



REMEDY 

2022  
ANNUAL REPORT

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Financial Statement and Board of Directors' Report 2022



Corporate Governance Statement 2022



Remuneration Report 2022



ANNUAL REPORT

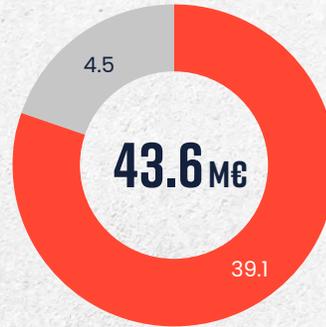
# Remedy in brief

Creator of category-defining games with immersive worlds, unique characters, and memorable stories.

Remedy Entertainment is a pioneering, globally renowned video game company. Known for its story-driven and visually stunning action games, Remedy has created multiple successful, critically acclaimed franchises such as Control, Alan Wake, and Max Payne. Remedy also develops its own Northlight technology and tool set that powers many of its games.

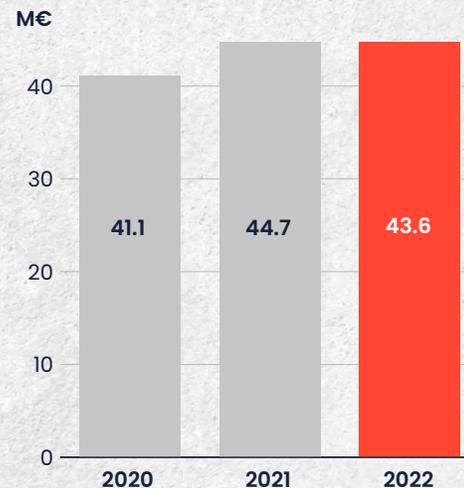
The company was founded in 1995 and is headquartered in Espoo, Finland and has another studio in Stockholm, Sweden. At the moment, Remedy employs 334 game industry professionals from 34 different countries. Remedy's shares are listed on Nasdaq Helsinki's official list with the trading code REMEDY.

Revenue breakdown 2022



■ Development fees ■ Royalties

Historical revenue breakdown 2020–2022



Headcount

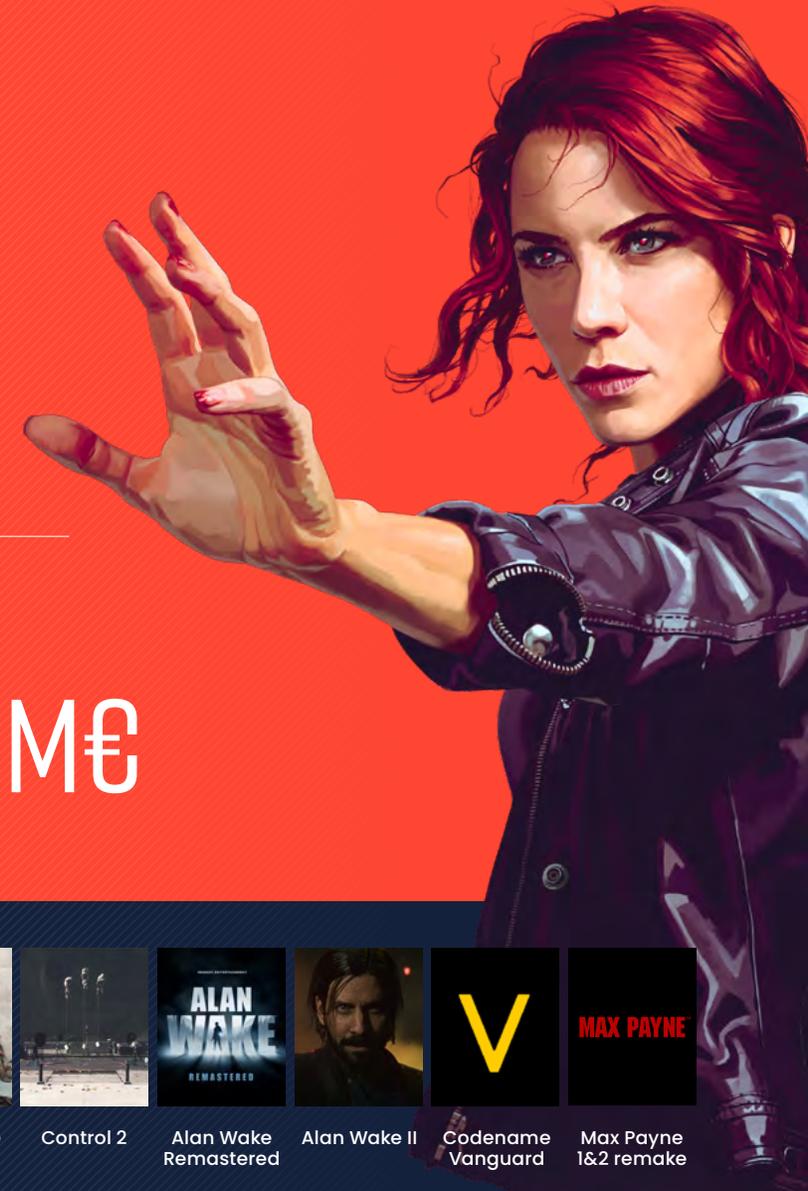
**334**

(294 in 2021)

Revenue

**43.6 M€**

(44.7 M€ in 2021)



Control



Codename Condor



Control 2



Alan Wake Remastered



Alan Wake II



Codename Vanguard



Max Payne 1&2 remake

# Why invest in Remedy

## 1

### Proven ability to create world-class gaming brands

Remedy has a strong track record of developing successful, distinctive, high-quality games and game brands with memorable stories and interesting characters exploring immersive, expanding worlds. These brands can evolve into interlinked franchises, with a growing loyal player base keeping fans engaged for years.

## 2

### Multi-project model as a basis for frequent meaningful game launches

Remedy's multi-project model diversifies risk and creates continuity with scalable game productions. Remedy has different types of projects, with different partners, at different stages of the development lifecycle on the games roadmap at any given point in time. In terms of a business model, Remedy's game portfolio includes different type of games, ranging from traditional, big-budget AAA games to online multiplayer games and to free-to-play games. With well-designed, planned, led, and resourced projects, Remedy is in the position to launch high quality games on an annual basis.

## 3

### Risk-balanced way to manage the game development pipeline

Remedy's current operations range from partner IP projects to own IP projects and co-publishing projects, each with different risk-reward profiles. Having differentiated revenue streams is the ideal way to achieve sustainable revenue and EBIT growth in a risk-controlled way over the long run, leading to more stable cash flows for years to come.

## 4

### Strengthening position in the value chain

In line with its strategy, Remedy has taken the first big steps towards expanding its operations to game publishing. As a co-publisher, Remedy is distributing the games digitally and is also directly involved with marketing its games, thus being entitled to a larger share of game royalties.

## 5

### Proprietary Northlight technology and tool set creates scalability and competitive advantage

Remedy's proprietary Northlight technology and tool set powers the development of ground-breaking features and unique games that stand out in the market while helping to create synergies between projects. Having a strong technology team allows Remedy to customize and tailor workflows and content pipelines to the needs of the teams. Remedy is free to evaluate and adopt new technologies, new platforms, and new third-party tools and middleware, depending on the needs.

## 6

### High-quality company with strong balance sheet

Strong balance sheet enables Remedy to invest in game projects that will drive stable cash flows in the future. In addition, this gives Remedy a stronger position in partner negotiations as well as stronger means to execute strategy and carry out ambitious long-term growth plans.

# Highlights 2022

Building a well-functioning multi-project model has been one of Remedy's key goals for years. In 2022, Remedy reached a state in which the company has the capability to develop five major games simultaneously. Now, it's all about the execution!

## MAX PAYNE 1&2 REMAKE

**Remedy signed development agreement with Rockstar Games for Max Payne 1&2 remake →**

Remedy will remake the iconic Max Payne and Max Payne 2: The Fall of Max Payne video games with Rockstar Games, reigniting the soul of the original world, story, and characters for the vast gaming audience of today.

## ALAN WAKE 2

**Alan Wake 2 ready to be launched in 2023 →**

Alan Wake 2, a long-awaited sequel to the acclaimed 2010 psychological thriller published by Epic Games, is in the full production stage. In 2022, the game was coming together on all fronts and will be ready for its highly anticipated launch in 2023.

## CONTROL 2

**Remedy signed a co-development and co-publishing agreement with 505 Games for Control 2 →**

Remedy and 505 Games will co-develop and co-publish Control 2 (formerly known as codename Heron), a sequel to the award-winning Control.

## CODENAME CONDOR

**Codename Condor continued in a proof-of-concept stage →**

Codename Condor, a 4-player cooperative PvE (player vs. environment) spin-off game of Control, co-published and developed with 505 Games, is in the proof-of-concept stage. In 2022, efforts were made into building the right team and the production model for the game. The game team was developing and testing key gameplay elements and main designs in order to prepare the game for next phases of development.

## ALAN WAKE REMASTERED

**Remedy and Epic Games announced the release of Alan Wake Remastered for Nintendo Switch →**

Releasing Alan Wake Remastered for Nintendo Switch opened up a new platform and audience for the game.

## CODENAME VANGUARD

**Additional time was taken to develop Codename Vanguard →**

Codename Vanguard, a free-to-play (F2P), cooperative multiplayer game co-published with Tencent, is in the proof-of-concept stage. In 2022, the team was making sure all key elements fit seamlessly together before the game moves to the next development phase in 2023.

## TRANSFER TO THE OFFICIAL LIST OF NASDAQ HELSINKI

**Trading in Remedy's shares was transferred from the First North Growth Market Finland marketplace to the official list of Nasdaq Helsinki →**

A listing on the official list will increase Remedy's brand awareness, improve the liquidity of shares, and help broaden shareholder base.

## NEW OFFICE TO STOCKHOLM

**Remedy opened its first-ever office abroad in Stockholm, Sweden →**

Employing 22 people, the new location offers Stockholm-based employees a space where to meet each other, increase facetime and foster a sense of belonging at Remedy. The permanent Swedish office will be ready in spring 2023.

# CEO review 2022

The year 2022 started a stronger investment phase for Remedy. We expanded both our project portfolio and partner network. In addition to our previous game projects (codename Vanguard, Alan Wake 2, and codename Condor), we announced two new projects. The first one was Max Payne 1&2 remake, announced with Rockstar Games in April. The second one was Control 2, formerly known as codename Heron, announced with 505 Games in November. Altogether, we now have five games in development. These games include both story-focused single-player games, which are closer to our core strengths, and longer-engaging, service-based games. All in all, our game projects advanced throughout the year, and I am ever more confident in our ability to have an amazing line-up of exciting game launches for the following years.

In 2022, we also achieved an important milestone when trading in Remedy's shares was transferred from the First North Growth Market Finland marketplace to the official list of Nasdaq Helsinki. We believe that a listing on the official list will increase Remedy's brand awareness, improve the liquidity of shares, and help to broaden our shareholder base.

## World-class talents and teams

At the heart of Remedy are our world-class talents. The competition for talent in gaming industry is fierce, but we have succeeded well in attracting, developing and retaining our talents. In 2022, we almost doubled the number of new Remedians compared to 2021. Our studio in Stockholm increased our presence in Sweden and supported us in tapping into the vast gaming talent pool in that region.

Remedy is an attractive employer for talents, as we provide interesting projects and career development paths. This enables us to build long-term, high-performing teams. Our own talents focus on the most crucial parts of the games, and we complement their work with external development partners. These people in high-performing teams are needed to develop our games and the underlying Northlight game engine and tool set technology. They are also absolutely crucial in successfully launching the games and enabling us to reach our growth objectives.

### Our development capabilities are better than ever

Since 2017, we have systematically developed our capabilities to be able to develop several high-quality games in parallel and to have successful game launches on a more frequent basis. We have now achieved our ambitious target of having five games in development. In 2022, we strengthened our game teams, and adjusted their leadership roles. We continued to develop outsourcing capabilities, formed selected new partnerships and changed some of them. We also improved the way we plan and lead projects and how our management oversees, supervises, and supports them. In addition, we made significant technology and tool developments for Northlight. These steps support us in further enhancing the quality of our games, opening new creative opportunities, and improving the efficiency of our game development.

### We have strengthened our role in the value chain

In line with our strategy, we have strengthened our position in the value chain. Out of the five game projects, four of which are based on Remedy owned brand, Remedy is a co-publisher in three of these, giving us more influence on how the games will be commercialized. We are also co-financing the games based on Remedy owned brands increasing the value of our company in the long run. When the projects advance to their next phases of development, our own investments will also increase, which burdens our profitability in the short term. However, being a co-publisher will increase the royalty potential for the upcoming years. Our strong cash position enables us to make appropriate capital allocation decisions in the transition towards co-financing more projects and taking a larger role in game publishing.

### Alan Wake 2 will be launched in 2023

In 2023, we will continue our investments in Alan Wake 2, Control 2, codename Condor and codename Vanguard. Our full focus will be on driving projects forward and launching Alan Wake 2 later this year. Alan Wake 2 is built on Remedy's strengths of storytelling, memorable characters, and an immersive world. I am confident that it will be an excellent game that players will love. Alan Wake 2 will be the first in a series of game launches we have pending for the upcoming years. The investments in our teams, Northlight game engine and tool set, support functions, and external development are the key enablers of our next growth leap during the coming years. We expect to have major game launches starting from 2023, accompanied by additional free and paid content. I want to express my gratitude to all Remedians and other stakeholders for taking this journey with us.

#### Tero Virtala

Chief Executive Officer

# STRATEGY & OPERATING ENVIRONMENT

Creating distinctive, long-engaging games, while evolving towards a higher-margin, more scalable consumer business with right partners and a diversified basis for revenues.

# Strategy

Remedy's long-term strategic objectives by 2025

	Objective	How to achieve it?	Progress in 2022
1	<b>To create several successful games and at least one major hit game</b>	<p>We build games on top of our core creative strengths. Going forward, we aim to further expand our capabilities to enable new, even more scalable games.</p> <p>We attract, develop and retain world-class people. With these people, we systematically create high-performing teams and help them to realize our game visions and succeed.</p> <p>We continue to develop our efficient multi-project model, production processes, and strong execution capabilities. We also increase scalability by expanding co-development with partner studios.</p>	<p>We have successfully shifted into a multi-project model and our game development capabilities are better than ever.</p> <p>We have five games in development with world-class business partners and experienced development teams for each one of them.</p> <p>In April, we announced we will remake the iconic Max Payne and Max Payne 2: The Fall of Max Payne video games with Rockstar Games.</p>
2	<b>To own at least three expanding game brands, all with long-term hit potential</b>	<p>We have the rare skill of creating world-class, expanding gaming brands that we own ourselves.</p> <p>Out of these brands, we create distinctive, benchmark-setting games. We provide memorable experiences, which are built on top of our world-building, storytelling, and gameplay capabilities.</p> <p>We leverage synergies across games and create new ways to engage our players for longer periods. Each game and game world creates opportunities for expansions, sequels, and spin-offs.</p>	<p>Out of the five games in development, four are based on Remedy-owned brands and one on an external brand with a great strategic fit for us.</p> <p>In November, we announced an agreement under which we will develop and co-publish Control 2, a sequel to our award-winning game Control, with 505 Games. Since its launch in 2019, Control has sold over 3.6 million copies, making it a great success.</p> <p>Our next game, the highly anticipated Alan Wake 2, will be published in 2023.</p>
3	<b>To select the right business model for each game: Partner IP, Own IP with a publishing partner, Co-publishing, or Self-publishing</b>	<p>To create more value in the future, we are developing our capabilities and way of working with world-class publishing partners. In a deepening co-operation with our partners, we co-publish and co-finance selected games. At the same time, we keep on developing our own product management and publishing capabilities. In the future, we also have the option to self-publish selected games.</p>	<p><b>Partner IP</b> Max Payne 1&amp;2 remake</p> <p><b>Co-publishing</b> codename Condor   codename Vanguard   Control 2</p> <p><b>Own IP with a publishing partner</b> Control   Alan Wake Remastered   Alan Wake 2</p> <p><b>Self-publishing</b> No self-published games as of yet</p>
4	<b>To become the most attractive gaming industry employer in Europe</b>	<p>We continue to invest in our creative, world-class people and support them with best-in-class HR processes. We systematically build our employer brand to attract top talent. We enable people and teams to work efficiently by providing them with sufficient autonomy and support to fully utilize and develop their special skills.</p>	<p><b>Headcount in the end of 2022</b> 334 (294 in the end of 2021), growth +13.6%</p> <p><b>Nationalities</b> 51% of our employees represent 33 different nationalities, with Finnish nationals making up the remaining 49%.</p>
5	<b>To have a profitable and growing business with well-managed risks</b>	<p>We have a balanced portfolio of game projects, ranging from partner IP projects to co-publishing and even potentially self-publishing some games in the future. These different types of projects have different risk vs. reward profiles as well as financing and business models.</p> <p>As our experience has grown, we can now have five simultaneous games in development. It also enables us to evolve from the current development fee-focused business towards a higher-margin, more scalable consumer business while maintaining a close relationship with our development partnerships.</p> <p>This supports us in our next growth leap during the coming years.</p>	<p><b>Net sales in 2022</b> EUR 43.6 million (EUR 44.7 million in 2021)</p> <p><b>Operating profit in 2022</b> EUR -0.6 million (EUR 11.4 million)</p>

# Operating environment

Despite decline in 2022, the games market is expected to return to growth over the coming years.

According to Newzoo, a games market research firm, the global games market for 2022 totaled USD 184.4 billion, showing a decrease of 4.3% compared to the previous year. However, the market is expected to return to growth in the coming years, with a CAGR (2020 to 2025) of 3.4% and reach USD 211.2 billion by 2025.

Mobile games continued as the strongest growth driver, representing 50% of the market with revenues of USD 92.2 billion. The share of PC games was USD 38.2 billion, or 21% of the market, and the console segment represented 28% of the global market with revenues of USD 51.8 billion. While PC revenues grew by 1.8%, mobile and console revenues declined by 6.4% and 4.2% respectively.

Looking at geographies, the largest games market, Asia-Pacific fell by 5.6%, while the North American market declined by 5.1% and the European market by 3.5%. The strongest revenue growth was seen in the mobile-first markets of Middle East and Africa, where the growth rate reached 6.6%, and Latin America, which grew by 3.4%.

In 2022, there were 3.2 billion players globally, up from 3.0 in 2021. The number of players is expected to increase to 3.5 billion by 2025, representing a five-year CAGR of 4.2%.



# Trends

The key trends that existed a year ago are still very much in place. The competition among gaming platforms for top content is expected to continue, which will boost for its part the growth in the cloud gaming market. In addition, the use cases of cloud gaming are expected to materialize and expand, thus increasing its potential for players as well as for developers and publishers. Subscription services such as Microsoft Game Pass and PlayStation have greatly expanded player's games libraries, and the appetite for great games continues to be strong. The fight for content is a factor driving market consolidation, despite the market headwinds in 2022. This can be expected to create good opportunities for independent game studios with the capabilities to develop high-quality, well-engaging games.

Traditionally, gaming ecosystems like Microsoft's Xbox and Sony's PlayStation have been relatively closed. However, due to the major success of some cross-platform games and the ever-increasing live services and content subscriptions that diversify revenues in the games industry, different game ecosystems are overlapping and expanding. The Games-as-a-Service (GaaS) business model has been expanding from mobile into PC and console markets. Games based on intellectual property with high brand recognition can benefit greatly from being operated as a service as it helps to keep players engaged for a long time. In addition, free-to-play (F2P) games continue to gain traction outside mobile. Both the rising popularity of GaaS and F2P games are important drivers for multi- and cross-platform

games. Companies will need to foster creativity and innovation in order to be able to stand out from the crowd.

In-game purchases have been an important monetization method for a long time particularly in mobile games. However, in-game purchases are expected to flourish on console and PC games as well, as PlayStation and Xbox are increasingly eyeing lucrative live-service titles and third-party publishers continue to optimize their current success stories and bring potential new hits to the market. Players represent an audience of more than three billion people across demographics, making games an increasingly attractive channel. The free-to-play model has spread from mobile to AAA consoles and PC, bringing with it the hybrid monetization model, which includes rewarded ads and has already proved successful. In-game advertising allows game publishers to create revenue from the players – around 750 million in consoles and PC combined – who do not spend money on in-game purchases or game titles.

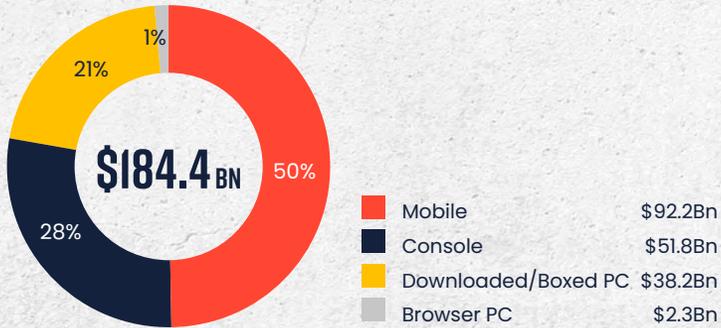
Mods have been part of PC gaming from its very beginning. Mod creators are able to explore the possibilities provided by different game worlds and apply their creativity without the constraints governing professional game development. User-generated content (UGC) is becoming more and more common following the rise of free-to-play, social gaming and the metaverse, and we can expect to see it take hold in live-service games as well.

The global gaming community includes people of all ages from different nationalities, ethnicities, gender identities, sexual orientations and with different disability statuses. However, certain groups such as women, LGBTQIA+ people, and ethnic minorities have traditionally been underrepresented in game content and ignored as an audience. At the same time, many large game companies are dealing with discrimination lawsuits. Game companies are beginning to understand the importance of diversity, equity, and inclusion. One can expect to see game companies paying increased attention to these topics in the years to come.

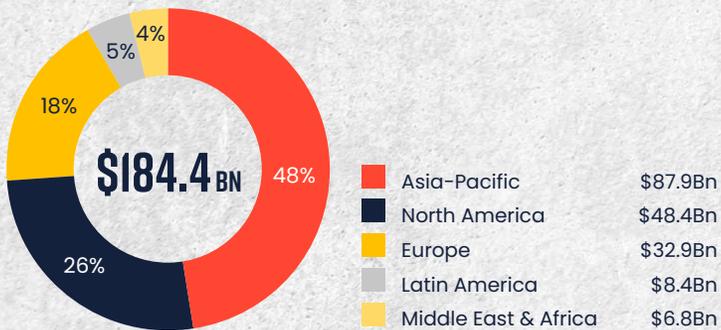
Five years ago, China was at the center of the rapidly globalizing games market. Western and Japanese games and consoles were making their way into the Chinese market while games developed in East Asia were targeting Western markets. The expectation was that the markets would draw closer to each other in terms of game preferences and availability. However, the tightened regulation in the Chinese market has blocked the path of Western games. The regulatory changes gave Chinese developers an incentive to reach for foreign markets, and games from around the world are beginning to globalize, so the momentum of globalization has not stopped although its direction has changed somewhat.



**Global Games Market 2022\***  
Per Segment

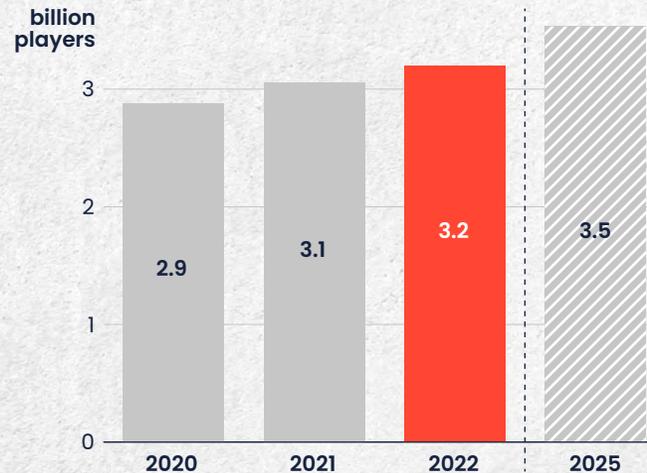


**Global Games Market 2022\***  
Per Region



**“Market expected to return to the growth path after 2022.”**

**Global player forecast\***  
2020–2025



**Global Games Market Forecast\***  
2022–2025



\* Sources: Newzoo Global Games Market Report 2022 and Newzoo Games Market Estimate and Forecast.

# Business Model

Remedy's current business models include partner IP projects, own IP projects with a publishing partner, and co-publishing projects. In the future, Remedy also has the possibility to self-publish games.

***"We consider Remedy to be a diamond in the gaming industry, consistently producing knockout game titles and IP, from Max Payne to Alan Wake and, more recently, Control. Their engineers are second to none, and a joy to work with on even the most bleeding edge technologies."***

*- Jon Story, Director of GeForce Developer Technologies,  
Western Europe, NVIDIA*

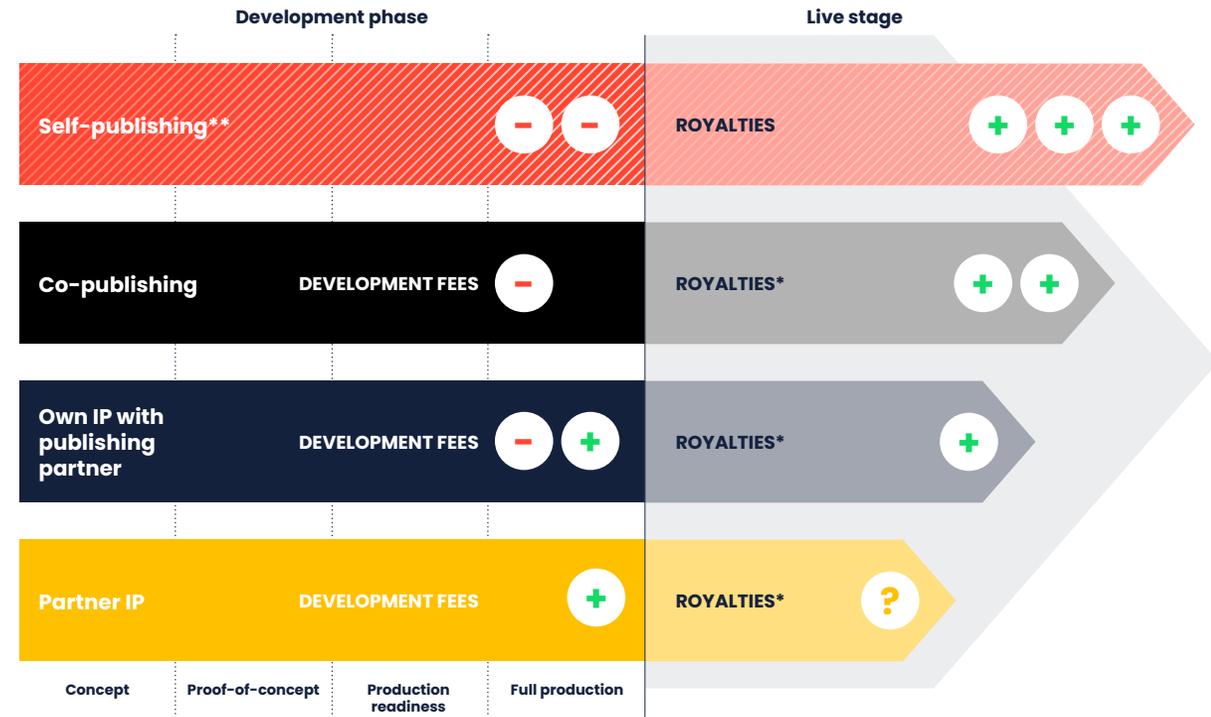


**In partner IP projects**, Remedy's partner funds the development of the game and Remedy develops it according to agreed specifications. Remedy receives development fees, with a margin, as the game development reaches the jointly agreed milestones. Remedy or the partner originates the game concept. In this model, the partner retains control of the intellectual property rights to the game and publishes, distributes, and markets the game. The project can include a royalty opportunity for Remedy that is tied to the game's success. Partner IP projects carry low financial risk for Remedy, but participation in the game's success is also limited.

**In own IP projects with a publishing partner**, Remedy's partner funds the game development, partially or in full. Remedy creates and retains intellectual property rights of the game and is responsible for the development of the game. The partner publishes, distributes, and markets the game. As the game development progresses, Remedy receives development fees upon reaching the agreed milestones. Unlike in partner IP projects, these development fees are typically without margin as they are intended to only cover all or a part of Remedy's development expenses. Once the game is launched and depending on contract terms, these development fees, the partner's marketing costs, and other costs may be recouped against game sales. After the development, marketing, and other agreed costs are covered, Remedy starts receiving royalties from game sales. Own IP projects carry a higher financial risk but also a greater royalty potential for Remedy.

**In co-publishing projects**, Remedy and its partner co-fund the development of the game. Remedy carries the main responsibility for the development, while publishing, distributing, and marketing responsibilities are distributed between the two companies as per agreed terms. For Remedy, co-publishing projects carry a relatively high financial risk but also greater royalty potential, as Remedy is more involved in the commercialization of the game. Typically, the royalty potential reflects the split in the project financing.

**Self-publishing** is a potential future publishing model for Remedy. It would have the highest financial risk but also the greatest revenue potential through game royalties. In self-publishing projects, Remedy would fully fund the game development and marketing. As Remedy would also act as the game publisher, all royalties would be directly realized as revenues after deducting fees related to e.g. store fees, value added taxes, quality assurance, and localization. At the end of 2022, Remedy did not yet have self-publishing projects in development.



Impact on EBIT: - Negative + Positive ? Positive through royalty opportunity

\* Possible recoupment has an impact on the timing of royalties

\*\* At the end of 2022, Remedy did not yet have self-publishing projects in development.

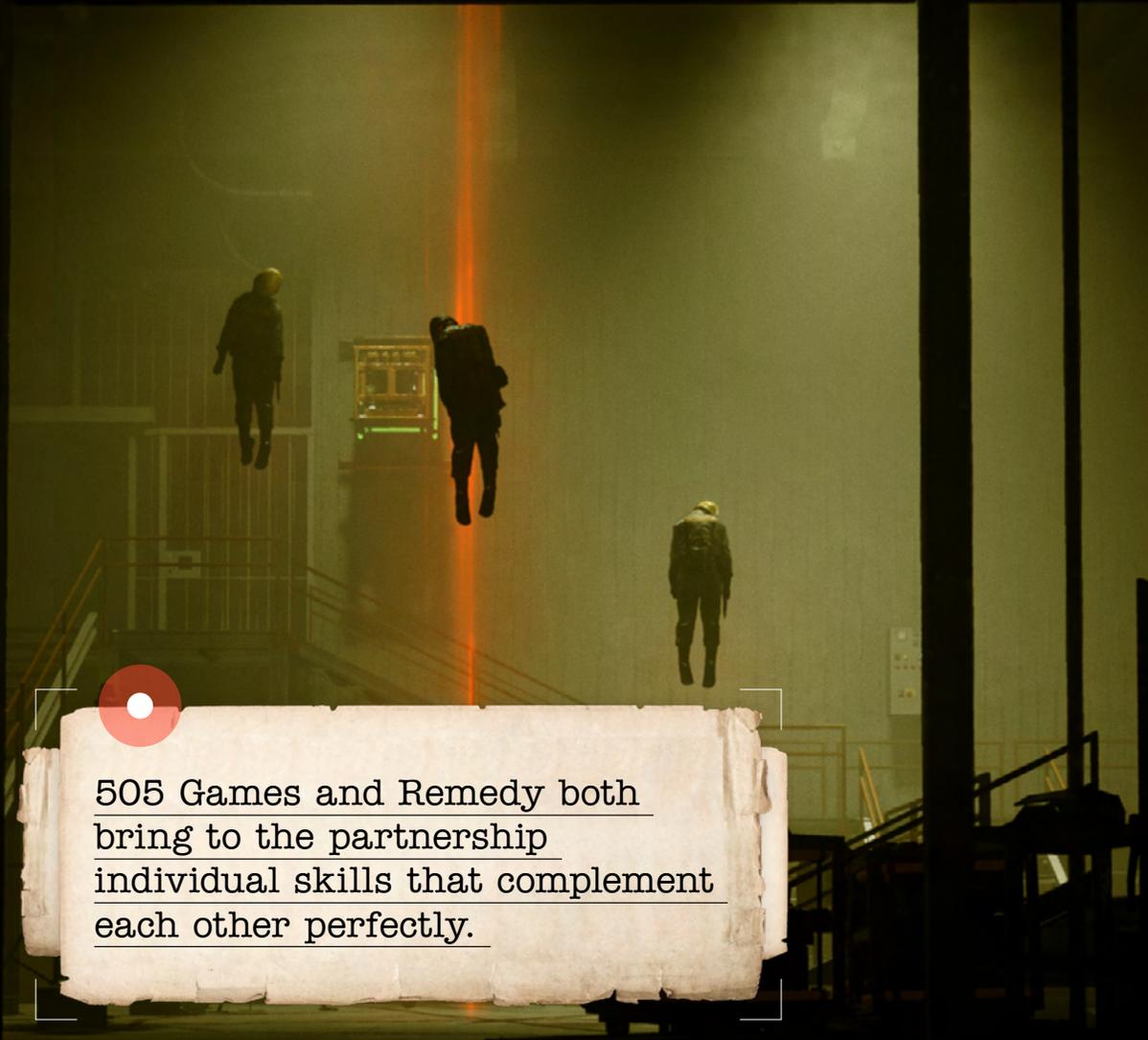
# 505 GAMES<sup>®</sup>

## Neil Ralley, President, 505 Games

“ To be able to partner with a developer with Remedy’s standing and history in the industry was a fantastic opportunity for 505 Games. Once we saw the prototype of Control, combined with Remedy’s history of success, it was an easy decision. We have a relationship of mutual respect. We both bring to the partnership individual skills that complement each other perfectly. The team at Remedy is demanding, but only with the objective of creating the best opportunity for success for their games. We are happy with a relationship like that.

The relationship we have with the whole team at Remedy runs very deep through the 505 team, and I am sure that everyone has their own memorable moments. For me, these include signing our initial partnership, presenting Control to the market, and ultimately releasing it to the consumers.

In 2022, our main achievement was keeping the Control franchise front and center for gamers. We have a robust community program that enables us to keep fans engaged even three years after launch. Codename Condor has progressed well, and we are excited for the opportunity to expand the franchise into a service based, long lasting format in the cooperative multiplayer space. Working on the next iterations of Control is always something to be proud of but we are especially excited about signing the contract for Control 2.”



505 Games and Remedy both  
bring to the partnership  
individual skills that complement  
each other perfectly.

## Three commercial models

Remedy has three commercial models for its games: premium fixed price games with additional payable downloadable content, service-based fixed price games with additional payable downloadable content, and service-based free-to-play games with live operations.

1

**Premium fixed price games with additional payable downloadable content** is the model used in the majority of Remedy's existing games. Games such as Control, as well as some of the games in pipeline, such as Alan Wake 2 and Control 2, are in this category.

2

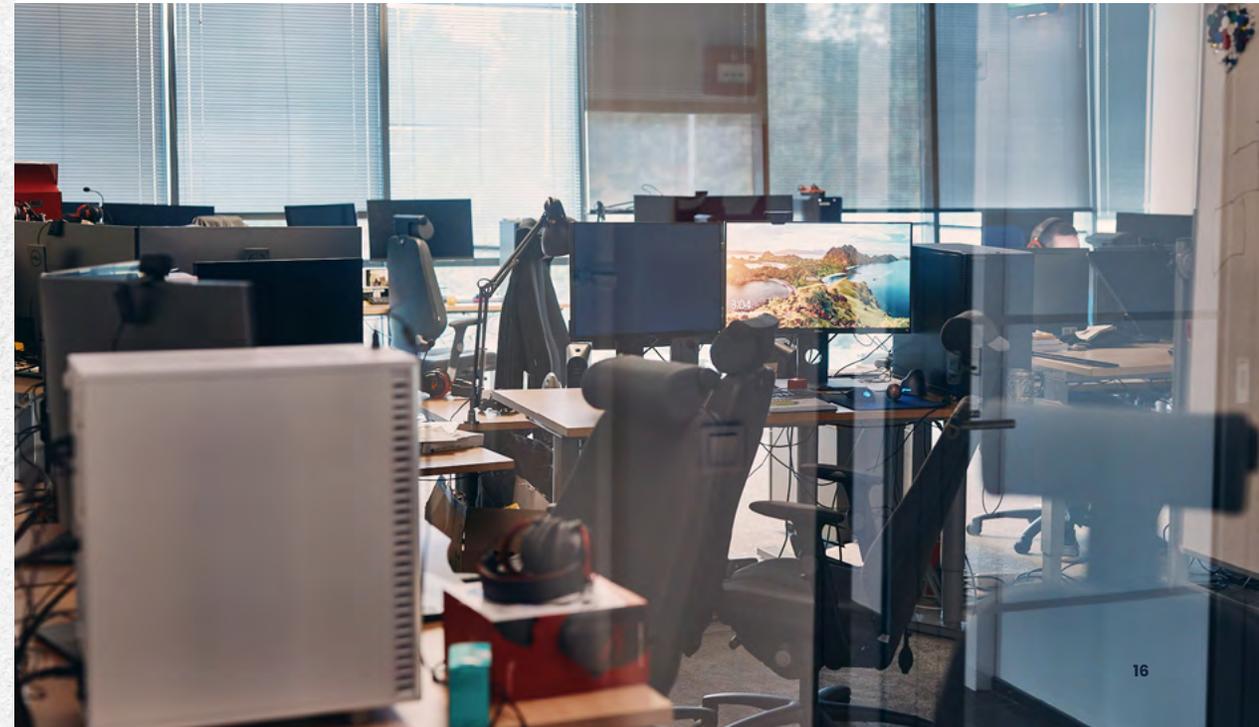
**Service-based fixed price games with additional payable downloadable content** can become an increasingly important commercial model for Remedy in the future. These are premium games that have a lower initial price point but a long tail of revenue through game expansions and other ways of keeping players engaged for years. This model will be used e.g. in codename Condor, a multiplayer spin-off game of the award-winning Control.

3

**Service-based free-to-play games with live operations**, such as codename Vanguard, have a heavy emphasis on the postlaunch live operations phase. These games are long-lasting experiences where monetization is typically based on microtransactions or subscriptions and players are kept engaged by the release of new expansions and updates on a regular basis.

*“Teaming up with word-class partners and having the possibility to self-publish games is an ideal business model mix for Remedy.”*

*“Service-based games offer a long-lasting gaming experience and different type of monetization options via microtransactions or subscriptions.”*



# GAMES

Remedy's games are known for their immersive worlds, iconic characters and memorable stories, combined into high-quality action gameplay. We strive to develop games that stand out in the market and offer players something unique.

# Remedy's game portfolio 2022



Control

Launched



Codename Condor

Proof-of-concept



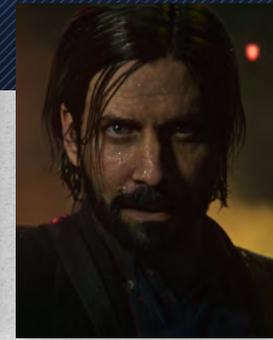
Control 2

Proof-of-concept



Alan Wake Remastered

Launched



Alan Wake 2

Full production



Codename Vanguard

Proof-of-concept



Max Payne 1&2 remake

Concept

with



with



with



with

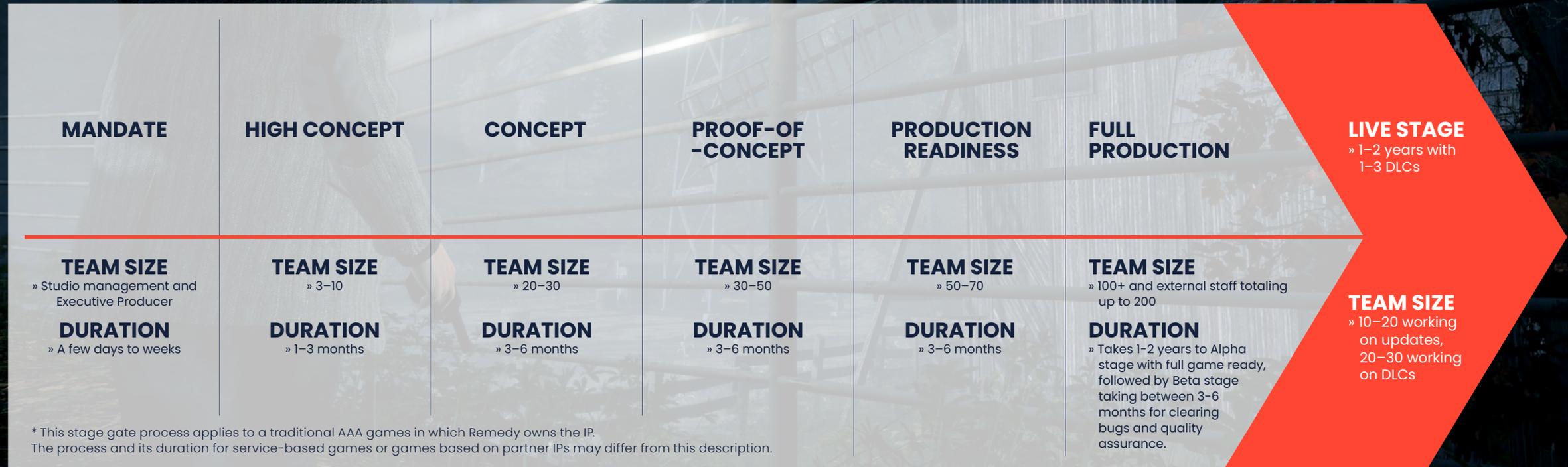


# Stage Gate Process

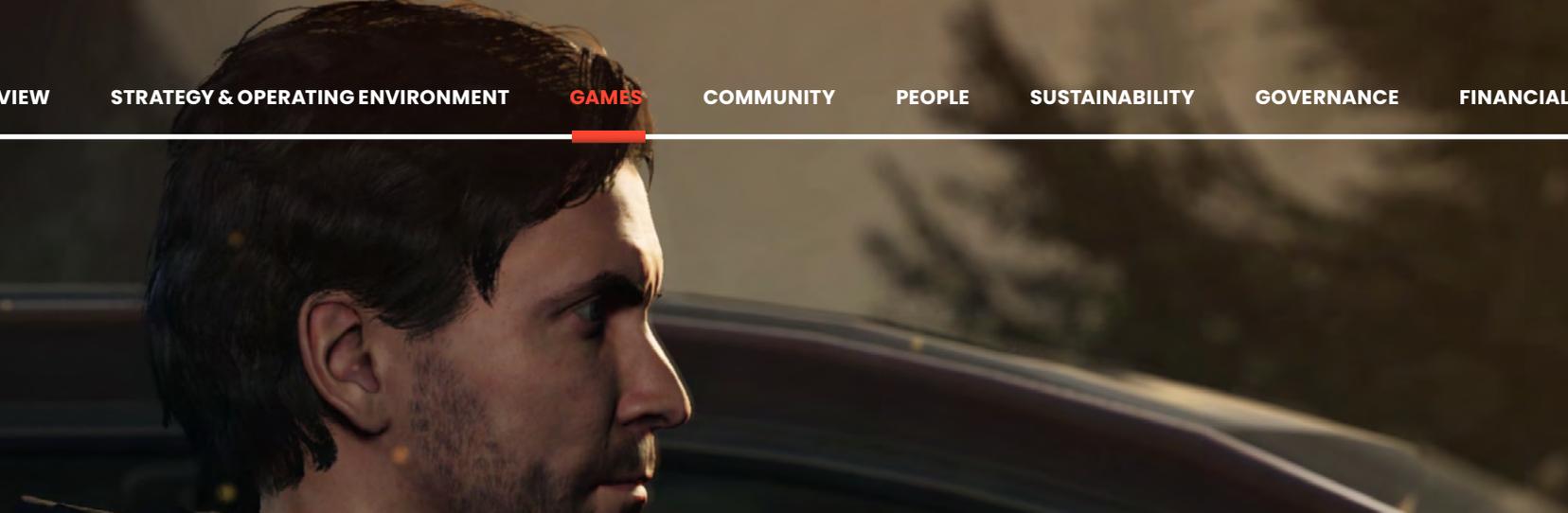
A disciplined way to turn a vision into reality.

Our stage gate process describes Remedy's way of taking a game from an idea into reality. The process is divided into six development stages and the live stage. The model described below applies to AAA games with budgets ranging from EUR 30 million to EUR 60 million, in which Remedy owns the IP. The process for games based on partner IPs may differ from this description. Also, the development of service-based games such as codename Condor and codename Vanguard may deviate from this process.

Remedy's stage gate process\*



\* This stage gate process applies to a traditional AAA games in which Remedy owns the IP. The process and its duration for service-based games or games based on partner IPs may differ from this description.



MANDATE	HIGH CONCEPT	CONCEPT	PROOF-OF-CONCEPT	PRODUCTION READINESS	FULL PRODUCTION	LIVE STAGE
<p>The Mandate stage is the start of the game project. Here, we set the high-level goals of the game, as well as its constraints. This phase typically involves the Executive Producer of the game and selected members of the future core leadership team, sharing the vision with the studio management. We strive to align what we are aspiring to create, what is the target audience, why do we want to make the game and how will we execute the project. In addition, we define the initial project budget, timeline, motive, and the required resources.</p>	<p>In the high concept stage, we define the high-level idea of the game and the gameplay. We define the theme and the visual identity to crystallize the creative vision of the game. On top of this, we build understanding of the project's business and technical requirements to assess the feasibility of the project and to determine the project budget in more detail.</p>	<p>In the concept stage the high-level idea turns into a more precise and comprehensive creative vision. We define what the game is all about, including a more detailed description of the narrative, the theme, and the key characters. We go further into determining the artistic style, the game design as well as the core gameplay elements. Following these decisions, we make a simplified game prototype that allows us to test and iterate the concept further. Typically, the first concrete partner discussions are initiated in the concept stage.</p>	<p>In the proof-of-concept stage it is all about producing a piece of the game that is close to final quality. This is our way of validating the game concept and determining how the game will be developed. We map out the biggest risks and potential bottlenecks to the game project. In addition, we define the components and the capabilities that are needed to complete the project. We outline a detailed project management plan and create a playable demo of the game to further iterate the idea. These are presented to our potential partners in publishing negotiations, which are typically concluded in this stage.</p>	<p>In the production readiness stage we define the crafts needed for the project and set up the game team accordingly. We optimize staffing both internally and externally. We finalize the production plan and finish designing and implementing the production pipelines to fully understand the requirements for scaling up the project into full production.</p>	<p>The full production stage is divided into the Alpha and the Beta stage. In the Alpha stage we execute the production plan and focus on passing the development gates at a high-quality timely manner. The goal is to create the full game with complete content, matching the creative vision of the team. In the Beta stage, we carry out the final quality assurance and clear up bugs, resulting in a finetuned and polished gameplay experience.</p>	<p>Once the game is launched, we analyze player behavior and review the learnings so that we can further update and develop the game. We optimize player engagement to keep the players within the game for as long as possible to maximize the lifetime value per player. Our AAA games typically warrant at least 1-3 expansions, whereas games based on the Games-as-a-Service business model will be operated live on an ongoing basis for years.</p>

Note: This stage gate process applies to AAA games in which Remedy owns the IP. The process and its duration for service-based games or games based on partner IPs may differ from this description.

# CONTROL™

Fair warning: this is going to be weirder than usual.



It feels sane, or just the right kind of insane.

The Federal Bureau of Control has been usurped by an otherworldly presence. Containment has been breached. Is this the end of humanity? Jesse Faden must combat supernatural forces and navigate an ominous and unpredictable world to find her missing brother – and a hidden truth.

Control is a third-person action-adventure game that challenges the player to master a combination of supernatural abilities, modifiable loadouts and reactive environments. It blends open-ended environments with Remedy's signature world-building and storytelling, creating an impressively immersive gameplay experience.

Leaning on its creative independence, Remedy is not afraid of taking risks, pushing their games to stand out in the marketplace through unique stylistic choices. Control introduces a world filled with mind-bending events, iconic characters, and unforgettable stories. Unexpected, unsettling, yet compelling and approachable, the experiences in Control stay with you.

The game is available on PlayStation 5, Xbox Series S|X, PlayStation 4, Xbox One, PC, Nintendo Switch (Cloud Version) as well as the streaming platforms Amazon Luna and discontinued Google Stadia. Control received numerous free updates, and in 2020 Remedy released two paid expansions and an Ultimate Edition of the game.

Control has received high praise from critics and players alike, and its extensive fanbase continues to grow. Since its publishing, Control was nominated for 11 BAFTA® Games Awards and received over 20 "Game of the Year" awards. By the end of 2022, the game has been played by approximately 16.5m players worldwide, with 3.6 million copies sold.

The ominous world of Control continues to inspire new games. In June 2021, Remedy and 505 Games announced the development of a new cooperative PvE (player vs. environment) spin-off game of Control, codename Condor. The companies confirmed that an even bigger-budget Control game, codename Heron, was also in the plans. In November 2022, Remedy and 505 Games confirmed that this bigger-budget Control game is indeed Control 2, a full-blown sequel to the award-winning Control.

# Control 2

With the sequel, Remedy will again push the boundaries of creativity and storytelling, creating an unparalleled journey within a world that defies expectations.

Control has proven to be a long-lasting and loved game among the gaming community. In June 2021, Remedy announced that the company had outlined high-level collaboration terms with 505 Games for a bigger-budget Control game. In November 2022, it was confirmed that this game, codename Heron, is indeed Control 2, a full-blown sequel to the award-winning game Control. Remedy Entertainment will develop and co-publish Control 2 with 505 Games, international video game publisher and subsidiary of Digital Bros Group.

Control 2's initial development budget amounts to EUR 50 million, and Remedy will retain the ownership of the game's intellectual property. The development, marketing, and post-launch investments as well as the future net revenues generated by the game will be equally split between 505 Games and Remedy.

Control 2 will be available on PC, PlayStation 5, and Xbox Series X/S, and it will be built on Remedy's proprietary Northlight technology and tool set. Remedy will publish the game on the PC platform and 505 Games will publish it on the console platforms.

The game is currently in proof-of-concept stage.

# Codename Condor

The Hiss reminded us that we're dealing with shocking, violent and incomprehensible forces.

After the Hiss Invasion, the Oldest House is under lockdown: a boiling pot of volatile and dangerous supernatural forces. Trapped within is the last vestige of the Federal Bureau of Control who will need to take a stand and push back to regain control. Desperate times require desperate measures. And everyone's needed.

The Control franchise is larger than one story, or one character. With codename Condor, we invite players on a collective journey into the depths of the Oldest House. Within, they'll face overwhelming enemies and obstacles, but by relying on their gear and each other, they will have a chance for survival.

In June 2021, Remedy announced an agreement with 505 Games under which the two companies will co-publish and develop a new 4-player cooperative PvE (player vs. environment) game, codename Condor. Codename Condor, a spin-off of Control, will be built on Remedy's proprietary Northlight technology and tool set. Codename Condor will be available on PC, PlayStation 5, and Xbox Series X|S.

Codename Condor initial development budget amounts to EUR 25 million. The development and marketing investments will be equally split between 505 Games and Remedy Entertainment as well as the future net revenues generated by the game.

At the end of 2022, the game was in the proof-of-concept stage. The development team has discovered smart ways to utilize the world of Control as well as designs that ensure a cooperative player experience that fits into the world of codename Condor.

Survival demands improvisation. We're overhauling our tactics, developing new gear, and harnessing paranatural forces where we dare. We're fighting fire with fire.

REMEDY ENTERTAINMENT

# ALAN WAKE

REMASTERED

In a horror story the victim keeps asking why – but there can be no explanation, and there shouldn't be one, the unanswered mystery is what stays with us the longest, and it's what we remember in the end.

A writer is a light that reveals the world of his story from darkness, shapes it from nothingness.

Alan Wake, a bestselling writer, comes to in a crashed car outside the small town of Bright Falls, Washington. His wife, Alice, is missing, and he can't remember the past week. Now Wake finds pages of a novel he seems to have written, even though he can't remember writing it. In the story, which features Wake as its main character, Bright Falls is taken over by a Dark Presence – and the story is coming true. As his journey spirals deeper into the darkness of the night, Wake tries to hold on to the tattered remnants of his sanity, to find answers to the nightmarish mystery he faces.

Alan Wake, published in 2010, is a critically acclaimed cinematic thriller inspired by classic works of horror, with a deep mystery at its core. Alan Wake Remastered offers the complete experience of the original with the main game and its two story-expansions – The Signal and The Writer. For fans of the original, it's a new, refreshed experience of the game they love. For newcomers, it's a great way to experience the classic Alan Wake on new platforms taking advantage of next-generation technology.

The tense, episodic story is packed with unexpected twists, heart-stopping cliffhangers, and intense bursts of combat where it takes more than bullets to banish the darkness. The game's cutscenes, quirky cast of characters, and majestic Pacific Northwest vistas have been enhanced for an experience that delivers as much on its visual impact as its unnerving atmosphere. The world of Alan Wake is a more beautiful and immersive experience than ever, including refined cinematics and textures, improved character models, and support for up to 4K/60fps graphics.

Alan Wake Remastered was published in October 2021 for PC on the Epic Games Store, PlayStation 5, PlayStation 4/Pro, Xbox Series X|S, Xbox One, Xbox One S, Xbox One X, and in October 2022 for Nintendo Switch.

[See trailer →](#)

# ALAN WAKE II

In a horror story, there are only victims and monsters, and the trick is not to end up as either. But, trapped by the genre, we are all ripped to pieces along the way.

This story will eat us alive.  
This story is a monster.  
And monsters wear many faces.

Alan Wake 2 is the sequel to the award-winning 2010 psychological thriller Alan Wake, marking Remedy Entertainment's first foray into the survival horror genre. Players can expect a more twisted, layered, deeper dive into the world introduced in the first game. In the story of Alan Wake 2, nothing is quite what it seems.

The third-person horror experience pushes forward Remedy's tradition of creating intense atmospheres and emotionally evocative stories while delivering on compelling gameplay. We believe that survival horror is the genre that allows us to knit the story and the gameplay together even tighter than in our previous games, creating an even more intense mood and atmosphere.

Alan Wake 2 is the larger of the two multi-platform publishing deals Remedy and Epic Games Publishing announced in March 2020. Epic Games Publishing is fully funding the game's development and marketing costs. Remedy is entitled to a 50% share of the net revenue from the games' sales after Epic Games Publishing has entirely recouped the development and marketing expenses.

Alan Wake 2 has been in the production phase through 2022. The year took us from many parallel tracks of creative work to the magical stage of everything coming together into a single playable game experience on screen.

Alan Wake 2 will be published in 2023 by Epic Games Publishing for PC via the Epic Games Store, PlayStation 5 and Xbox Series X|S. Remedy Entertainment will hold full IP ownership for the game.

[See trailer →](#)

# Max Payne

## 1&2 remake

I've lost everything. With everyone after me, I can't win. But I can't stop either.

Max Payne is a cop whose life has been overturned. Family murdered, Max himself framed for his partner's murder, he is hunted by the police and the mob while looking for answers in the cold and dangerous New York night.

Two years later, Max is back in the force. A routine murder investigation leads him to discover yet another far-reaching conspiracy, which he fights to unravel with the aid of an old acquaintance.

Max Payne and Max Payne 2: The Fall of Max Payne are famous for their neo-noir atmosphere, groundbreaking storytelling and "bullet-time" gunplay, with the world and gameplay drawing inspiration from classic Hong Kong action movies. The iconic third-person shooter games hold a special place in the hearts of millions of fans around the world. They are now being remade in a way that honors the originals while offering compelling gaming experiences to modern audiences.

Remedy Entertainment is remaking Max Payne and Max Payne 2: The Fall of Max Payne video games under a new development agreement made on April 6, 2022 with Rockstar Games. The relationship between Remedy and Rockstar Games dates back to the original release of the critically acclaimed Max Payne and Max Payne 2: The Fall of Max Payne games, developed by Remedy and published by Rockstar Games.

Under the development agreement, Remedy develops the games as a single title for PC, PlayStation 5 and Xbox Series X|S using its proprietary Northlight technology and tool set. The game's development budget is financed by Rockstar Games, the size of which is 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 2022, the game was in the concept development stage, with a small team focused on the core of any successful product, the gameplay.

I don't know about angels,  
but it's fear that gives  
men wings.

# Codename Vanguard

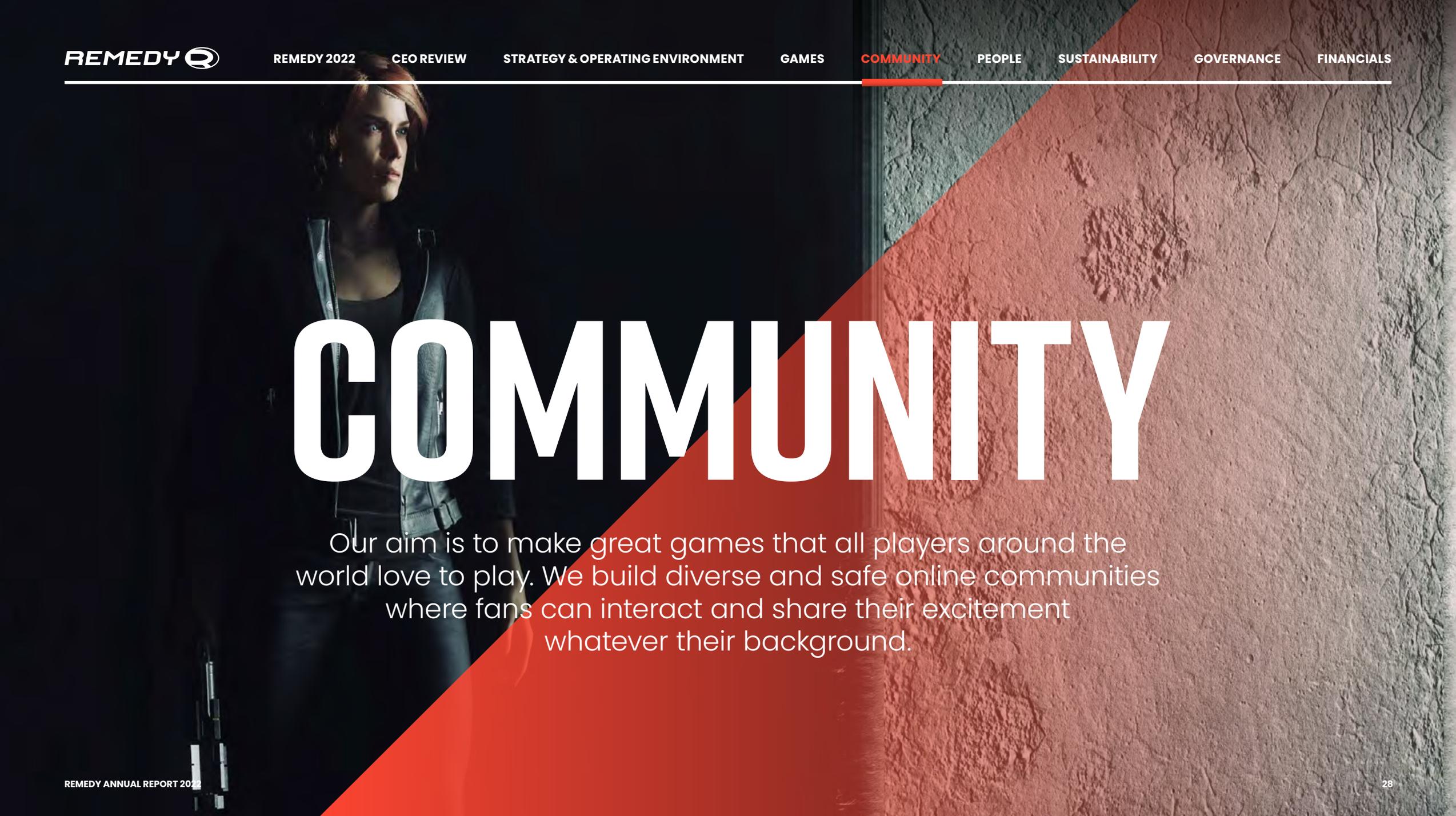
Pushing a new boundary into the world of PvE multiplayer gaming powered by Remedy's expertise in world building and action gameplay.

Codename Vanguard is Remedy's very first live service-based game.

The game, codename Vanguard, Remedy's original intellectual property, is a free-to-play third-person PvE (player vs. environment) multiplayer shooter game that showcases Remedy's passion for combining state-of-the-art world-building with compelling narratives. Codename Vanguard is Remedy's very first live service-based game, offering players extended multiplayer action gameplay experiences. The game is being developed for PC and console platforms on the Unreal Engine.

Under the global development, license, and distribution agreement made with Tencent, Remedy will develop and publish the game worldwide, excluding selected Asian markets, where Tencent will localize and publish it. As part of the agreement, Remedy licensed Tencent worldwide rights to develop and publish a mobile version of codename Vanguard. Tencent will cover the costs for developing and publishing the mobile version, and the parties have agreed on a separate revenue sharing scheme for it.

In August 2022, Remedy made the decision to extend the game's proof-of-concept phase into 2023. This gives the team the time they require to design, prepare, and test key elements of the game before the project moves onto a phase of development where a larger team is required. By postponing the transition to the next stage, Remedy is supporting high quality as well as cost-efficient game development.



# COMMUNITY

Our aim is to make great games that all players around the world love to play. We build diverse and safe online communities where fans can interact and share their excitement whatever their background.

# Passionate, talented, creative and diverse

## The Remedy Community

The Remedy community is a huge part of what drives us to make our games. Our worldwide community includes everyone from people playing our games to everyone creating art inspired by them. We are constantly in touch with the Remedy community across the world through our social media channels and newsletters, while highlighting its creativeness on our Community Hub.

### "THE KINDNESS AND SUPPORT THE COMMUNITY GIVES US SETS IT APART"

**Vida Starčević, Senior Community Manager**

The Remedy community is passionate, talented, creative and diverse, full of sleuths and investigators who love trying to connect all the clues our narrative team peppers throughout our stories. The community is at its best when people build their own social groups around our games, or when they collaborate to create art and other works. There's also our fansite, The Sudden Stop, which makes a Remedy-themed Christmas card and sends it out to us and other community members – I look forward to it every year!

As a community manager, I act as a champion for our community within Remedy while getting the community excited about the games we're working on. This means taking care of Remedy's social media accounts and handling relationships

with the content creators and community members who act as ambassadors for our games. One of the things I enjoy most in my job is meeting fans and community members from all over the world, hearing the love they have for our games, and how much something we worked hard on means to them.

The kindness and support the community gives us, and the breadth of talented people in it, really set it apart. The company has been around for over 20 years, and many people have grown up with our games, becoming writers, artists or game developers thanks to playing them – it's really humbling to hear stories like that. And of course, what makes our community really special is the number of times they can ask about Alan Wake 2 without losing steam!



Approximately 144% growth  
in social media followers  
over 5 years.



Fan art courtesy of TJ Marinelli

**“I DON’T KNOW IF I’VE EVER MET SUCH A GREAT COMMUNITY AROUND A SINGLE GAME”**

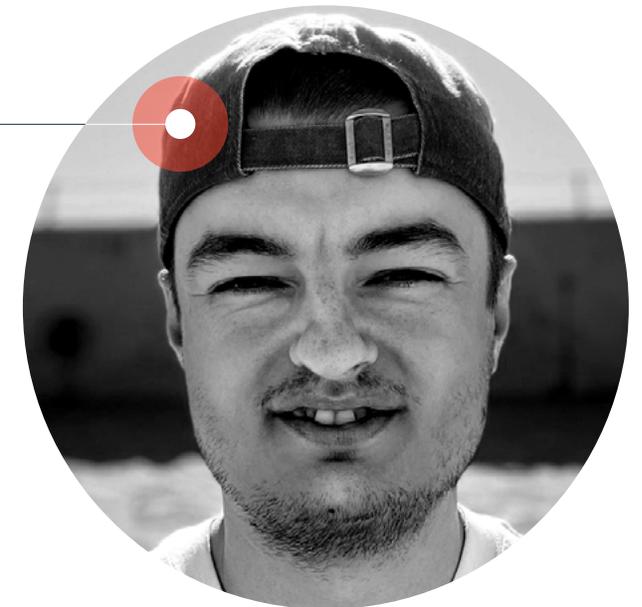
Control is one of the visually best games out there, and its lighting and atmosphere have always been among its selling points. Combined with destructible and stunning environments, Control still stands as one of the best experiences I’ve had the pleasure of playing and sharing. The game got even better with the upgrade to next gen, which meant I was able to capture reflections like you’ve never seen before.

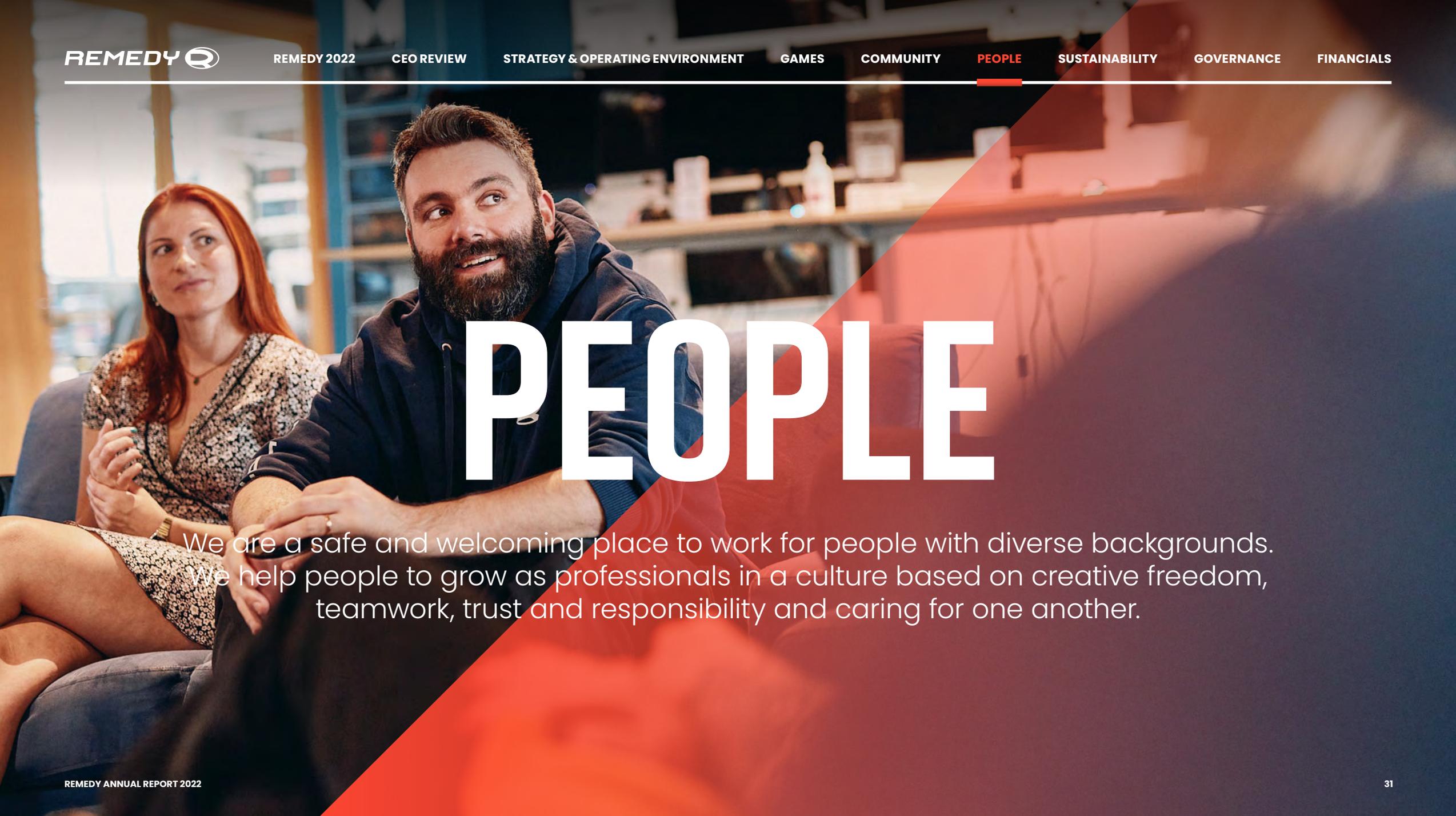
When Control came out, I started sharing screenshots I took on Twitter. When I started getting positive feedback from Remedy’s official accounts and other Control fans, I knew I wanted to delve deeper and get in touch with the people behind the game. The feeling of having your work featured in the Control Community Blog or on the game page on PS5 is something I still pinch

**TJ Marinelli, virtual photographer of Control**

myself about. There do not seem to be a lot of developers out there that get their fans involved as much as Remedy does and it’s truly refreshing!

I don’t know if I’ve ever met such a great community around a single game. The passion of the Control community has sparked a huge passion for what Remedy does in me. At its best, the community is out there creating amazing sets and offices from Control and then cosplaying their favorite characters in those sets during gaming events. It’s on a whole other level from what I’ve seen from other fans in my time in the gaming community – and that’s why I’m happy to be a part of the Remedy community.





# PEOPLE

We are a safe and welcoming place to work for people with diverse backgrounds. We help people to grow as professionals in a culture based on creative freedom, teamwork, trust and responsibility and caring for one another.

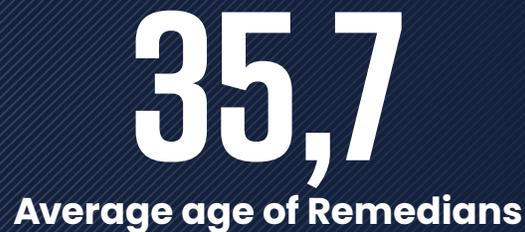
# People – at the heart of everything we do

In 2022, we continued to hire new talent, hybrid work continued, and we opened our first-ever office abroad in Stockholm, Sweden.



At Remedy, people are our most important asset, and we do our utmost to make sure everyone feels proud and happy to be Remedians. Our goal is to be the most attractive gaming industry employer in Europe. To reach our goal, we provide our people with opportunities for professional development and support them in their desired internal career paths. We also boost the development of new competencies and knowledge sharing while seeking to improve our talent's leadership skills.

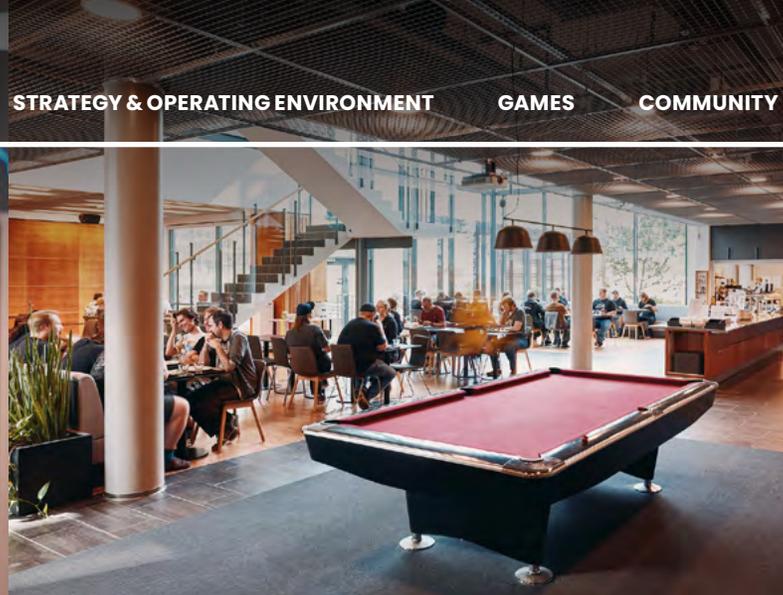
We strive to ensure our peoples' wellbeing and believe that having our employees working in well-functioning teams is essential to our success. We have been able to attract world-class talent from all over the world. In 2022, our headcount grew by 14%, reaching 334 employees by the year end. 51% of our employees represent 33 different nationalities, with Finnish nationals making up the remaining 49%. The average age of Remedy employees was 35.7 at the end of 2022.



Total headcount



\* People who work in Remedy's projects but are not employed by Remedy.



### The Remedy way of working

Top talent chooses us for our games and culture. In 2022, we continued a long-term project to define the Remedy culture and way of working. As part of this, we asked our people for their views on what they consider most important about Remedy's culture and way of working in our ongoing engagement survey. The material was used in workshops focused on this important topic, organized as part of our annual leadership training involving all leads and supervisors. In 2023, we will be engaging all Remedy employees in the project.

At Remedy, our people say that what they appreciate the most are their talented colleagues, who come from diverse backgrounds, are passionate about what they do and have very high standards when it comes to quality. Our employees also value their work-life balance and Remedy's people-centric nature and culture of trust. During the recruitment process, we have received feedback according to which applicants feel they are being treated as individuals and not only as single candidates amongst others.

We systematically measure our people's engagement to know where we are as a company and what we can do to become better. In 2022, our Employee Engagement Score was 7.8 on a 0–10 scale. According to the survey, our talent gives high scores for a sense of autonomy and freedom of opinion, their peer relationships and a feeling of their work being meaningful, all of which received scores above 8. Based on the results, we will focus on providing more continuous feedback and recognition and on supporting our talent in reaching internal career opportunities.

### Hybrid work is here to stay

The flexible working conditions are here to stay. Teams and game projects at Remedy are empowered to set their own working arrangements. At the same time, we encourage everyone to think about how best to integrate and connect teams and people. Our overall goal is to increase in-person facetime and encourage teams to meet face to face to foster a sense of belonging.

We recognize that facetime is particularly important for new employees. To provide opportunities for our people to meet each other we have brought back social events – such as game nights, movie nights, family days, gym sessions and our running school and Christmas party – while encouraging individual teams to arrange common activities and meet face-to-face at our offices in Espoo and Stockholm.

### Opening a Remedy office in Stockholm

In 2022, we opened our first-ever office abroad in Stockholm, Sweden, after piloting a talent hub in 2021 to attract the best people in the city. Employing 22 people, the Stockholm office is currently housed in a temporary workspace, with the permanent office due to open after renovations are completed in 2023. Setting up a temporary office was important for us to allow Stockholm-based employees to meet each other, increase facetime and foster a sense of belonging at Remedy. Our goal is to make sure that no matter where you are – at home or at the Espoo or Stockholm offices – the Remedy culture and our way of working remains the same.



**“To me, creating games is all about telling a story”**

# James Salt

*Game Director*

To me, creating games is all about telling a story. The kind of story that people will want to talk about around the office water cooler and still remember years later. That is what drives me, and great narrative experiences are what attracted me to Remedy.

In practice, the Game Director is ultimately responsible for how the game looks, sounds, plays and feels. It involves putting together great teams that create great content and steering the leaders of the different teams – I don't get involved with the details unless I have to. I find that my job requires a deep knowledge of the different ways of bringing the practices together, but there is no need to be an expert in them all. I can trust that our talented people will make the magic happen. They need to have the freedom to create, and I just make sure that we are aligned in what it is we want to create.

Working on Max Payne 1&2 remake is a great opportunity to create something that speaks to a huge audience. Max Payne is a fantastic IP, and this is a perfect time for a game like this. It has an existing audience of players that were fascinated with the original and are still playing it, but there is also a new audience of people who have never heard of it, to whom it is an entirely new, modern video game. It maintains the soul of the original while speaking to today's players.



**“The most interesting and challenging part of my work is taking something from the real world and bringing it into a game in a way that it looks and feels realistic”**

# Maiju Härkönen

## *Character Artist*

My job involves modeling and texturing characters in our games. In practice, this means shaping the faces, heads, bodies and hands of the characters and anything else on that character, be it clothes, accessories, or other props. The character team works closely with the rigging, concept art and animation teams to make the detailed and memorable characters Remedy is known for.

As a character artist, it's important to have a good understanding of human anatomy, but it also pays to know how clothes are made and how different materials look and feel – and how all this can be implemented in-game. In fact, the most interesting and challenging part of my work is taking something from the real world – say, a piece of clothing or someone's face – and bringing it into a game in a way that it looks and feels realistic. And on occasion, I have to actually pick up a needle and thread to help the costume designer make an actress' clothes fit better during photoshoots.

I like to think that when we succeed, people playing the game might look at a piece of clothing and go 'wow, that looks like an actual piece of clothing that could be made and worn in real life!'



“There is always that thrill of starting work on a new, unique game”

# Markus Lappalainen

*Principal Environment Artist*

The best thing about my work is the creativity. When I enter a state of flow and create a great scene in which all the pieces are coming together smoothly, or design level layouts and create lifelike environments out of nothing. It requires a certain way of thinking, of understanding many layers, such as composition and gameplay. But my job is not just design. In my work, it's very important to be able to work together with different people. It requires close cooperation with level designers, concept artists, and narrative designers, just to name a few. The level owner, which is my role in my current project Alan Wake 2, is the link between the different teams, keeping it all together and making sure information flows where it needs to.

When I started at Remedy 15 years ago there were around 35 of us. We've come a long way since then. There are nearly ten times as many employees now, and we've grown into a multi-project organization. At the same time, the Finnish game industry has grown and evolved too. Back in the day, it wasn't always taken seriously, but today, it's a respected line of business with established education and career paths.

The main reason I chose Remedy when I was starting my career was that I wanted to be part of creating Alan Wake. Since then, every single project has been interesting and contained inspiring tasks or game environments, even after 15 years. No two projects are alike, and there is always that thrill of starting work on a new, unique game. I'm proud of every one of them, but my first one, Alan Wake, with all the challenges we overcame and new experiences we had, will always be the most memorable.



**“We make sure our people can concentrate on making amazing games – we take care of the rest”**

**Liisa Kauppinen, Office Manager**

# The Office Team

**Kaisa Lehmusoksa, Liisa Kauppinen, Milla Hirschovits and Satu Walden**

The office team takes care of not only the Remedy office but the people working here as well. Our role in the company boils down to helping people and making sure that they can concentrate on making amazing games – we take care of the rest. Our duties vary greatly, from making sure there is coffee in the cafeteria and liaising with building maintenance to making travel arrangements and organizing events for our employees. There really is no “typical day” in the office team. Although there are routine elements in our work, you can never know exactly what the day will bring.

In fact, one of the most important qualities in our job is the ability to adapt. It’s also one of the things we most enjoy about the job, as no two days are alike. While working in the office team also calls for strong organizational skills and the ability to multitask and solve problems, the most important feature of every member of our team is that we enjoy working with people.

The pandemic was a challenge, requiring us to constantly adapt to changing restrictions. But our team managed to stay coolheaded – and now we’re happy to be back to organizing events, because our company parties, for example, involve some of our proudest accomplishments. To be able to bring people together and see the joy on their faces is easily one of our favorite aspects of the job.

# Molly Maloney

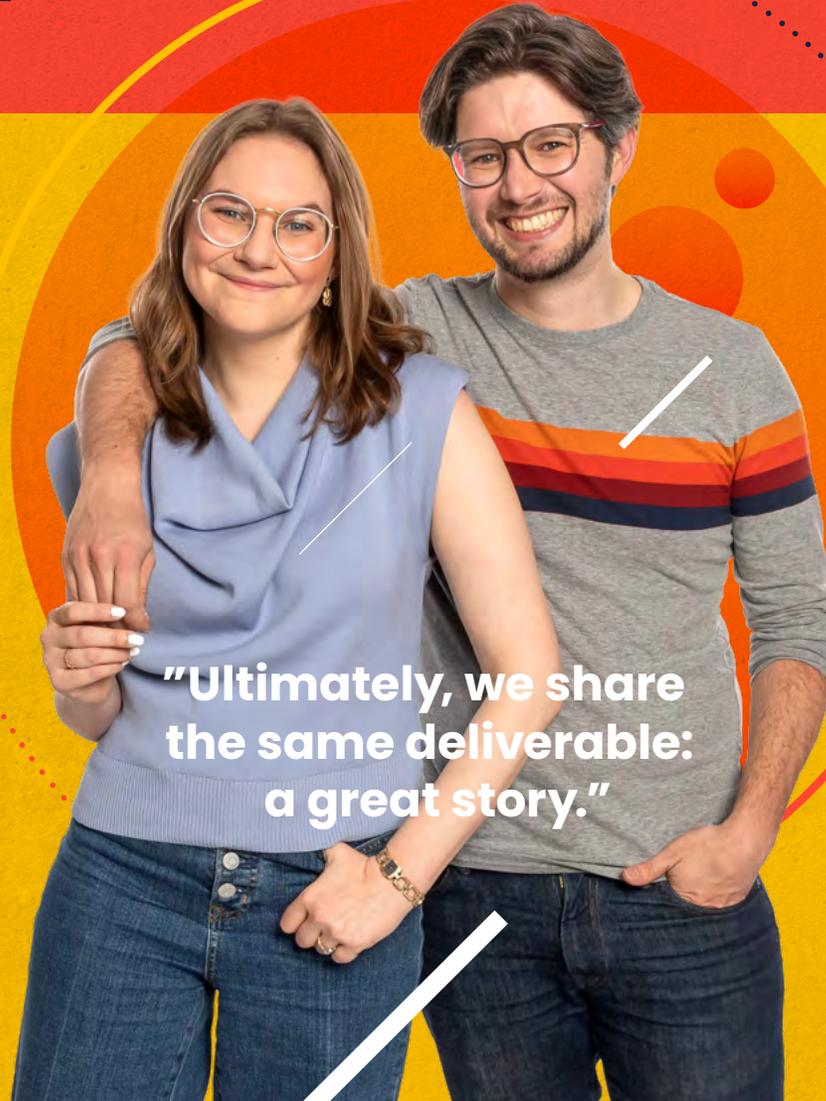
Senior Narrative Designer

You could say that narrative design focuses on how the story beats are experienced through play, while writing focuses on what the story and the characters are. Teamwork between the two is critical, because ultimately, we share the same deliverable: a great story.

What's special about the role of writers and narrative designers in video games is that the narrative isn't passive. The audience is an active participant in the stories we create, and so we have a level of investment from players that other entertainment doesn't have. My job is building immersive stories that couldn't be experienced without a controller in your hands.

Narrative design sits at the intersection of game design and writing. You need both soft and technical skills, since a designer works together both with the programmers and technical designers and the art and writing teams. My day at work might involve implementing a design feature in the engine or working through the screenplay in the writers' office. Sometimes, I might spend time playing through the game we're working on and taking notes to send to mission design or dialogue implementation teams on the timing of an interaction. Or – more realistically – it's all these things at the same time!

I grew up in Alaska, so in some ways moving to Finland with Eric felt like coming home for me – just with better public transport! Everyone has been very welcoming, and we've made fast friends here. What I like most about life here is the nature – even when living in downtown Helsinki it's very easy to go berry picking or mushroom foraging and smell the trees.



**“Ultimately, we share the same deliverable: a great story.”**

# Eric Stirpe

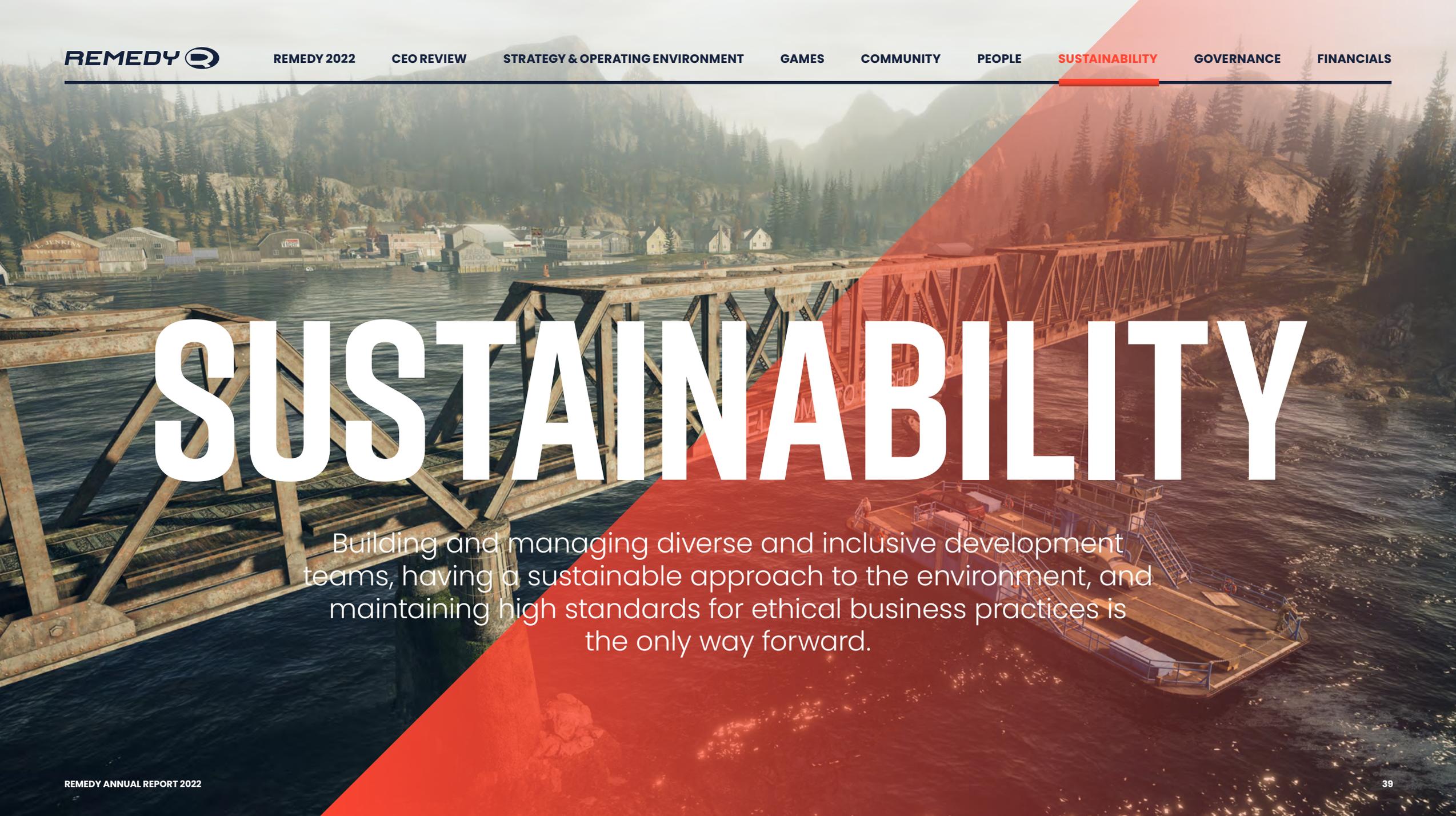
Lead Writer

As a writer, I work with narrative design to craft the story of a game. Whereas narrative design focuses on the player and how they'll mechanically experience the story, a writer focuses on the characters, dialogue, and story arcs. The best writing and narrative design partnerships are like a tag team, where you're working towards a shared vision.

At the end of the day, the biggest skill for a writer is wordcraft. You have to write dialogue that conveys the information the player needs to play the game, while simultaneously entertaining them and eliciting an emotional reaction. You also need to know how to structure the story and how to work collaboratively with other departments to fit that story to the constraints and needs of your gameplay.

No one day is the same as a writer. Sometimes you're trying to figure out how to structure a story to give the biggest emotional impact, whereas at other times you're helping come up with the name and lore for a weird monster made of goop. When a game is still in preproduction, my days involve a lot of meetings and time spent at whiteboards working out the story. But as we head into production, there will be more and more time spent over a keyboard working on the script, world and characters while helping figure out the story context for some crazy new bit of gameplay.

We moved from the U.S. to Helsinki in early 2022 – I love living here and being able to just walk or take trains everywhere I want to go. The Finns have all been really welcoming, and there's a great community of expats so it feels like we fit in so much faster than I thought we would.

A scenic view of a river town with a large wooden truss bridge crossing the water. In the foreground, a ferry boat is on the river. The background shows a town with various buildings and a forested mountain range under a hazy sky. A large red diagonal shape is overlaid on the right side of the image.

# SUSTAINABILITY

Building and managing diverse and inclusive development teams, having a sustainable approach to the environment, and maintaining high standards for ethical business practices is the only way forward.

# Sustainability

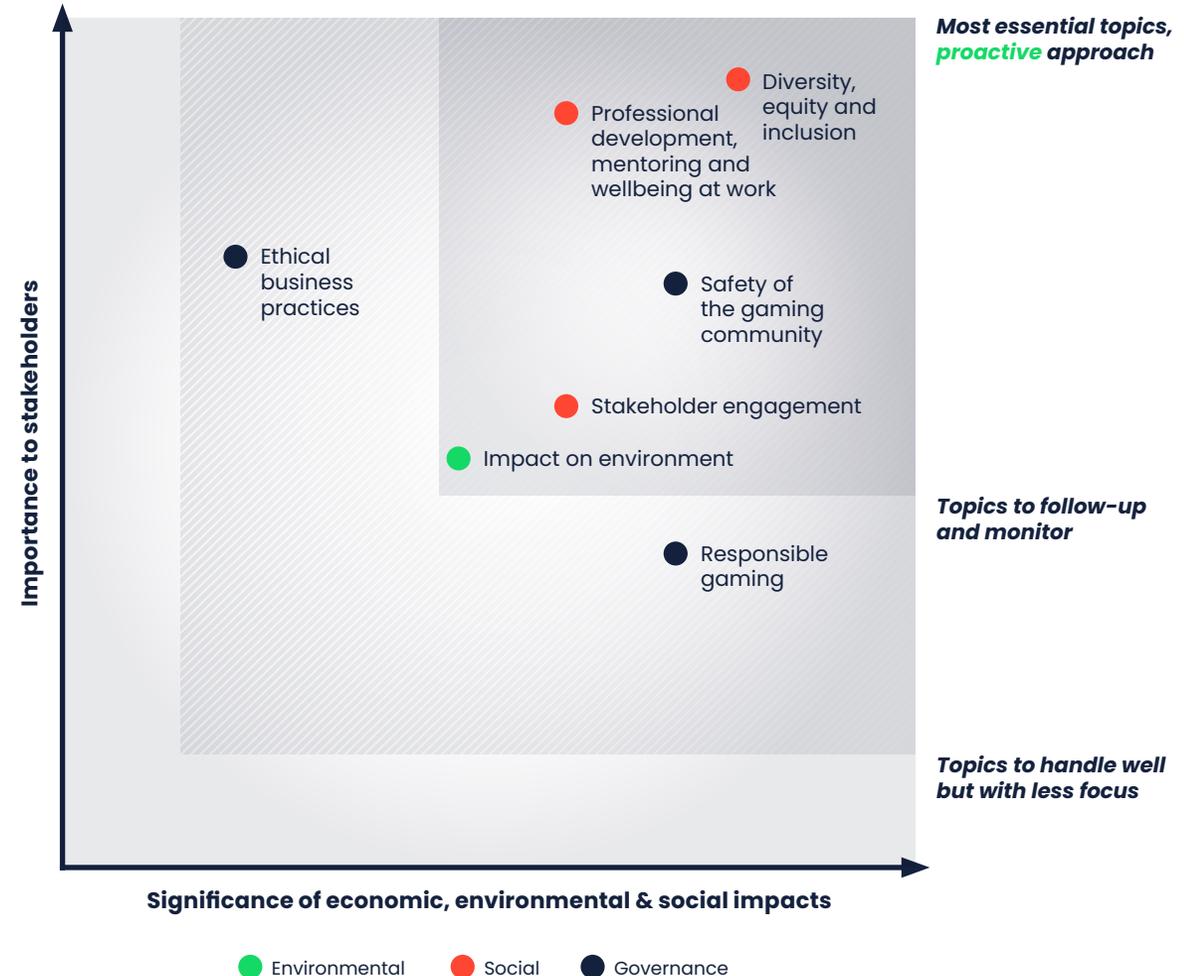
Our aim is to make great games that can create fond, lifelong memories.

When making games, people are at the heart of everything we do. Our culture is based on creativity, teamwork, trust and responsibility and caring for one another. We want to be a safe and welcoming place to work for people with diverse mindsets and backgrounds. We believe that diversity, equity, inclusion and wellbeing are the cornerstones for creativity and success. Our games are played by millions of players globally. We want to build diverse and safe online communities to enable players to engage with one another in a positive way. Together with our peers, we seek to positively impact the development and standards of the whole game industry.

In 2022, Remedy carried out a materiality analysis to map the expectations of different stakeholders regarding Remedy’s sustainability work and the sustainability topics that are viewed as most essential for Remedy. As part of the analysis, representatives of Remedy’s key stakeholders, e.g. investors, analysts, partners, and personnel, were interviewed. In addition, Remedy carried out an online survey, receiving in total some 250 answers.

Based on these results and internal workshops, Remedy has created the following materiality matrix, which illustrates the company’s most material and impactful sustainability topics. The matrix and topics have been used as the foundation for creating sustainability strategy for Remedy, a process that was initiated in 2022.

## Remedy’s materiality matrix



### Diversity, equity and inclusion

Our aim is to be the most attractive gaming industry employer in Europe. The market for top talent in the video game industry is very competitive and our success is directly related to our ability to attract and retain top talent. To achieve this, we are committed to ensuring that we are a safe and welcoming place to work for people with diverse backgrounds.

Our Anti-Harassment Policy and Equality Plan make clear that we have zero tolerance against all types of harassment and discrimination based on gender, race, color, nationality, religion, sexual orientation, age, or any other similar characteristic. This applies to, for example, recruitment and hiring, compensation, working conditions, terms of employment, access to training, promotion, termination of employment, or retirement. These policies also make it clear that we do not accept any inappropriate or toxic behavior.

In 2022, we carried out an internal DEI survey to help us define what DEI means for Remedy and to get a better picture of the current state of DEI in the company. Going forward, our aim is to establish a DEI working group to advance the related initiatives structurally on a companywide level. We are in the process of creating a DEI policy for Remedy determining specifically what DEI means for us and what are the guidelines and targets in addition to already existing Anti-Harassment Policy and Equality Plan. We will also initiate a DEI roadmap and an annual plan including DEI-related actions and events. We will measure the improvements and development by introducing a new internal DEI survey in Peakon survey tool.

### Professional development, mentoring and wellbeing at work

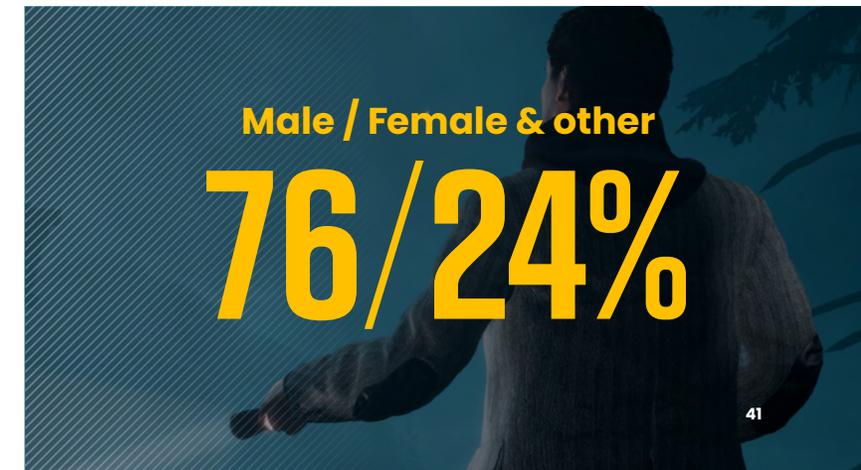
We value a healthy work-life balance. To proactively address any potential employee wellbeing challenges, we offer flexible working hours and work closely with occupational health professionals. We also constantly follow employee engagement with the survey tool Peakon and maintain an open dialog with employees. To lower the feedback barrier, our tools offer a possibility for anonymous discussion with the HR team. Our supervisors are also having one-on-one meeting with their people about once a month, to be able to support our people proactively.

During 2022 we continued to provide our employees with a possibility to use extensive mental healthcare services proactively. In addition, we have offered hybrid yoga lessons and personal trainer services at our own gym. We have an extensive occupational health care service package in place for all our employees.

We mentor people to help them grow as professionals in a culture that is based on caring for one another. We provide opportunities for professional growth and internal career development. We also want to offer a competitive salary and other benefits. It's important that we constantly train our leaders to successfully manage teams that consist of people with different nationalities and backgrounds. We expect our leaders to nurture a work culture based on diversity, equity, and inclusion as well as mutual respect. Leaders are expected to set the standards for new employees and teach them the Remedy way of working.

In addition to our ongoing leadership training we also have interview trainings in place to cover everyone at Remedy that participates in hiring processes. All employees complete an engagement survey in average every nine weeks so that we can measure job satisfaction and determine which areas need further improvement. Results are discussed with supervisors in one-on-one meetings, which our HR department conducts with all supervisors and with the project leaders.

Currently, we are piloting a craft-based mentor training. We continue our project, initiated in 2022, to determine Remedy's culture and values. We have also introduced a 360-performance review for collecting peer feedback for all the Remedians. Supervisors play an important role in the wellbeing of our employees, therefore developing our leadership, mentoring and training practices will continue being on our agenda going forward.



### Ethical business practices

Our goal is to maintain a value chain that lives up to our standards, which includes conducting business in an ethical manner and complying with relevant laws and regulations. We do not tolerate corruption, bribery, money laundering or human rights abuses in our workplace and require that our business partners uphold the same values and standards that we set for ourselves. We proactively manage cybersecurity risks and promote transparency in the collection and use of personal information.

Our Board of Directors has adopted a Code of Conduct that reflects our core values and forms a guide to ethical conduct. The Code is applicable to our entire organization and covers anti-corruption, anti-bribery, human rights issues and others. Accordingly, we have a zero-tolerance policy for all kinds of corruption and bribery, and do not tolerate human rights abuses in our workplace or value chain. Risks related to corruption, bribery, human rights, and discrimination are assessed annually as part of our risk management procedure.

As a next step, we will increase the amount of legal trainings that we arrange to our employees. We will also continue to monitor ongoing regulatory changes that could affect the video game industry and publish Remedy's first Corporate Governance Statement during the first quarter of 2023.

### Stakeholder engagement

Having open dialogue with our stakeholders in different parts of society is important to us. We co-operate with schools and universities and our ambition is to be an active member in game industry associations. In Finland, we are a member of Neogames through which we support and participate in the development of Finland's game industry. Together with our peers, we lobby and inform politicians about important game industry topics and seek to positively impact the development and standards of the whole game industry.

**Male / Female  
Core management team**

**71/29%**

**Share of women in Remedy's  
Board of Directors**

**33%**

**Impact on environment**

We aim to mitigate the negative environmental impacts of our operations. Our goal is to take environmental aspects into account in all our actions and promote sustainable solutions. As a part of this, we have started the process of calculating Remedy's CO<sub>2</sub> emissions for the first time. Based on the calculations, our total carbon footprint for 2022 was 4,085 CO<sub>2</sub>e tons. 98.5% / 4,024 t were categorized as Scope 3 and 1.5% / 61 t were categorized as Scope 2 emissions. Remedy did not have any direct Scope 1 emissions as our office is leased, we do not manufacture any physical products and we do not own any company vehicles.

Remedy's main environmental impacts stem from indirect use-phase emissions from the energy usage of players' devices as well as from office and computer hardware energy consumption and, indirectly, product distribution. We pay an increasing amount of attention to the energy efficiency of our business premises and sensible traveling. Our office in Espoo is easily accessible by public transportation. We use online meetings as much as possible and consider all air travel needs carefully.

All our games are available as digital downloads, which do not require physical packaging, thus reducing material consumption and carbon emissions produced by manufacturing and distribution. The risks of any significant environmental damage due to our operations are minimal.

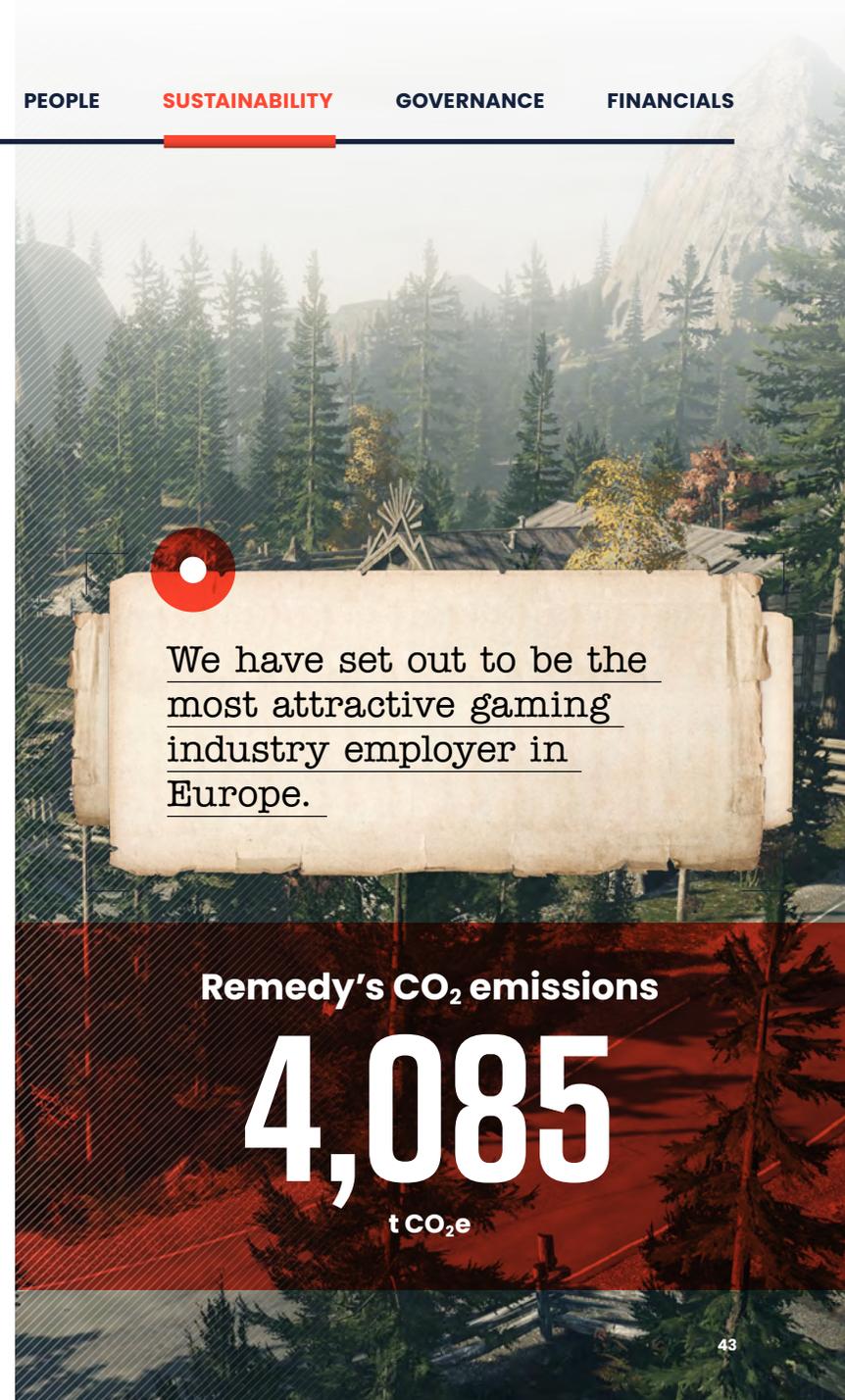
**Safety of the gaming community**

Our games can create fond, lifelong memories. We want to build diverse and safe online communities with zero tolerance for harassment, that foster creativity and encourage people to enjoy our games and express themselves.

**Responsible gaming**

Responsible gaming is an increasingly important focus area of sustainability efforts in the games industry. The reason we exist is to make great games that players love to play. We want to ensure that our games are of high quality, safe to play, and comply with the applicable legislation and industry norms. We seek ways to better take diversity and cultural inclusivity into account in our games. We want to employ transparent pricing models while adhering to and promoting best practices and fair and ethical game operations.

Most of our games are action-adventures designed for mature audiences, so we pay careful attention to appropriate reviews and labeling. Before their release, our games are reviewed in relevant market territories by video game entertainment ratings bodies, such as PEGI and ESRB. This helps us label our products and marketing materials with appropriate age ratings and content categories, which act as guidelines for both consumers and companies.



We have set out to be the most attractive gaming industry employer in Europe.

Remedy's CO<sub>2</sub> emissions

**4,085**  
t CO<sub>2</sub>e

# GOVERNANCE

Remedy's governance and management is divided between the company's shareholders who exercise their decision-making power at general meetings, the Board of Directors and the Chief Executive Officer who is assisted by Remedy's Core Management Team.

# Board of Directors



**Markus Mäki**

Born 1974  
 BSc (Computer Engineering),  
 Metropolia University of Applied Sciences  
 Member of the Board of Directors since 1995,  
 Chairman of the Board of Directors since 1998  
 In 2022 acted as Chief Technology Officer at Remedy,  
 currently Chief Product Officer & Chief Technology Officer at Remedy.  
 Remedy shares owned: 3,197,000 (23.77%)



**Christian Fredrikson**

Born 1964  
 MSc (Engineering), Åbo Akademi University  
 Member of the Board of Directors since 2013  
 Chief Executive Officer at Fingerprint Cards AB (2016-2022)  
 Remedy shares owned: 101,500 (< 1%)



**Jussi Laakkonen**

Born 1975  
 MSc (Computer Science), Helsinki University of Technology  
 Member of the Board of Directors since 2017  
 Chief Executive Officer and founder at Noice  
 Remedy shares owned: 0



**Kaisa Salakka**

Born 1979  
 MSc (Economics), Helsinki School of Economics  
 Member of the Board of Directors since 2022  
 Vice President, Product at Wolt  
 Remedy shares owned: 1,150 (< 1%)



**Sonja Ängeslevä**

Born 1974  
 MA (Digital Media), University of Lapland  
 Member of the Board of Directors since 2022  
 Chief Executive Officer and co-founder, Phantom Gamelabs  
 Remedy shares owned: 0



**Henri Österlund**

Born 1971  
 MSc (Economics), Helsinki School of Economics  
 Member of the Board of Directors since 2017  
 Founder, Accendo Capital SICAV-RAIF  
 Remedy shares owned: 46,139\* (< 1%)

*\*Henri Österlund's direct Remedy shareholding. Henri Österlund is also the founder of Accendo Capital SICAV-RAIF. As per December 31, 2022 Accendo Capital SICAV-RAIF shareholding in Remedy was 2,063,162 shares.*

# Core Management Team



**Tero Virtala**

Born 1974  
MSc (Technology), Helsinki University of Technology  
Chief Executive Officer  
Joined Remedy in 2016,  
member of the core management team since 2016  
Remedy shares owned: 300,000 (2.23%)



**Markus Mäki**

Born 1974  
BSc (Computer Engineering),  
Metropolia University of Applied Sciences  
Member of the Board of Directors since 1995,  
Chairman of the Board of Directors since 1998  
In 2022 acted as Chief Technology Officer at Remedy,  
currently Chief Product Officer & Chief Technology Officer at Remedy.  
Remedy shares owned: 3,197,000 (23.77%)



**Sami Järvi**

Born 1970  
Creative Director  
Joined Remedy in 1996,  
member of the core management team since 1996  
Remedy shares owned: 560,000 (4.16%)



**Terhi Kauppi**

Born 1971  
MSc (Economics), University of Vaasa,  
LL. B., University of Helsinki  
Chief Financial Officer  
Joined Remedy in 2018,  
member of the core management team since 2018  
Remedy shares owned: 8,000 (< 1%)



**Mikaela Öberg-Mattila**

Born 1979  
MA (Education), University of Helsinki  
Chief People Officer  
Joined Remedy in 2016,  
member of the core management team since 2016  
Remedy shares owned: 8,000 (< 1%)



**Johannes Paloheimo**

Born 1984  
MSc (International Project Management),  
Chalmers University of Technology,  
BSc (Industrial Management),  
Arcada University of Applied Sciences  
Chief Commercial Officer  
Joined Remedy in 2012,  
member of the core management team since 2017  
Remedy shares owned: 103,000 (< 1%)



**Christopher Schmitz**

Born 1972  
MBA (International Management),  
Liverpool John Moores University,  
Master's Degree (Business Management), CCI  
Chief Operations Officer  
Joined Remedy in 2019,  
member of the core management team since 2019  
Remedy shares owned: 0

# FINANCIALS

The year 2022 started a stronger investment phase for Remedy, which is evident in the financial figures of the fiscal year. Our strong cash position enables us in the transition towards co-financing more projects and taking a larger role in game publishing.

# Financials

Our full-year 2022 revenue and profitability were impacted by increased own investments in the game projects.

The investments in external development, our teams as well as Northlight game engine and tool set are the key enablers for our next growth leap during the coming years. Out of the five game projects we have in development, four are based on Remedy owned brand. In addition, Remedy is a co-publisher in three of these games, giving us more influence on how the games will be commercialized. We have been in the process of transitioning to a phase where Remedy invests more in game projects together with our publishing partners. This will impact on our profitability in the short term, as a greater proportion of total development costs are covered by us. We are planning to launch a new game per year starting from 2023, accompanied by additional free and paid content.

Revenue

**43.6 M€**

(44.7 M€ in 2021)

EBIT

**-0.6 M€**

(11.4 M€ in 2021)

Cash flow  
from operations

**11.1 M€**

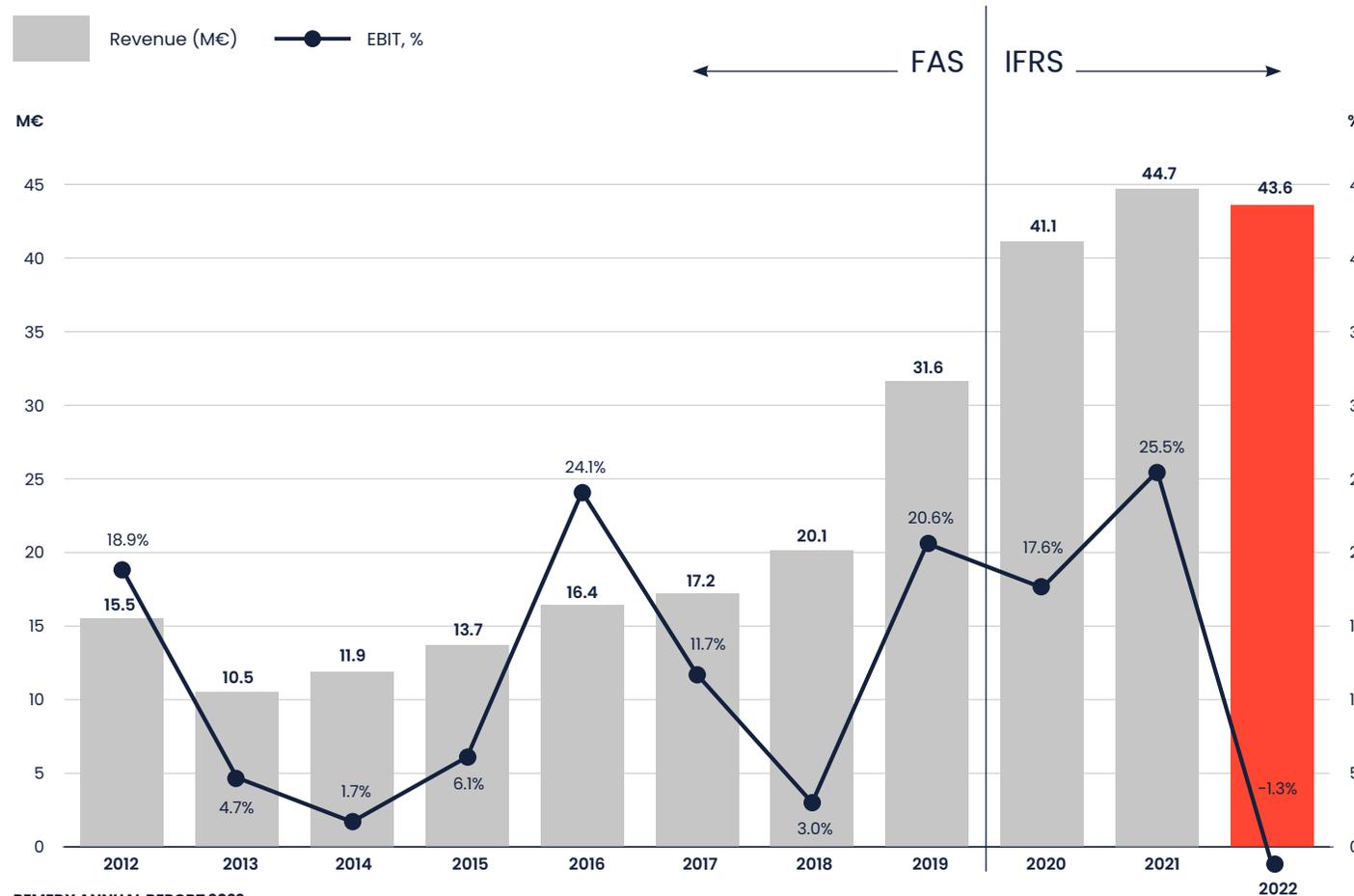
(6.1 M€ in 2021)

## Key figures 2022

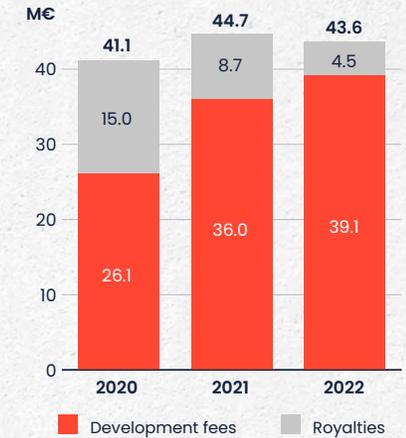
M€	2022	2021
Revenue	43.6	44.7
Revenue growth, %	-2.5%	8.9%
EBITDA	1.9	14.5
Operating profit (EBIT)	-0.6	11.4
Operating profit, % of revenue	-1.3%	25.5%
Result for review period	-1.7	8.8
Result for review period, % of revenue	-4.0%	19.7%
Balance sheet total	99.6	101.1
Cash flow from operations	11.1	6.1
Net cash	49.9	51.7
Cash position	49.0	51.4
Net gearing, %	-56.4%	-59.1%
Equity ratio, %	88.8%	86.4%
Capital expenditures	10.6	9.6
Average number of personnel during review period (FTE)	307	280
Headcount at the end of the period	334	294
Earnings per share, €	-0.13	0.67
Earnings per share, € (diluted)	-0.13	0.65
Number of shares at the end of period	13,448,600	13,298,450

# Financial development

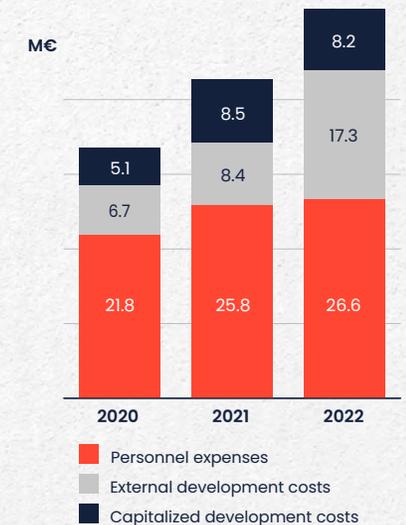
Revenue and profitability between 2012–2022



Historical revenue breakdown 2020–2022

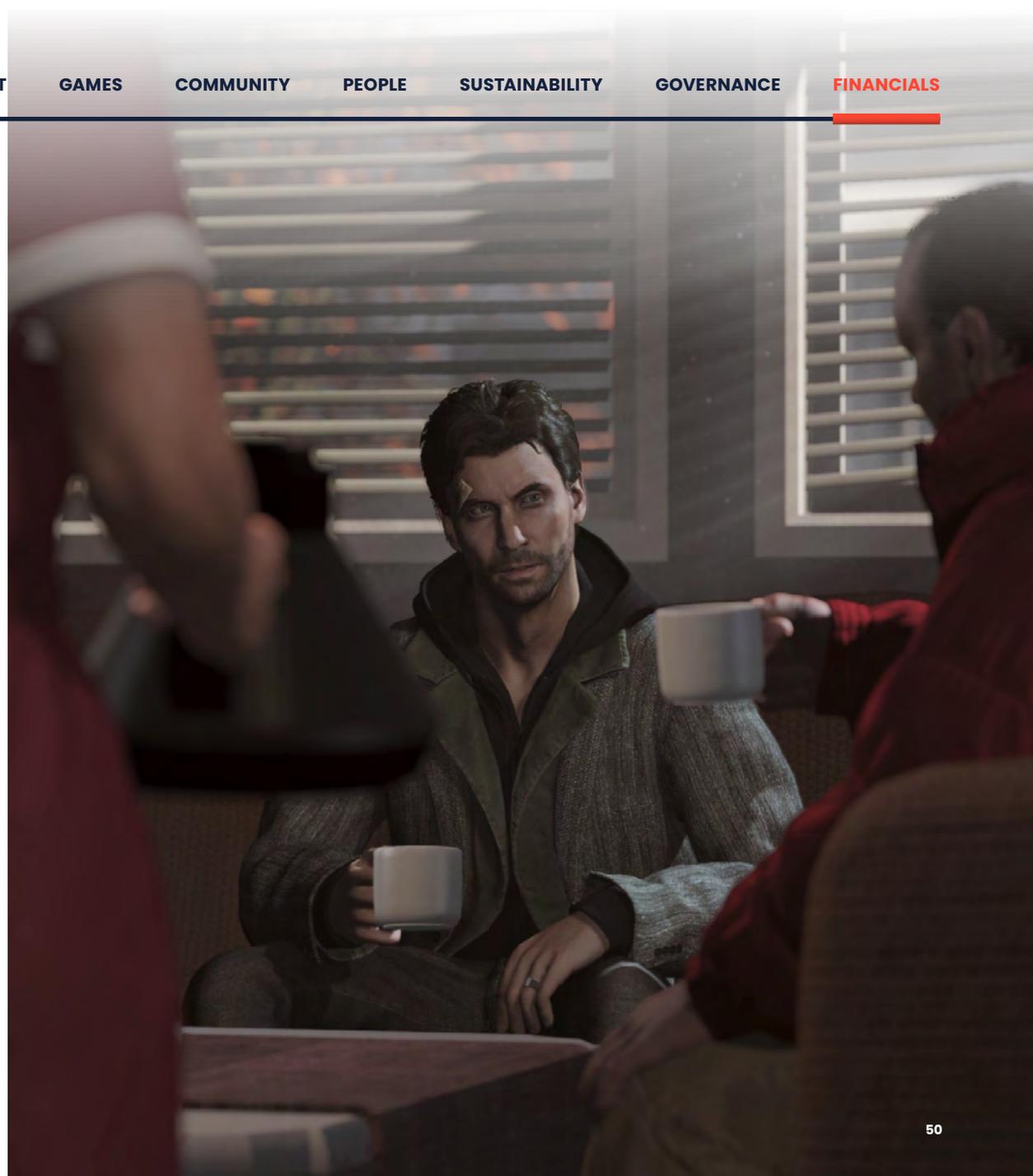


Personnel expenses, external development costs and capitalized development costs 2020–2022



# Top 20 shareholders

	Number of shares	% of shares
Mäki Markus	3,197,000	23.77
Järvi Sami Antero	560,000	4.16
Virtala Tero Tapani	300,000	2.23
Lehtinen Saku Hermann	232,000	1.73
Erikoissijoitusrahasto Aktia Mikro Markka	156,056	1.16
Varma Mutual Pension Insurance Company	150,000	1.12
Evli Finnish Small Cap Fund	143,000	1.06
Sijoitusrahasto Aktia Capital	129,807	0.97
Paloheimo Johannes Alfred Gustaf	103,000	0.77
Fredrikson Karl Christian	101,500	0.76
Pulkkinen Janne Petteri	100,000	0.74
OP-Finland Small Firms Fund	99,476	0.74
Anssi Hyytiäinen	97,334	0.72
Sihvo Timo Matti	85,000	0.63
Tolsa Tero Sakari Anttoni	80,000	0.60
Ilmarinen Mutual Pension Insurance Company	78,250	0.58
Säästöpankki Pienyhtiöt	67,398	0.50
Sijoitusrahasto Aktia Nordic Micro Cap	65,000	0.48
Blåfield Henri Erik	62,200	0.46
Lehtinen Jaakko Tapani	60,000	0.45
<b>20 largest in total</b>	<b>5,867,021</b>	<b>43.63</b>
Nominee registered	4,271,367	31.76
Other shareholders	3,321,686	24.61
<b>Total</b>	<b>13,448,600</b>	<b>100</b>



# More information for investors



**Veli-Pekka Puolakanaho**

Corporate Development Director

+358 50 430 0936

[veli-pekka.puolakanaho@remedygames.com](mailto:veli-pekka.puolakanaho@remedygames.com)



**Elina Petäjajarvi**

Senior Investor Relations Specialist

+358 45 277 6463

[elina.petajarvi@remedygames.com](mailto:elina.petajarvi@remedygames.com)

[ir@remedygames.com](mailto:ir@remedygames.com)



**REMEDY<sup>®</sup>**

**Remedy Entertainment Plc.**

Luomanportti 3  
02200 Espoo  
Finland