

The webcast will begin soon.



A woman with short reddish-brown hair, wearing a dark leather jacket, is shown from the waist up. She is holding a handgun in her right hand, which is resting on her hip. The background is dark and textured, with a warm, orange-yellow light source on the left side, creating a dramatic, low-key lighting effect.

# BUSINESS REVIEW

JANUARY - MARCH 2022

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May 13, 2022





# AGENDA

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- 1 Remedy Entertainment in Brief
- 2 Q1 2022 Review
- 3 Q1 2022 Financial Results
- 4 Outlook
- 5 Questions & Answers



**Tero Virtala**  
CEO



**Terhi Kauppi**  
CFO



# REMEDY IN A NUTSHELL

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- Video game company from Finland, founded in 1995.
- More than 320 professionals from 32 nationalities.
- 1 studio in Espoo Finland, establishing a new studio in Stockholm Sweden.
- AAA console and PC games that expand into long-lasting franchises.
- Multi-project studio with 3 games live, several games in development.





# EXPANDING GAME BRANDS & AWARD-WINNING AAA CONSOLE AND PC GAMES



Death Rally  
1996



Max Payne  
2001



Max Payne 2  
2003



Alan Wake  
2010



Alan Wake's  
American Nightmare  
2012



Quantum Break  
2016



Control  
2019

OVER 250 INDUSTRY AWARDS AND ACCOLADES



BAFTA



THE VERGE

TIME

ACADEMY  
OF  
INTERACTIVE ARTS & SCIENCES



REMEDY 





# GAMES WITH

Immersive  
worlds

Interesting  
characters

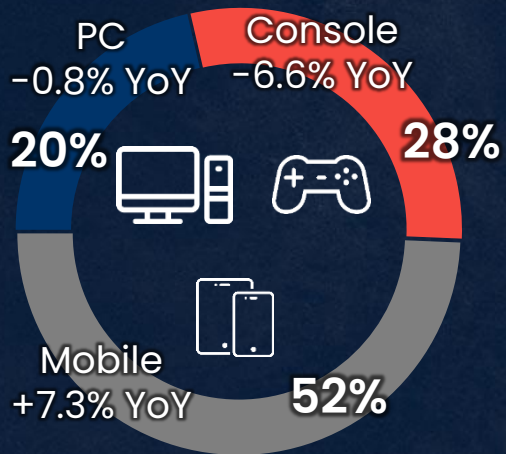
Memorable  
stories

Polished action  
gameplay



# GLOBAL GAMES MARKET 2021

**TOTAL MARKET**  
**\$180.3Bn**  
+1.4% YoY



North America  
**\$44.2Bn**  
-3.7% YoY

Latin America  
**\$7.4Bn**  
+7.0% YoY

Europe  
**\$32.3Bn**  
-3.3% YoY

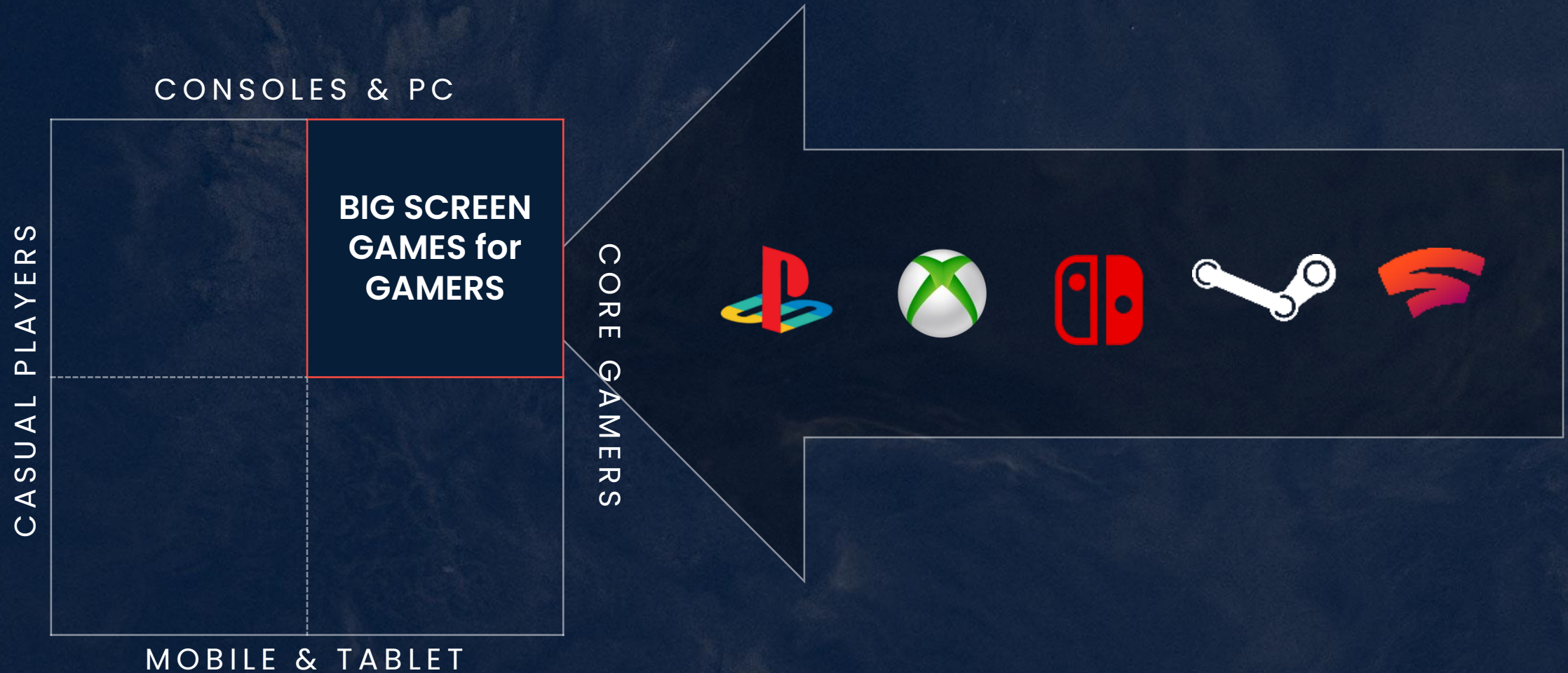
Middle East & Africa  
**\$6.4Bn**  
+7.4% YoY

Asia-Pacific  
**\$90.0Bn**  
+5.1% YoY

**2021 – 2024:**  
**CAGR +6.7%**

SOURCE: NEWZOO

# OUR FOCUS ON THE MARKET



SOURCES: NEWZOO, SONY,  
VGCHARTZ



# 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.

Less than 40 independent studios remain.



# OUR LONG-TERM OBJECTIVES ( BY THE END OF 2025 )

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- 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**.



# Q1 2022 REVIEW

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Tero Virtala, CEO

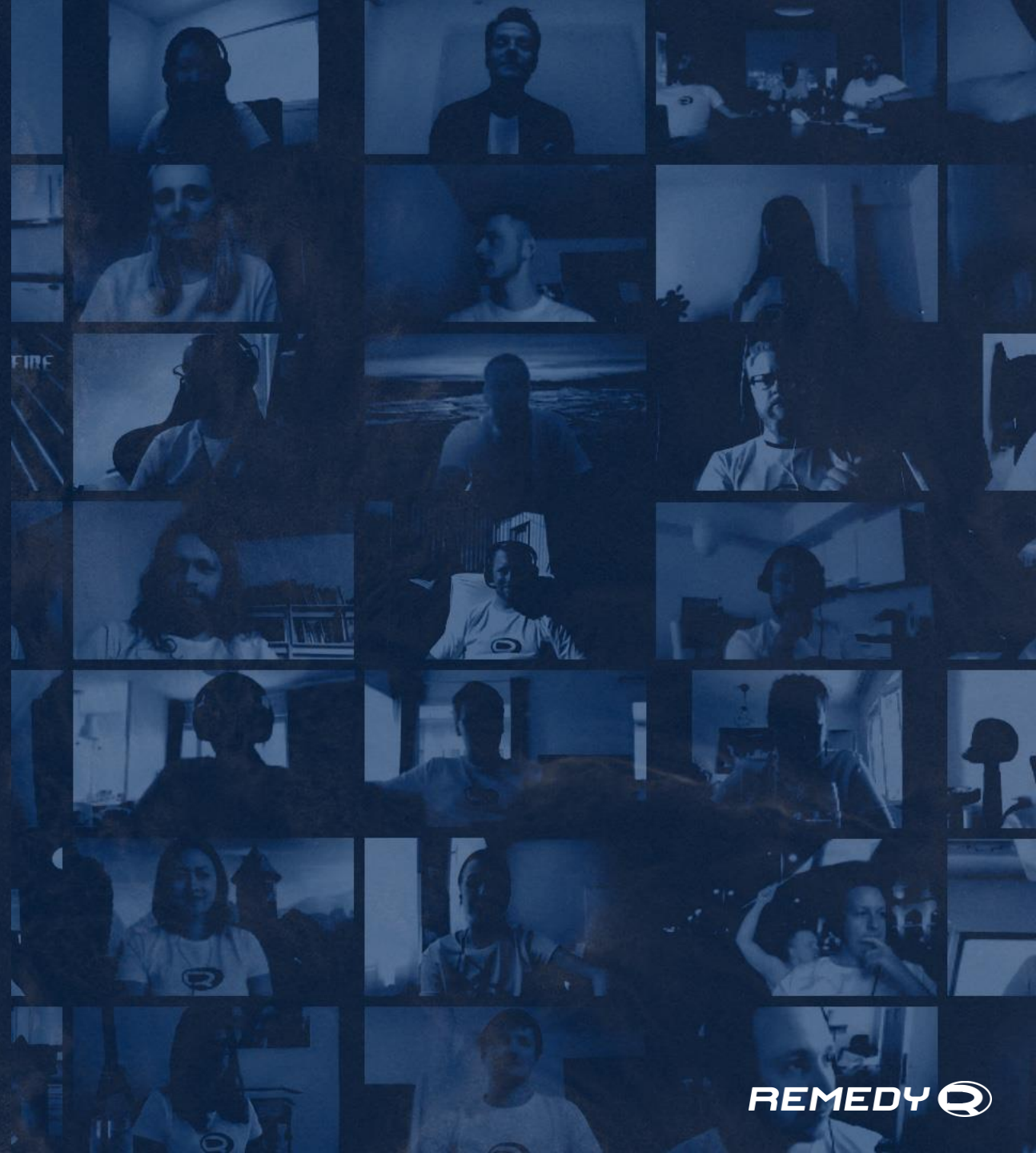




# Q1 2022 HIGHLIGHTS

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- Revenue **12.7 M€** (8.1), **+55.9% year-on-year**
- Operating profit **2.8 M€** (-0.2), operating profit margin **21.8%** (-2.5%)
- CrossfireX launched in February for Xbox One & Series X | S
- We released plans to transfer to Nasdaq Helsinki's official list
- Remedy formalized its plans to expand to Sweden by establishing a subsidiary in Sweden
- Game projects progressed well across the game portfolio
- Max Payne Remake agreement signed with Rockstar Games in April 2022





# CURRENT PROJECT PORTFOLIO



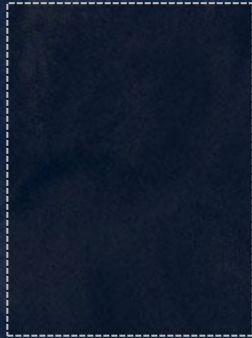
**CONTROL**

LAUNCHED



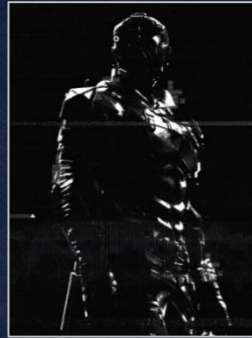
Condor\*

PROOF-OF-CONCEPT



Heron\*

CONCEPT



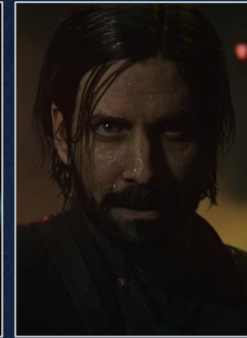
**CROSSFIRE**

LAUNCHED



Alan Wake  
Remastered

LAUNCHED



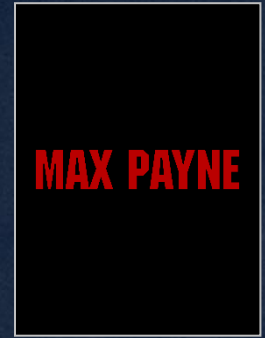
Alan Wake II

FULL PRODUCTION



VANGUARD

PROOF-OF-CONCEPT



Max Payne  
1&2 Remake

CONCEPT

WITH  
**505GAMES**

WITH  
 **Smilegate**  
Entertainment

WITH  


WITH  
**Tencent**

WITH  


\* project codename

**REMEDY** 



# MAX PAYNE 1&2 REMAKE

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- Remedy will develop the games as a single title for PC, PlayStation 5 and Xbox Series X|S.
- Games will be developed using Northlight game engine.
- The development budget will be financed by Rockstar Games, the size of which will be in line with a typical Remedy AAA game production.
- Remedy has a royalty opportunity after Rockstar Games has recouped its development, marketing, and other costs for distributing and publishing the game.
- In concept stage.

WITH





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

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324

Remedy talents  
(March 31, 2022)

ESTABLISHING  
A NEW  
DEVELOPMENT STUDIO  
IN STOCKHOLM  
DURING 2022

CONTINUING TO EXPAND  
EXTERNAL DEVELOPMENT CAPABILITIES



# Q1 2022 FINANCIAL RESULTS

Terhi Kauppi, CFO

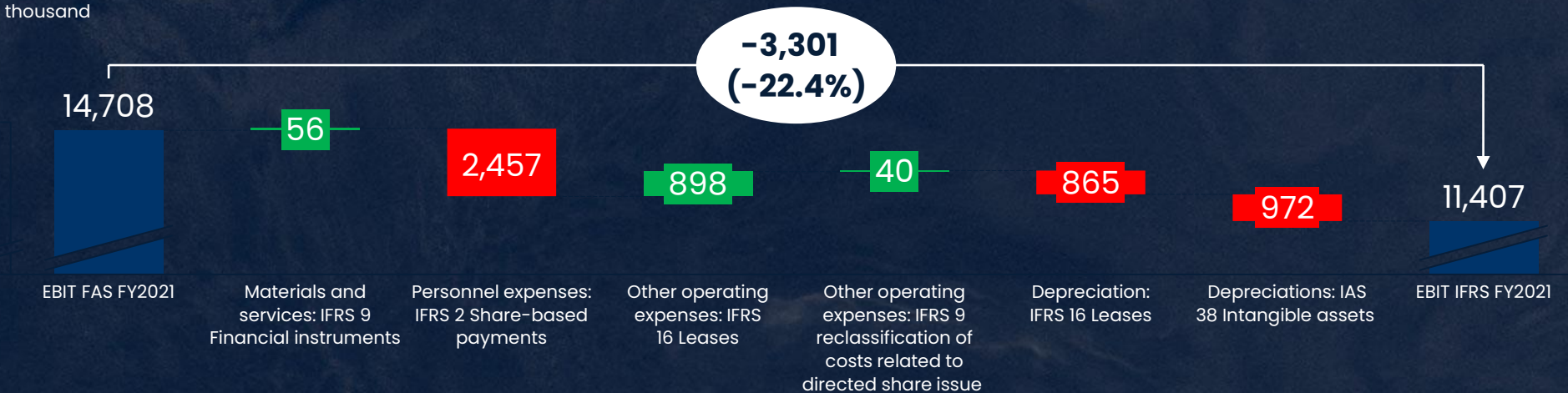




# IFRS ADOPTION, IMPACT ON FY 2021 EBIT

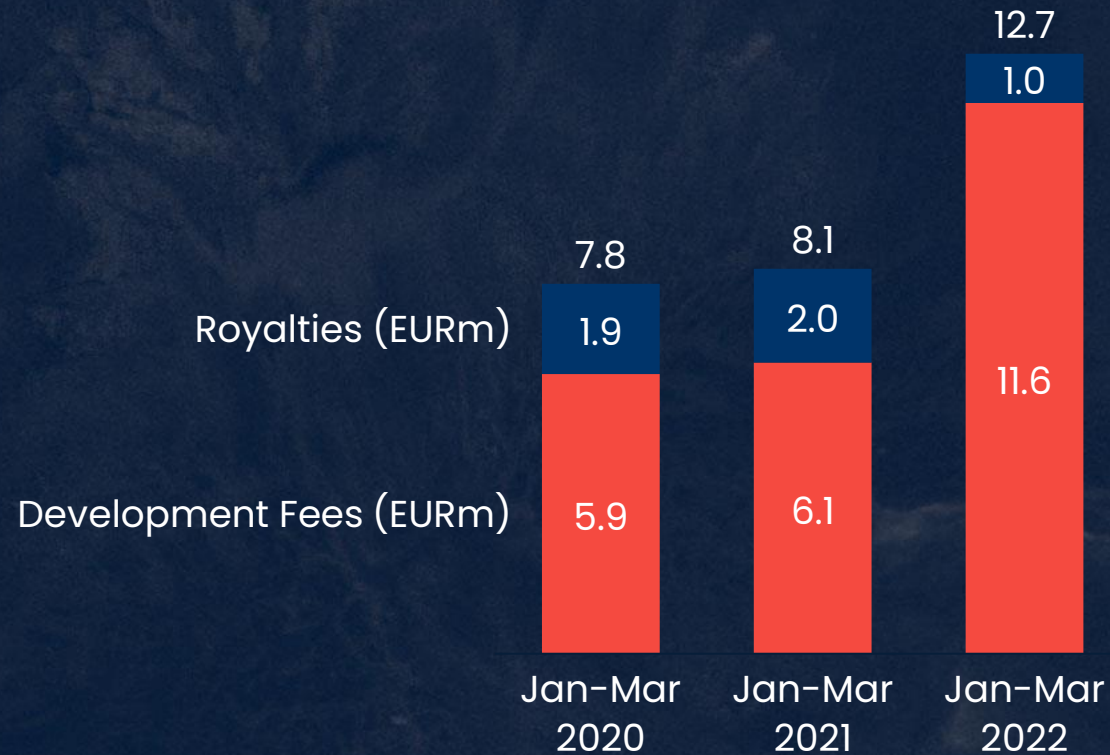
Total effect of IFRS transition by standard

EUR thousand





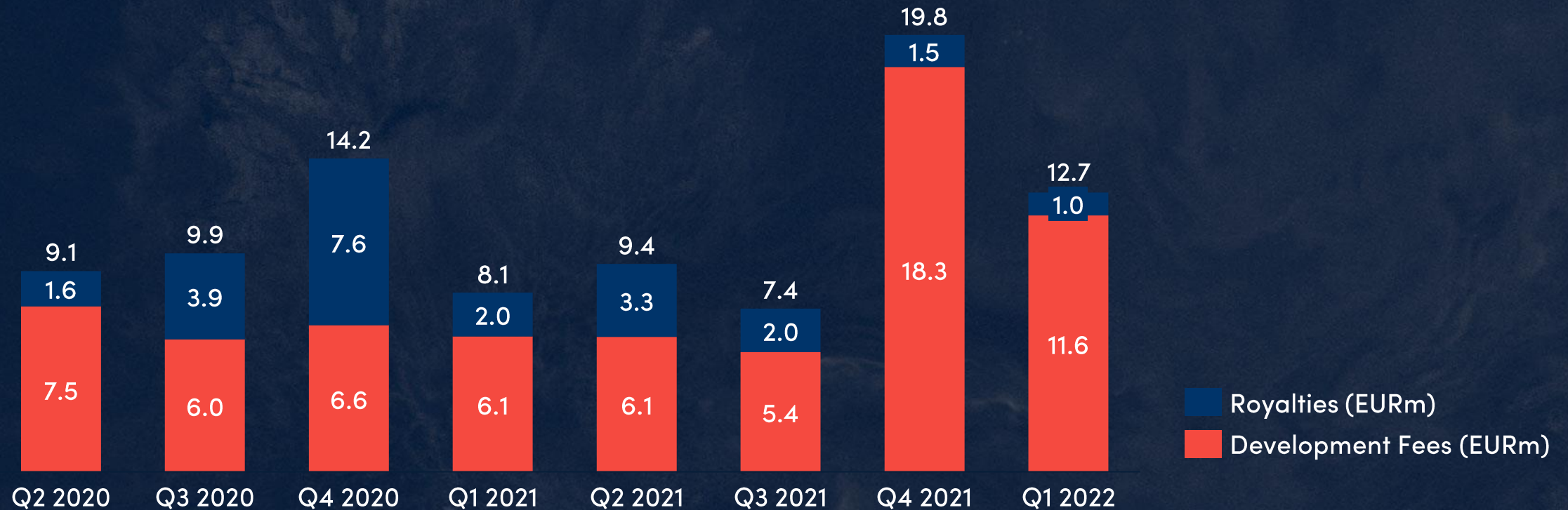
# Q1 2022: REVENUE GROWTH WAS DRIVEN BY AN INCREASE IN DEVELOPMENT FEES



IFRS

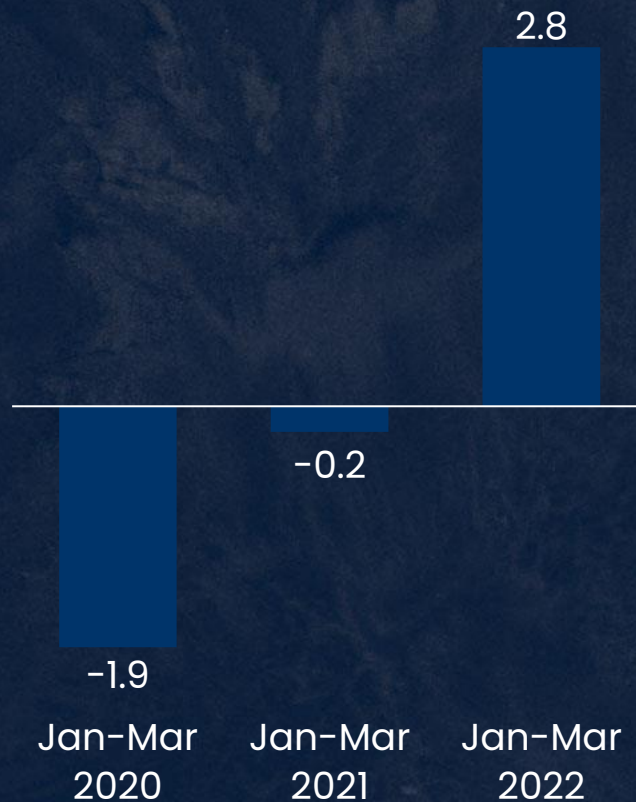


# HISTORICAL BREAKDOWN OF REVENUE



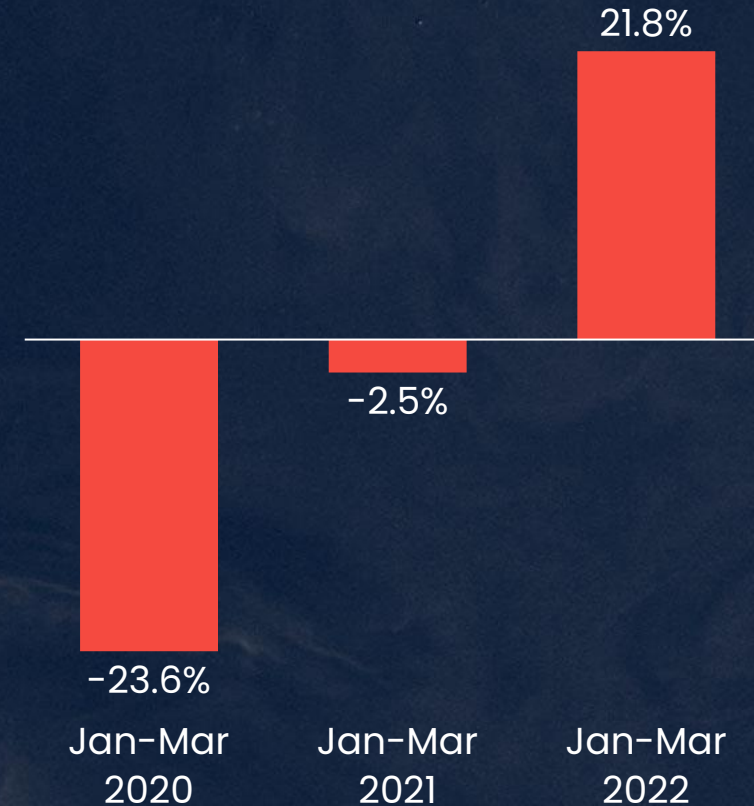
IFRS

# Q1 2022: INCREASE IN PROFITABILITY DRIVEN BY HIGHER DEVELOPMENT FEES



■ Operating Profit (EURm)

IFRS

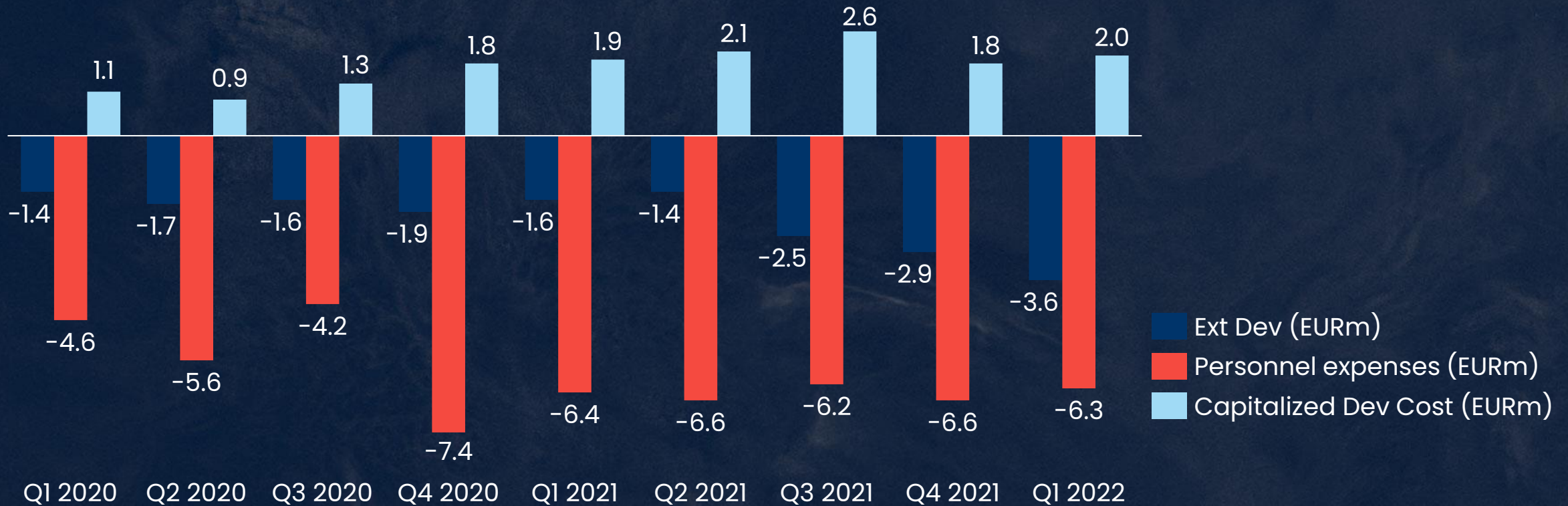


■ Operating Profit Margin (%)

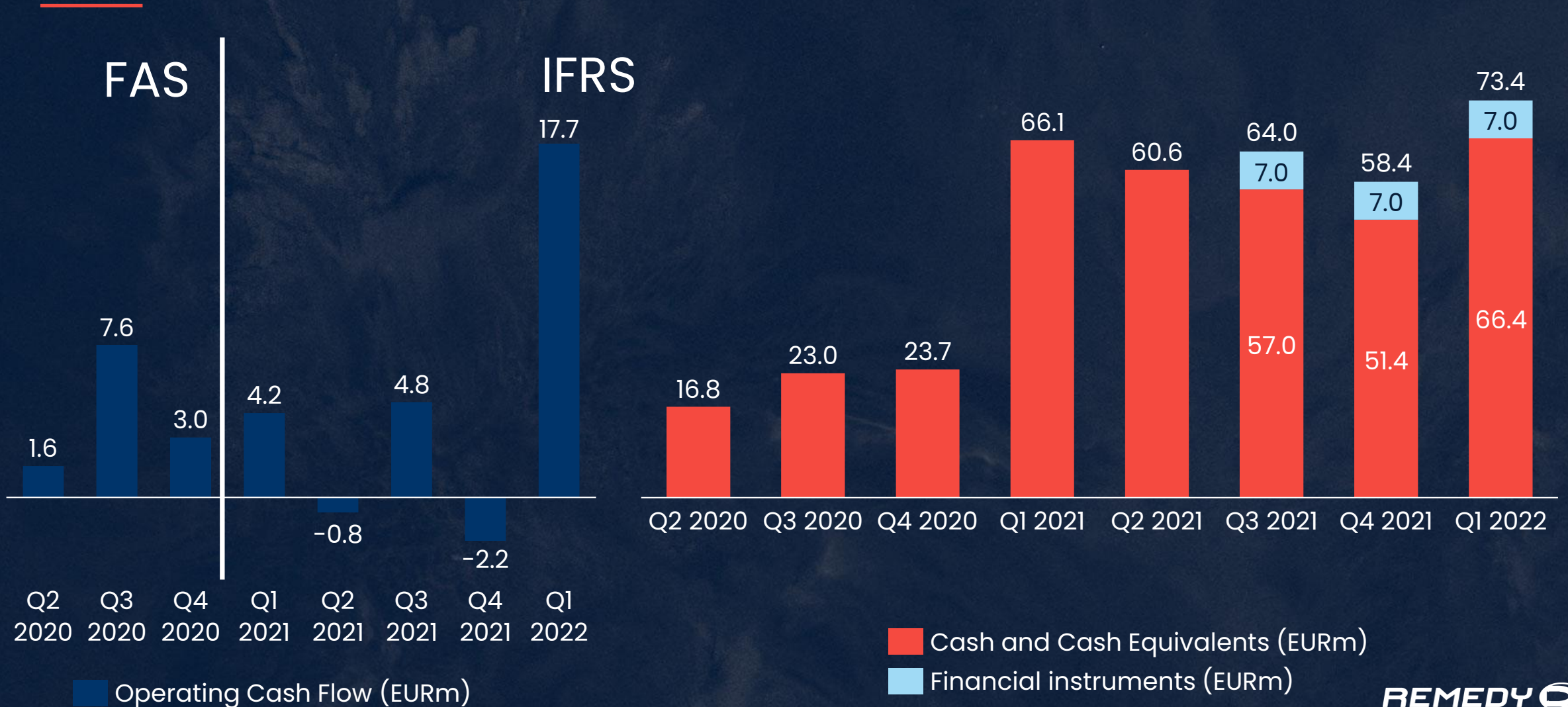
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# Q1 2022: Q-O-Q INCREASE IN EXTERNAL DEVELOPMENT, INVESTMENTS INTO RESOURCING EXPECTED TO INCREASE

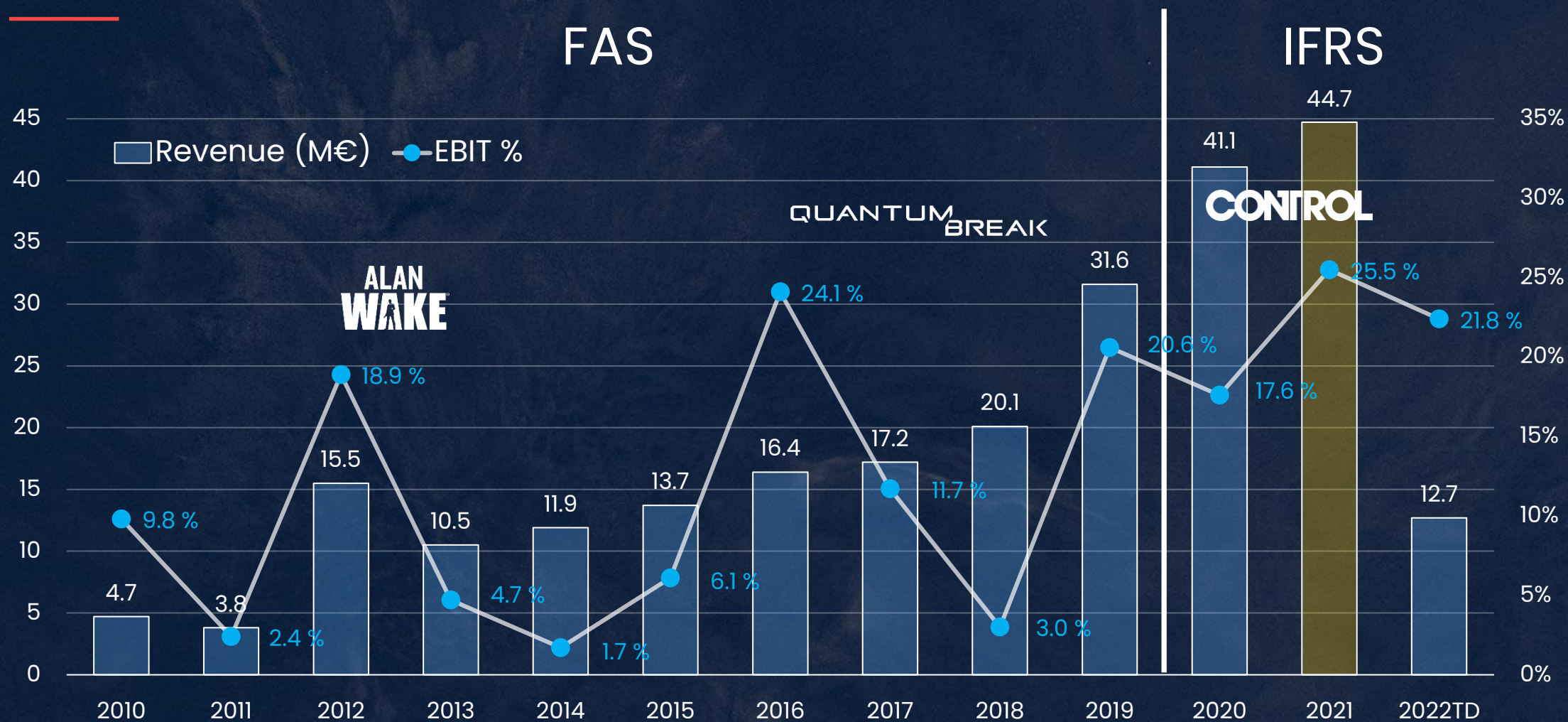


# Q1 2022: TIMING IMPACT ON OPERATING CASH FLOW FROM Q4 21





# WE HAVE PROGRESSED IN A SUSTAINABLE WAY





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





# OUTLOOK

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Tero Virtala, CEO



# OUTLOOK FOR 2022 (UNCHANGED)

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





# LONG TERM BUSINESS PROSPECTS (UNCHANGED)

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- 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

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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](#)



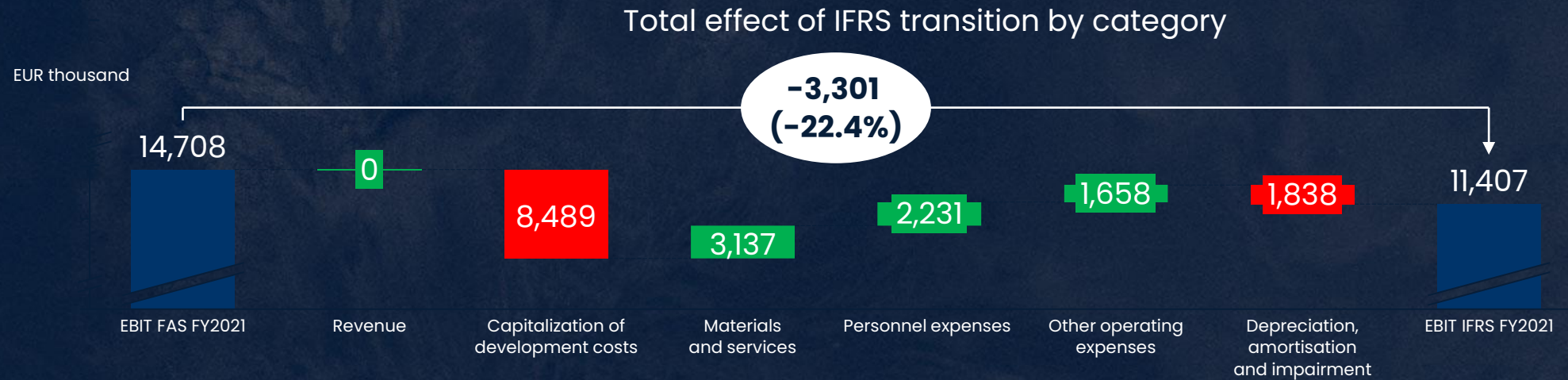
**REMEDY** 



# APPENDIX

NSC - 02

# IFRS ADOPTION 2021



The capitalized amounts are presented under Capitalization of development costs in the comprehensive income statement in FAS. In IFRS the capitalized amounts are part of materials and services, personnel expenses and other operating expenses.