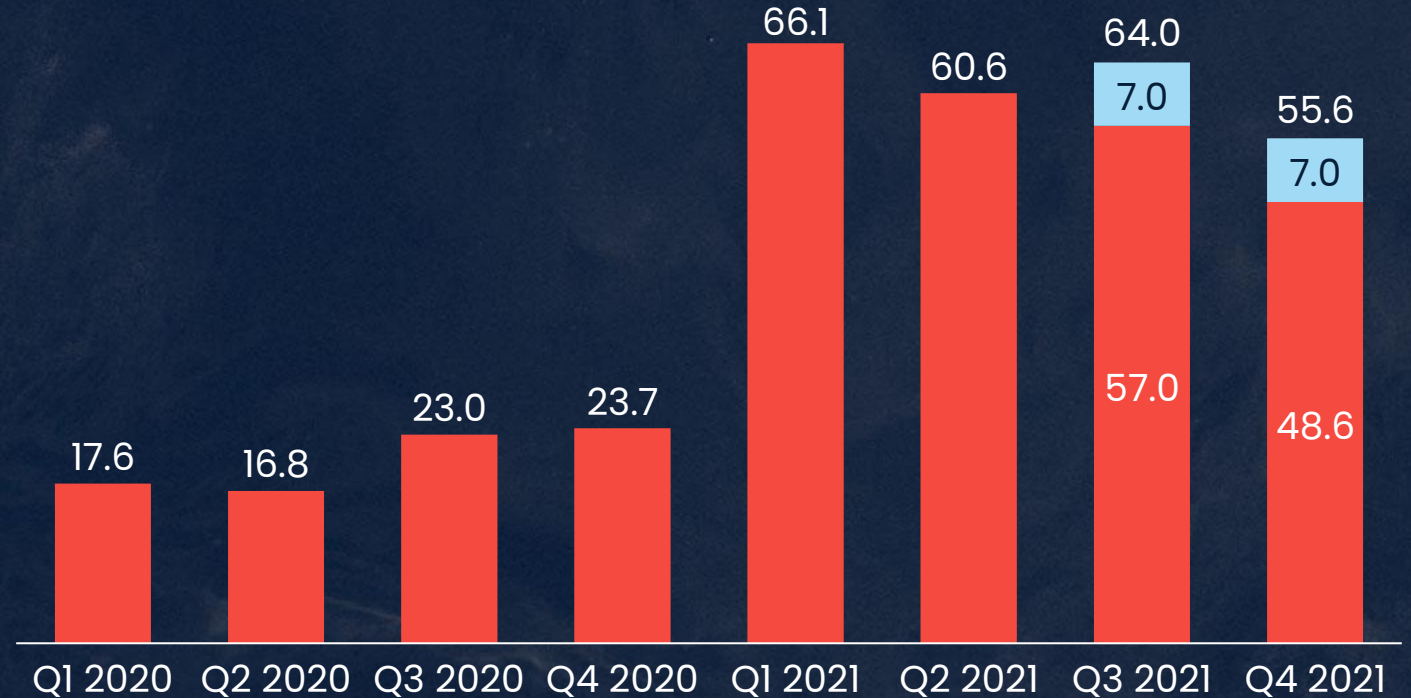
# Q4 2021: Y-O-Y INCREASE IN EXTERNAL DEVELOPMENT, PERSONNEL EXPENSES CLOSE TO Q4 2020 LEVEL



# Q4 2021: OPERATING CASH FLOW IMPACTED BY REVENUE MIX AND TIMING



Operating Cash Flow (EURm)

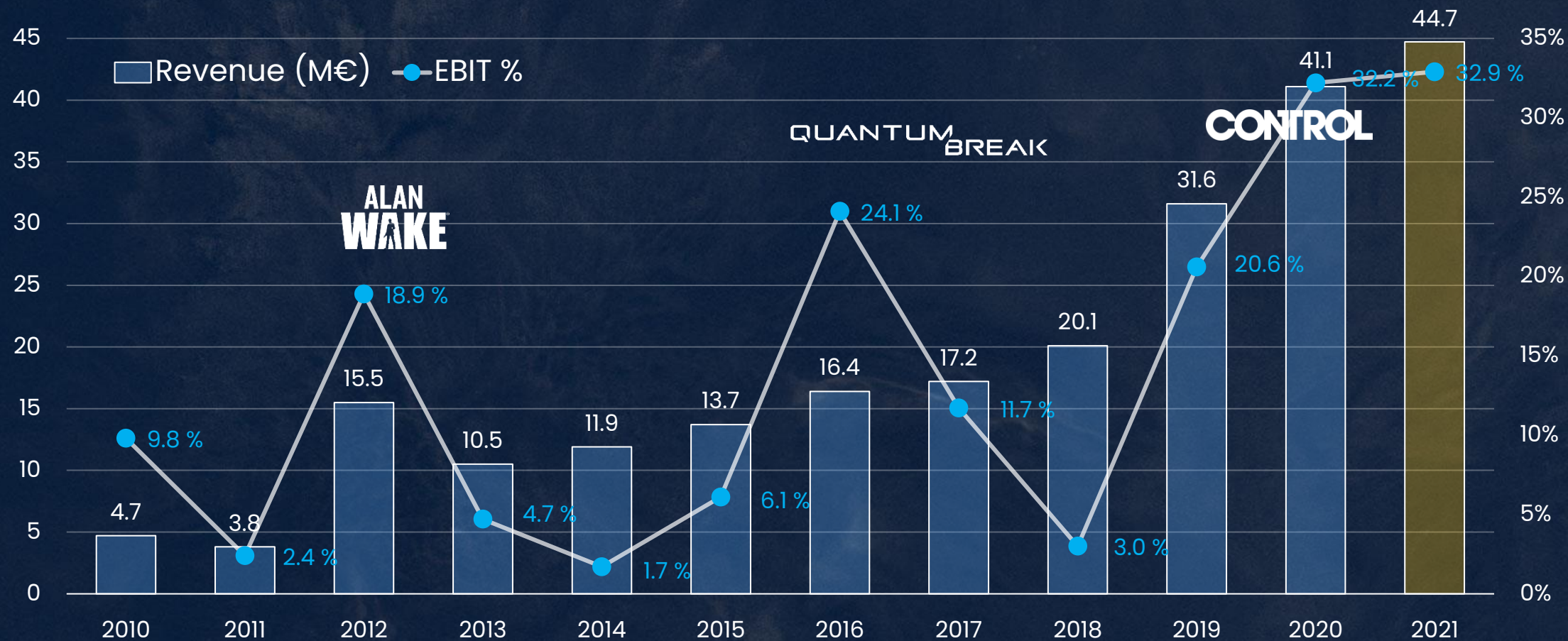


Cash and Cash Equivalents (EURm)

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 2022

---

Remedy expects its revenue to grow and operating profit to be on a lower level than in 2021.





# LONG TERM BUSINESS PROSPECTS

---

- We have several games in development each with a world-class partner and agreed long-term development fees. This forms a growing and predictable revenue basis for many years.
- Alongside this, we build the more scalable revenue streams: game royalties.
- Individual game royalties depend on many variables. Each high-quality game has potential to succeed. Success would drive significant revenue and profit growth for many years.
- This also applies to the three games we launched in the end of 2021 and early 2022 with our partners.
- In addition to games already in the market, we have four game projects in development and will have major game launches between 2023 and 2025.
- Our creative capabilities are widely known. Now our ability to execute this roadmap successfully is also stronger than ever.
- We have entered the next phase of our long-term growth plan.

# 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](mailto:ir@remedygames.com)  
[investors.remedygames.com](http://investors.remedygames.com)

     [RemedyGames](#)



**REMEDY** 