

**THE WEBCAST  
WILL BEGIN SOON**



# BUSINESS REVIEW JANUARY–MARCH 2023

April 26, 2023



# AGENDA

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- 1 Q1 2023 Review
- 2 Q1 2023 Financial Results
- 3 Outlook
- 4 Questions & Answers



Tero Virtala  
CEO



Terhi Kauppi  
CFO

# Q1 2023 REVIEW

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Tero Virtala, CEO





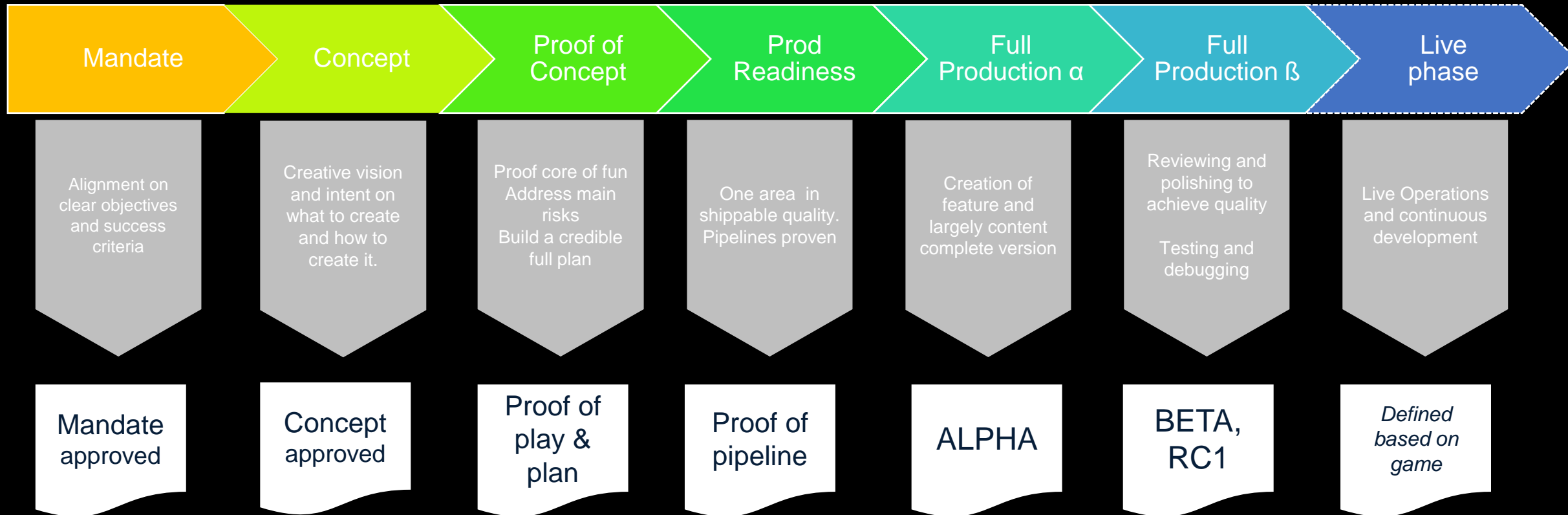
# Q1 2023 HIGHLIGHTS

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- Revenue decreased by 45.4% to **6.9 M€** (12.7)
- EBITDA decreased to **-4.9 M€** (3.3), mainly due to a significantly lower level of revenue than in the comparison period
- Operating profit **-5.6 M€** (2.8), operating profit margin -81.0% (21.8%)
- Cash flow from operations **-3.9 M€** (18.0)



# DEVELOPMENT PHASES WITH CLEAR FOCUS



# CURRENT PROJECT PORTFOLIO



**CONTROL**

LAUNCHED



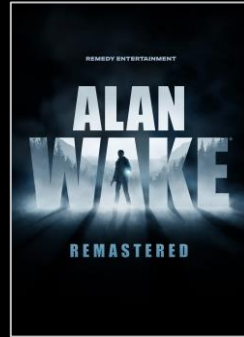
Condor\*

PROOF-OF-CONCEPT



Control 2

PROOF-OF-CONCEPT



Alan Wake  
Remastered

LAUNCHED



Alan Wake II

FULL PRODUCTION



VANGUARD \*

PROOF-OF-CONCEPT



Max Payne  
1&2 remake

PROOF-OF-CONCEPT

WITH  
**505GAMES**

WITH  
**EPIC  
GAMES**

WITH  
**Tencent**

WITH  
**R**

\* project codename



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

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**376**

Remedy talents  
(March 31, 2023)

A new development studio  
in STOCKHOLM

UTILIZE and CONTINUE TO EXPAND  
EXTERNAL DEVELOPMENT CAPABILITIES





# WE HAVE BUILT A STRONG BASIS AND INVEST TO ENABLE SUSTAINABLE LONG-TERM GROWTH.

## 2017 - 2021

- Building scalable multi-project organization.
- Moving towards longer-lasting games.
- Aiming for stronger position in the value chain.

## REMEDY in 2022

- Ability to develop 5 games in parallel.
- Longer-engaging single-player games, and service-based multiplayer games.
- Partners for all 5 games.
- Strong cash position. Own investments in 4, co-publisher in 3 games.

## 2023 - 2027

- Ability to develop new games and live operate existing ones.
- Game updates, and new game launches every year.
- Longer-engaging games with recurring revenue.
- Higher royalty upside.
- Direct involvement in game marketing and sales.
- Stronger ability to build, connect and serve our communities.



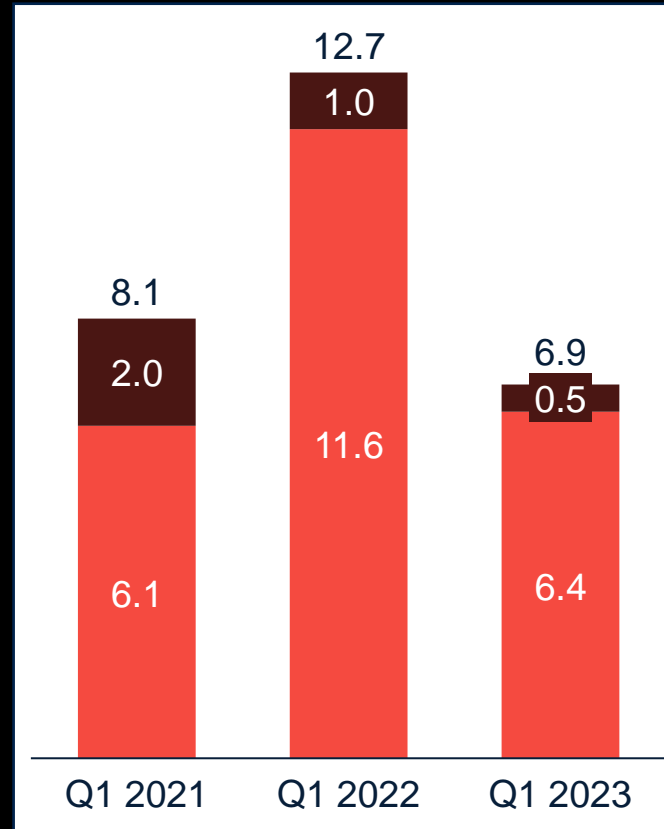
# Q1 2023 FINANCIAL RESULTS

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Terhi Kauppi, CFO



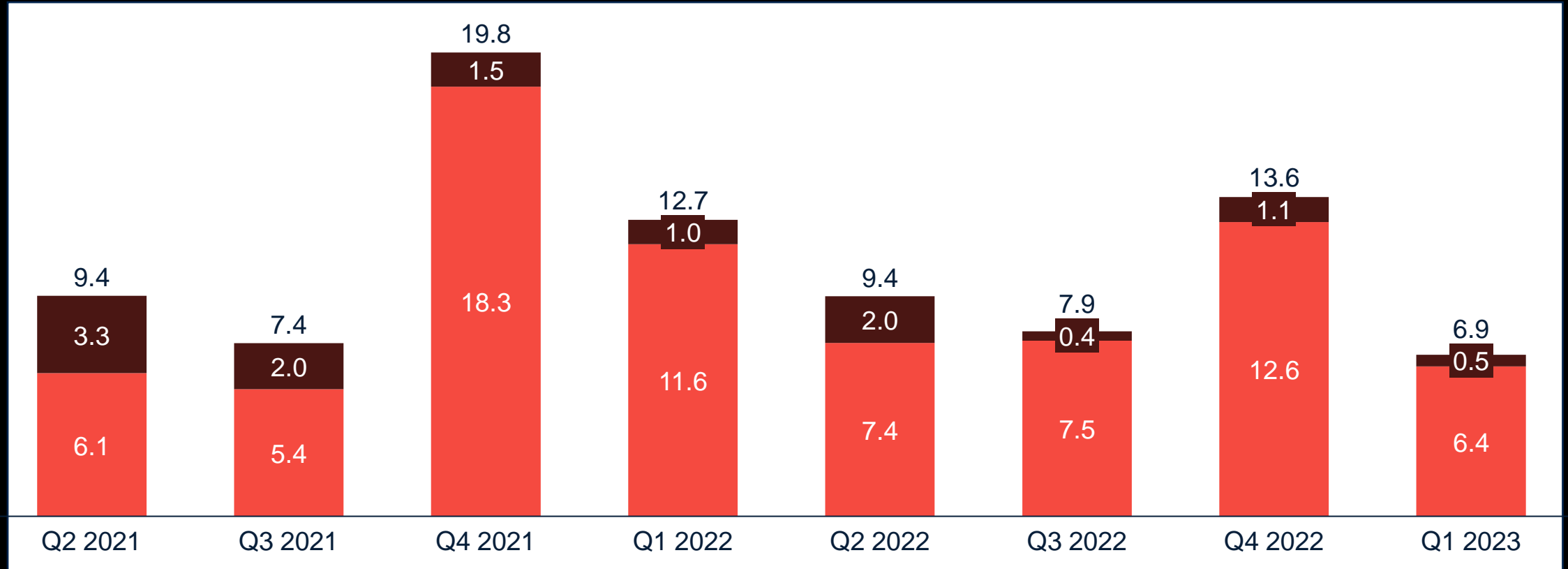
# Q1 2023: LOW AMOUNT OF DEVELOPMENT FEES EXPLAINED BY PROJECT MILESTONE TIMINGS



■ Royalties (EURm) ■ Development Fees (EURm)



# HISTORICAL BREAKDOWN OF REVENUE

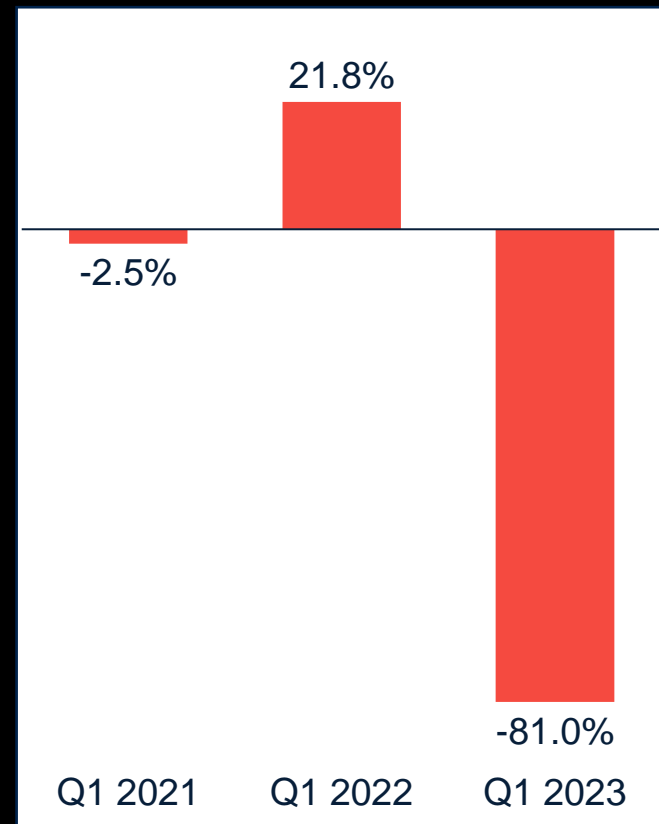
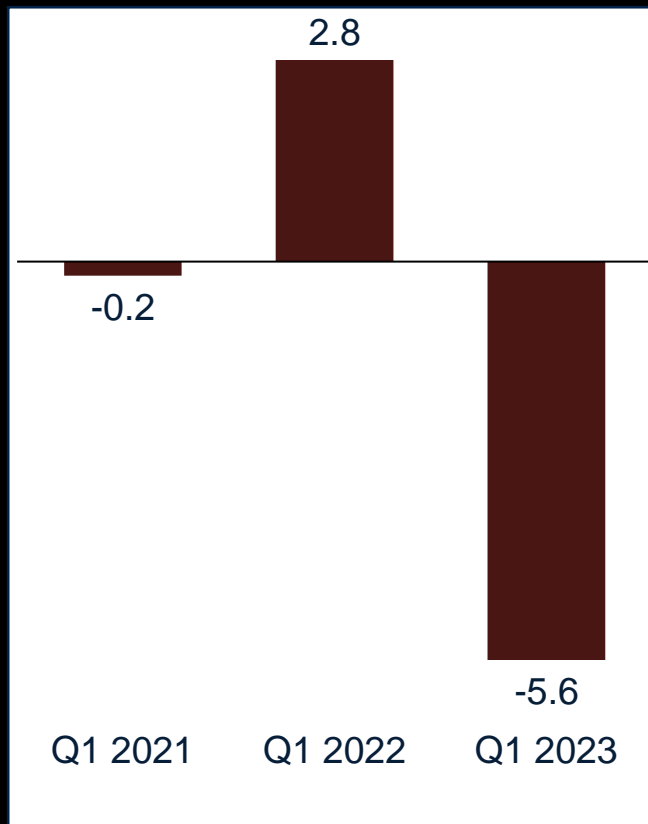


■ Royalties (EURm) ■ Development Fees (EURm)





# Q1 2023: CURRENT INVESTMENT PHASE WAS REFLECTED IN PROFITABILITY

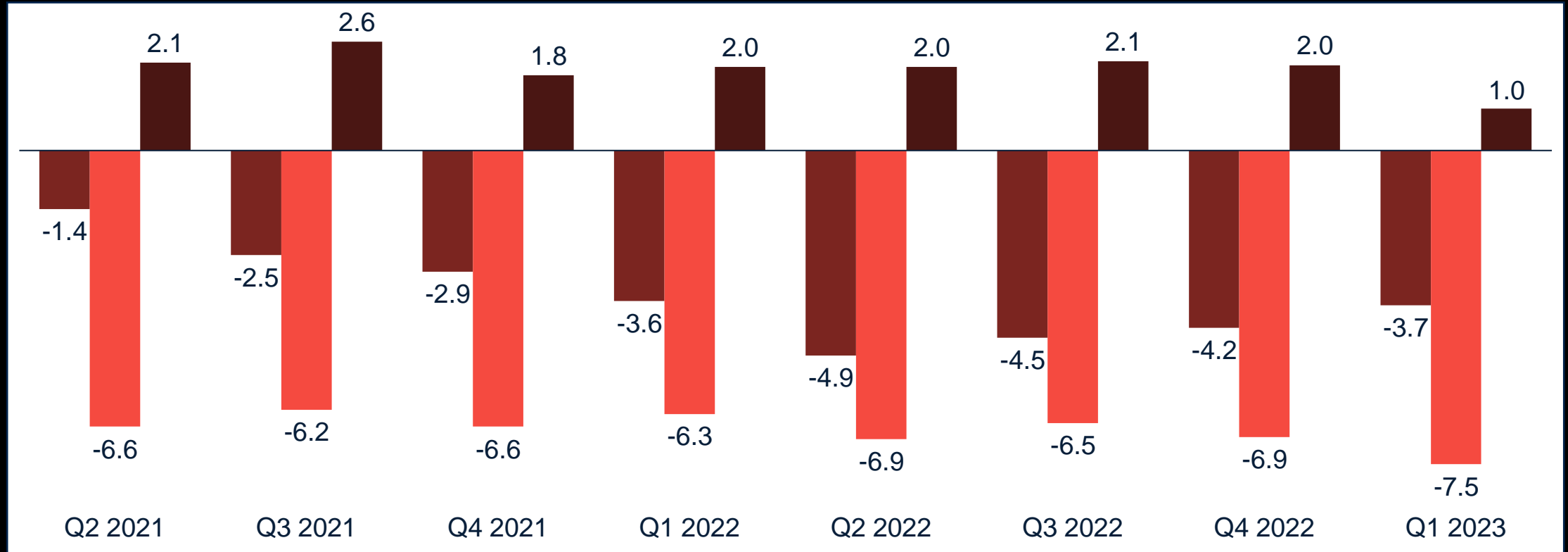


Operating Profit (EURm)

Operating Profit Margin (%)



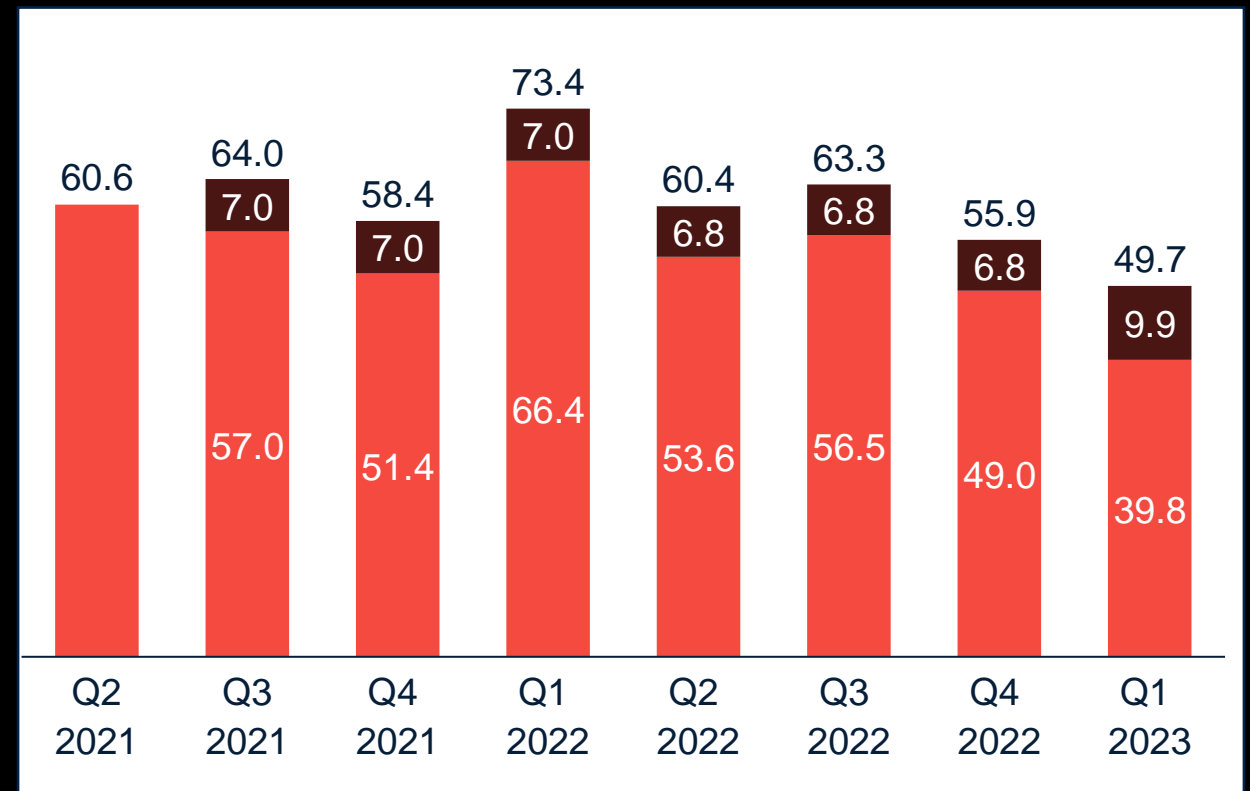
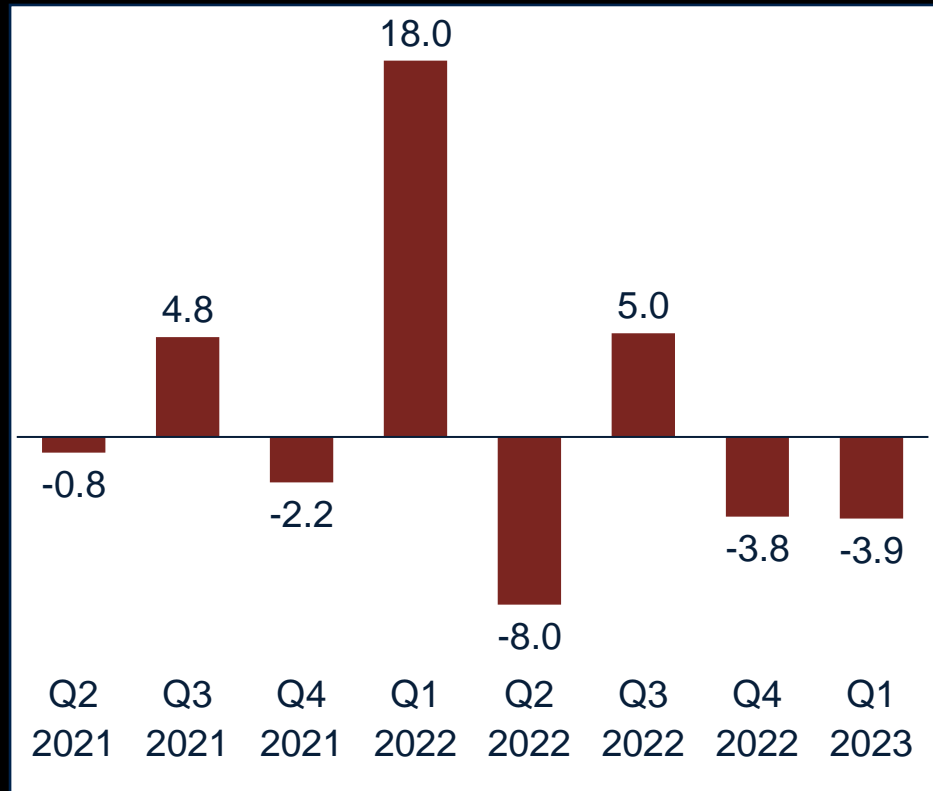
# Q1 2023: Y-O-Y INCREASE IN PERSONNEL EXPENSES AND A LOWER AMOUNT OF CAPITALIZED DEVELOPMENT COSTS



■ Ext Dev (EURm) unnetted ■ Personnel expenses (EURm) unnetted ■ Capitalized Dev Cost (EURm) unnetted



# Q1 2023: STRONG CASH POSITION GIVES THE BACKBONE FOR THE CURRENT INVESTMENT PHASE WITH MORE CO-FINANCED PROJECTS



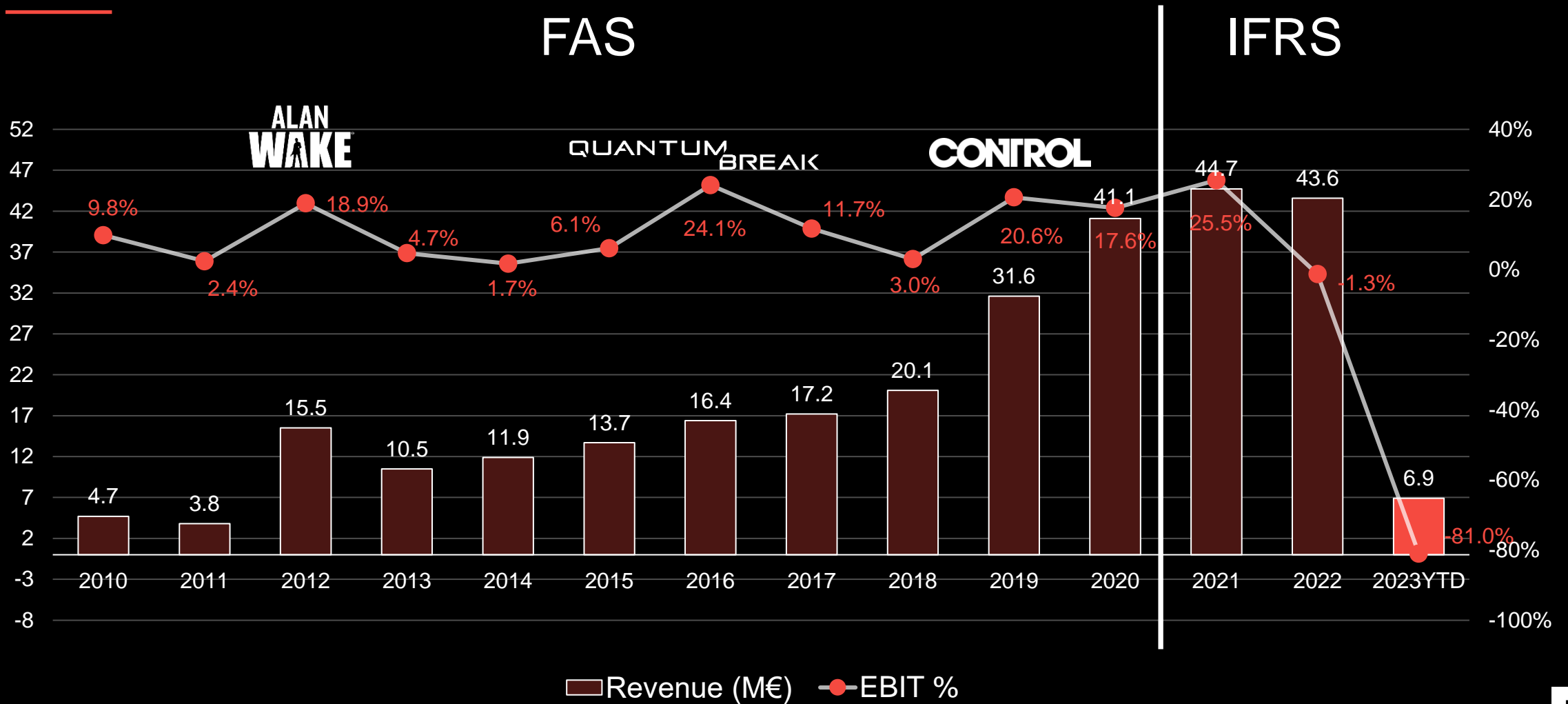
Operating Cash Flow (EURm)

Cash and Cash Equivalents (EURm)

Financial instruments (EURm)

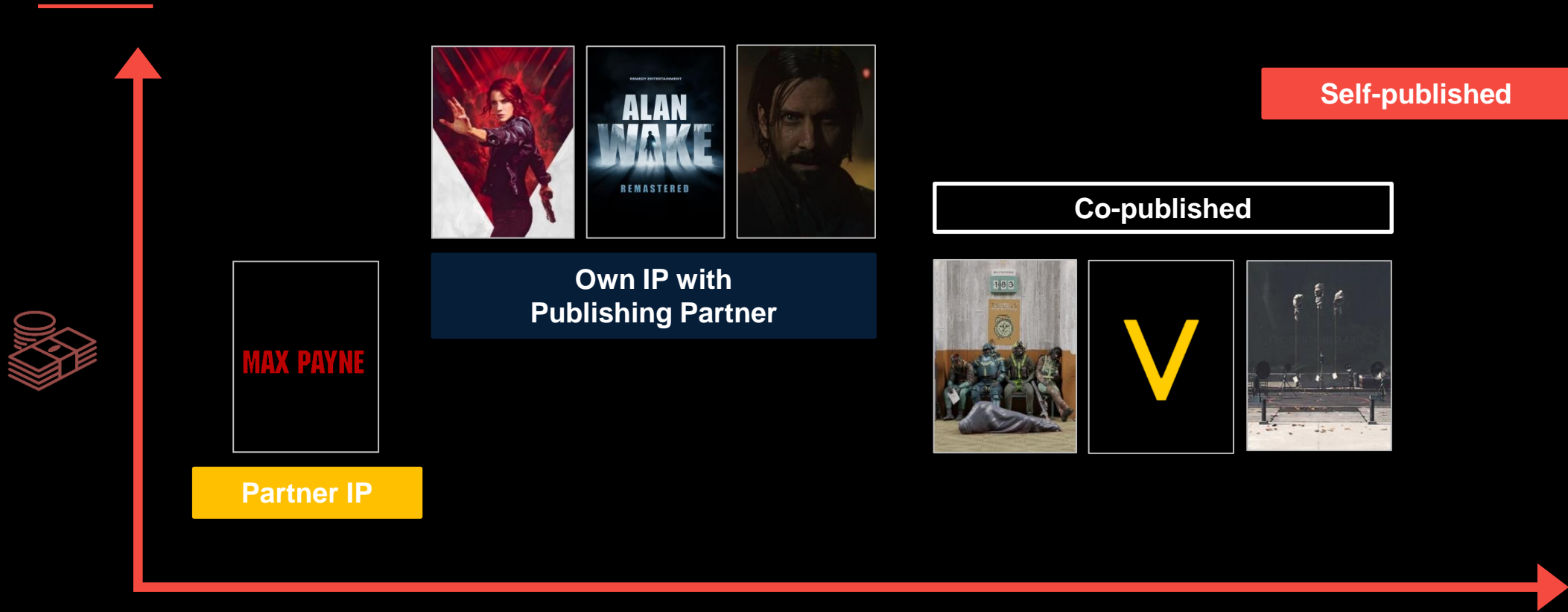


# HISTORICAL REVENUE AND PROFITABILITY PROFILE

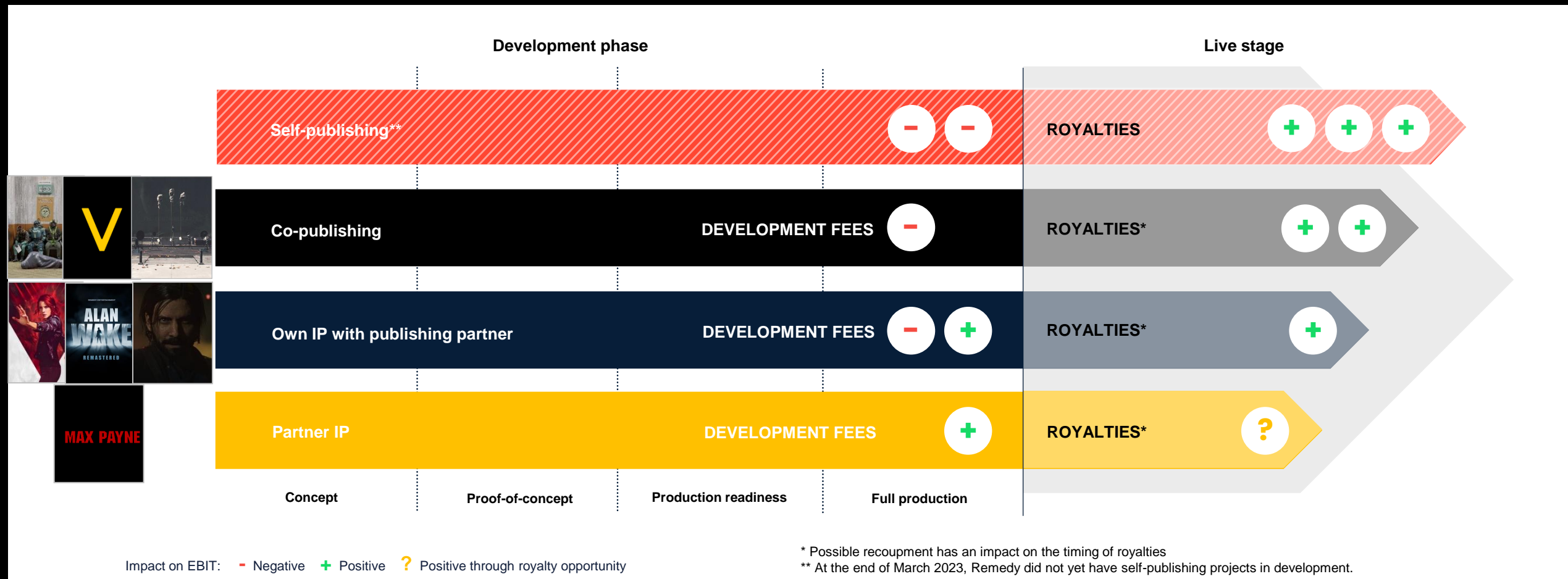




# MULTI-PROJECT FUTURE WITH MORE GAMES: BALANCING RISK AND REWARD



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



# OUTLOOK

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Tero Virtala, CEO





# OUTLOOK FOR 2023 (UNCHANGED)

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Remedy expects its revenue to decline from previous year and a negative operating result.

In 2022, Remedy's revenue totaled EUR 43.6 million and operating profit EUR –0.6 million.

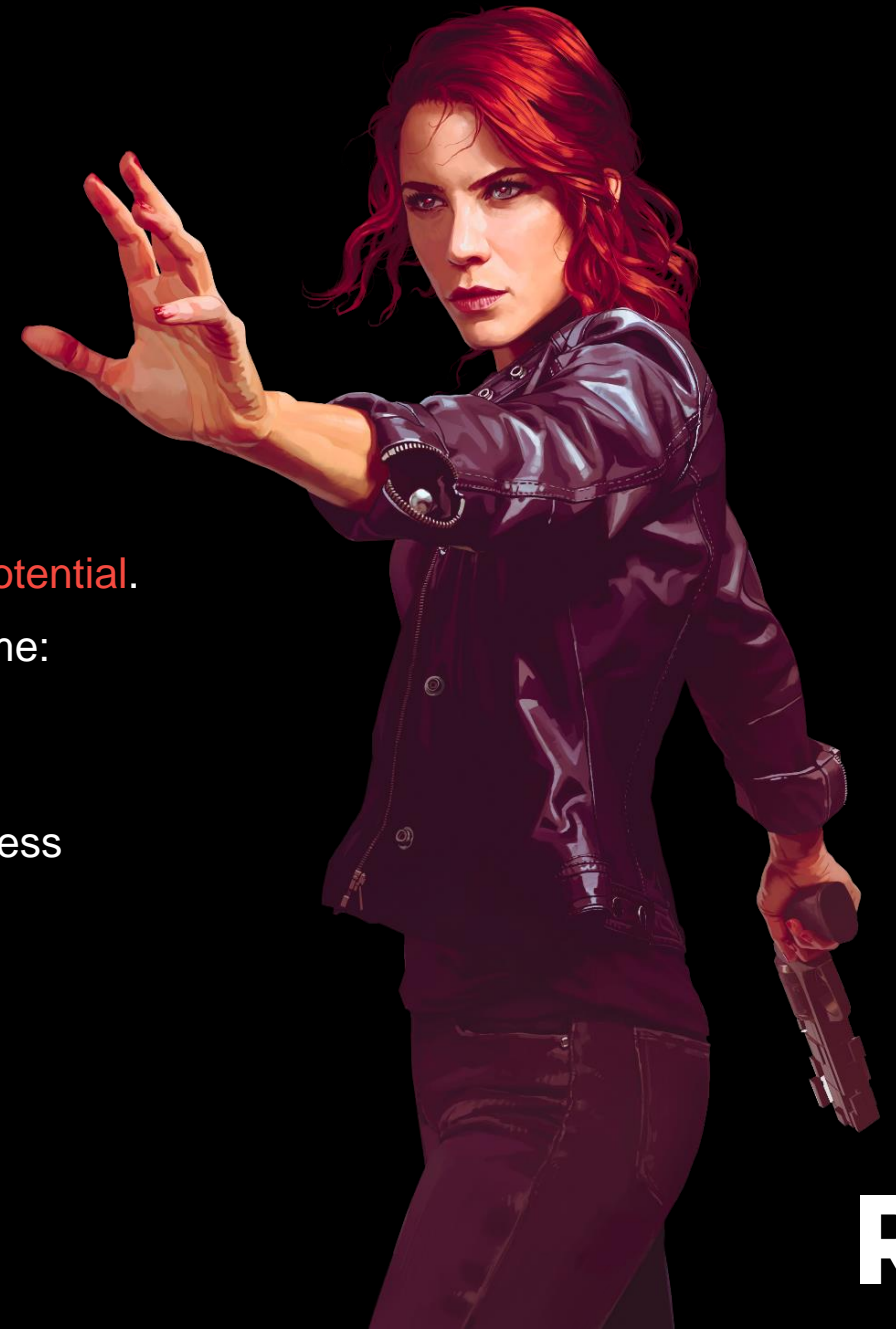




# OUR LONG-TERM OBJECTIVES (UNCHANGED)

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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**.



A dark, industrial scene with a person climbing a structure. The background is a complex of metal scaffolding and pipes, illuminated by a few lights. A person is seen climbing a structure on the left side. The text "QUESTIONS & ANSWERS" is overlaid in a large, bold, red font. In the lower right, there are faint white markings "NS" and "02" on a wall.

# QUESTIONS & ANSWERS



# Q&A INSTRUCTIONS

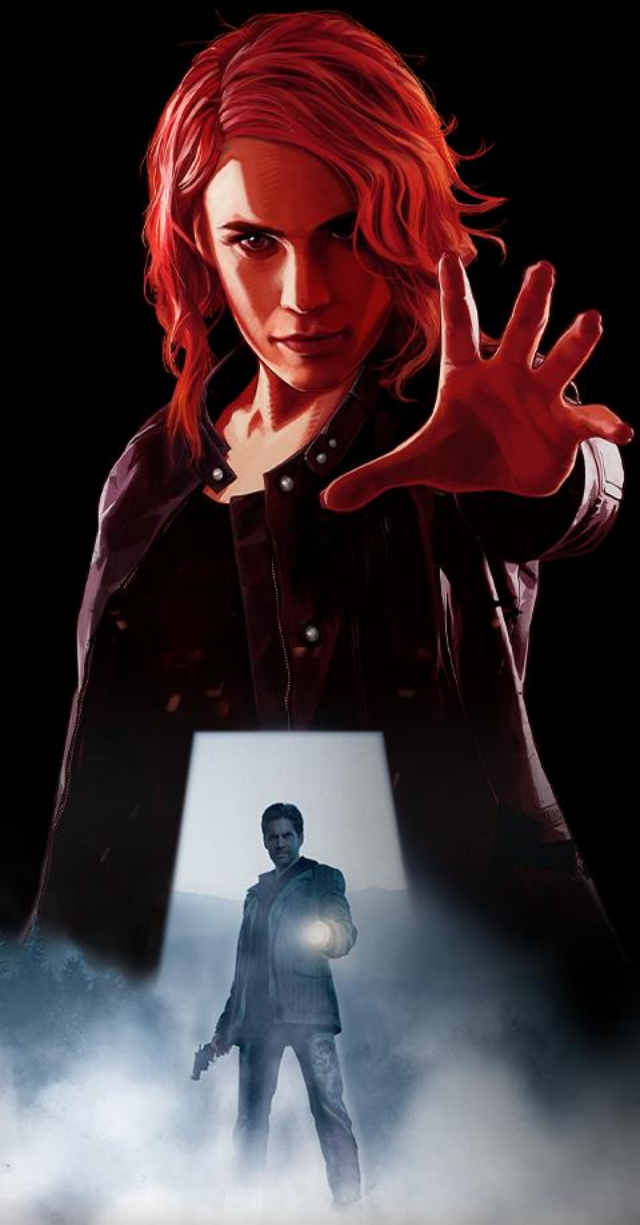
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Speakers will now take questions from the investors, analysts and media representatives

Web participants:

- Type in your question





# THANK YOU!

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     [RemedyGames](#)

