

The webcast will begin soon





# Half-Year Review January–June 2023

AUGUST 11, 2023

# AGENDA

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- 1** Q2 2023 Review
- 2** Q2 and H1 2023 Financial Results
- 3** Outlook
- 4** Questions & Answers



**Tero Virtala**  
CEO



**Terhi Kauppi**  
CFO



# Q2 2023 Review

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Tero Virtala, CEO





# Q2 2023 HIGHLIGHTS

- Revenue decreased by 5.3% to **8.9 M€** (9.4)
- EBITDA decreased to **-4.1 M€** (-1.8)
- Operating profit **-4.8 M€** (-2.4), operating profit margin **-53.8%** (-25.6%)
- Cash flow from operations **-7.0 M€** (-8.3)
- The marketing campaign for Alan Wake 2 began in the second quarter of 2023.







# ALAN WAKE 2 MARKETING CAMPAIGN KICKED OFF IN MAY



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## Alan Wake 2 gameplay reveal trailer debuted at the PlayStation Showcase

- The gameplay trailer was released on 25th of May.
- The trailer introduced Saga Anderson as a new playable co-protagonist.

## Alan Wake 2 "Saga" demo at Summer Games Fest

- 35-minute live demo on PlayStation 5 presented to media outlets.
- In total 15 fully booked demo sessions.
- Alan Wake 2 was selected as the singular Most Anticipated Title.

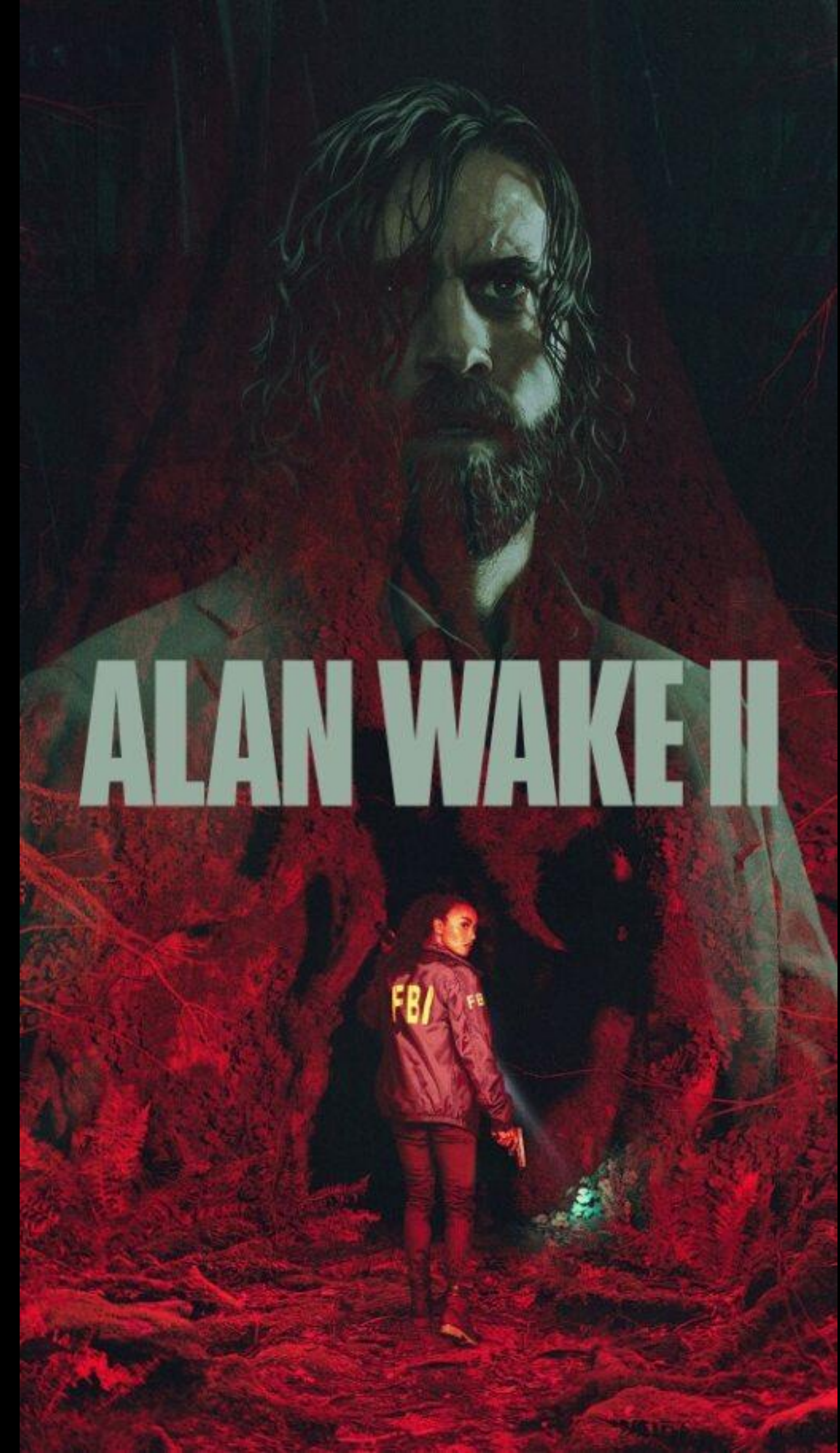
## Other media exposure

- Selected European and Finnish media outlets shown the demo
- Media coverage by Gamespot, IGN and other high-profile gaming media
- Selected social media campaigns.



# ALAN WAKE 2 RECEPTION

- The new playable co-protagonist Saga was seen as a positive and the organic engagement for the trailer was excellent.
- We received positive sentiment from the demo
- Alan Wake 2 was selected as the singular Most Anticipated Title
- We often heard "this is not at all what I expected, but in the best possible way"





# CURRENT PROJECT PORTFOLIO



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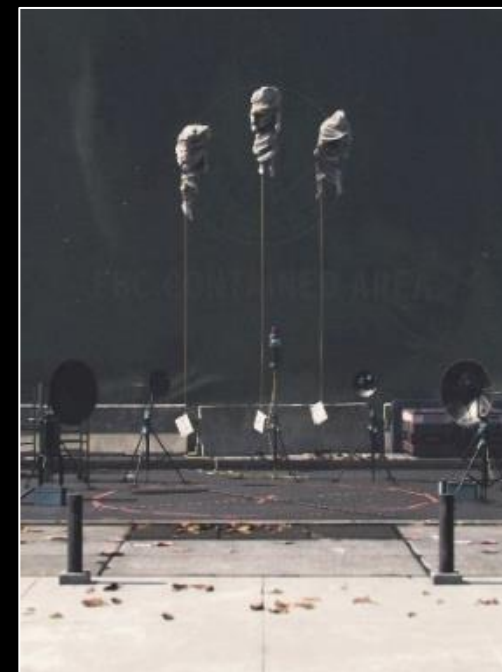
**CONTROL**

LAUNCHED



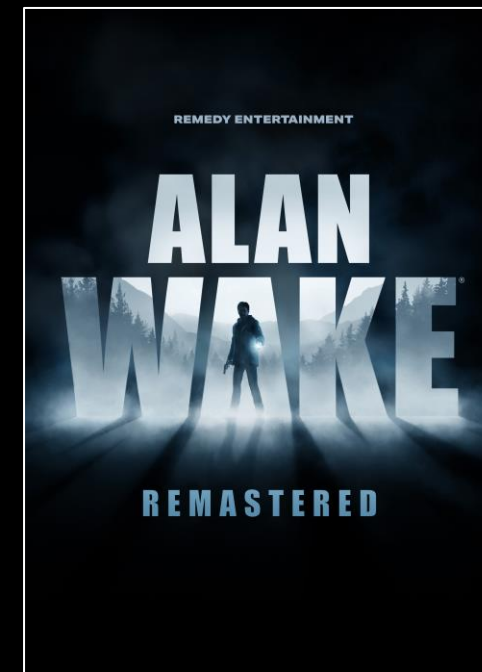
Condor\*

PROOF-OF-CONCEPT



Control 2

PROOF-OF-CONCEPT



Alan Wake  
Remastered

LAUNCHED



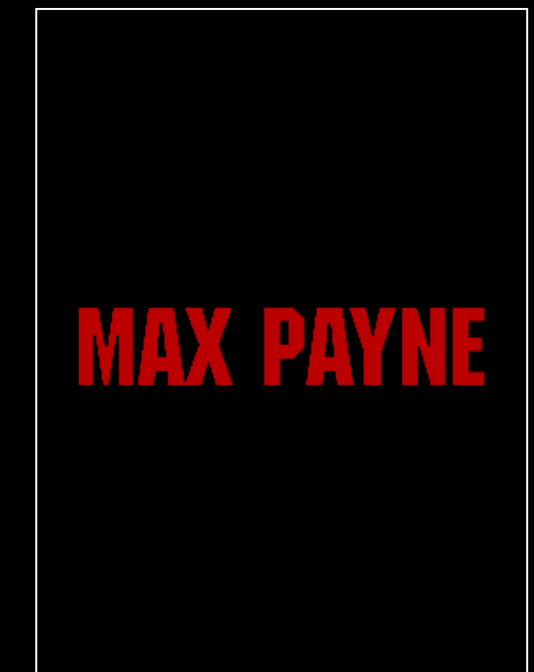
Alan Wake II

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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**381** (348)

Remedy talents\*

(June 30, 2023)

A development studio  
in Stockholm

We utilize and continue to expand  
external development capabilities

\* Defined as headcount added with people who work in Remedy's projects but are not employed by Remedy



# 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.





# Q2 And H1 2023 Financial Results

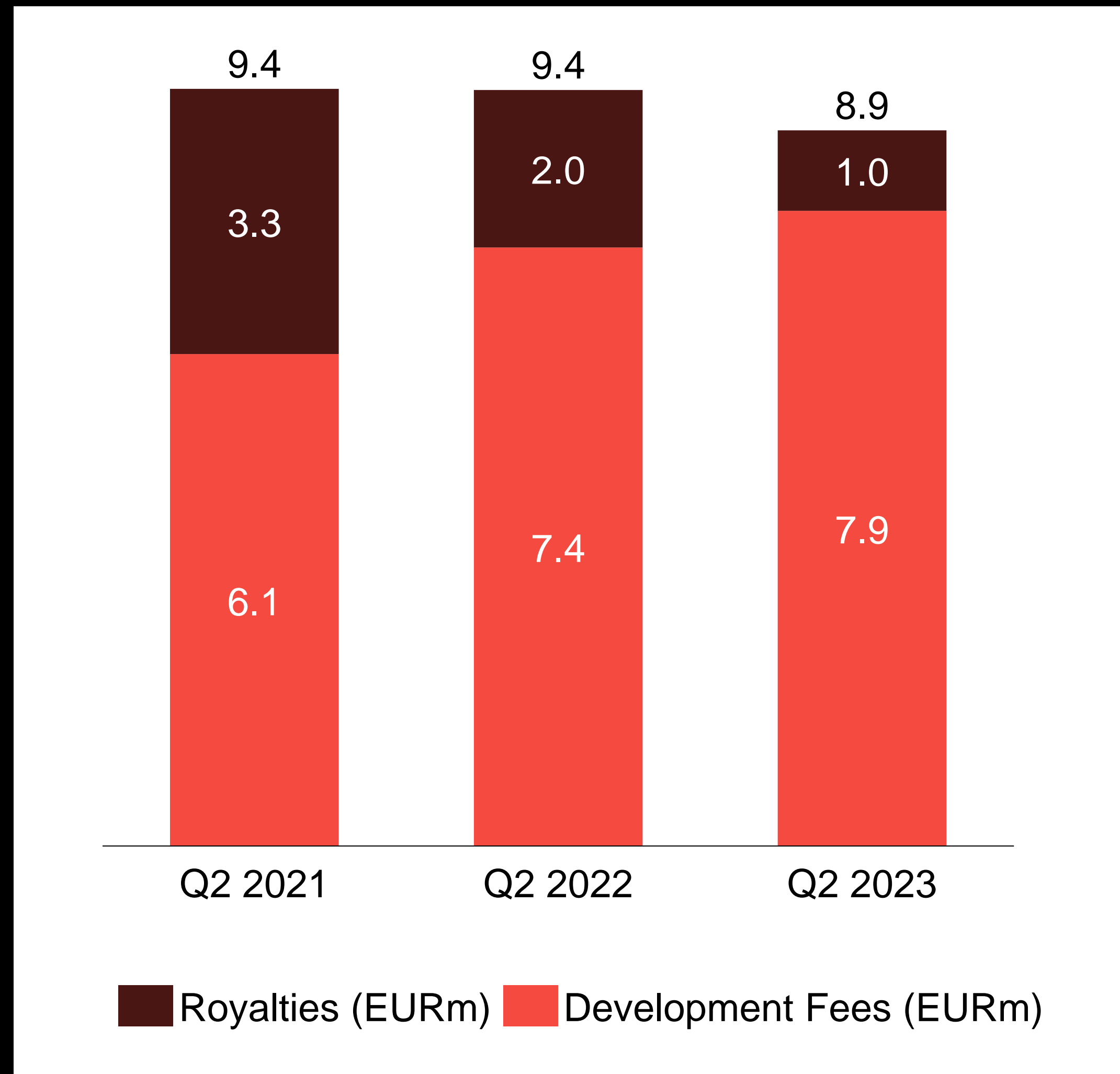
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Terhi Kauppi, CFO



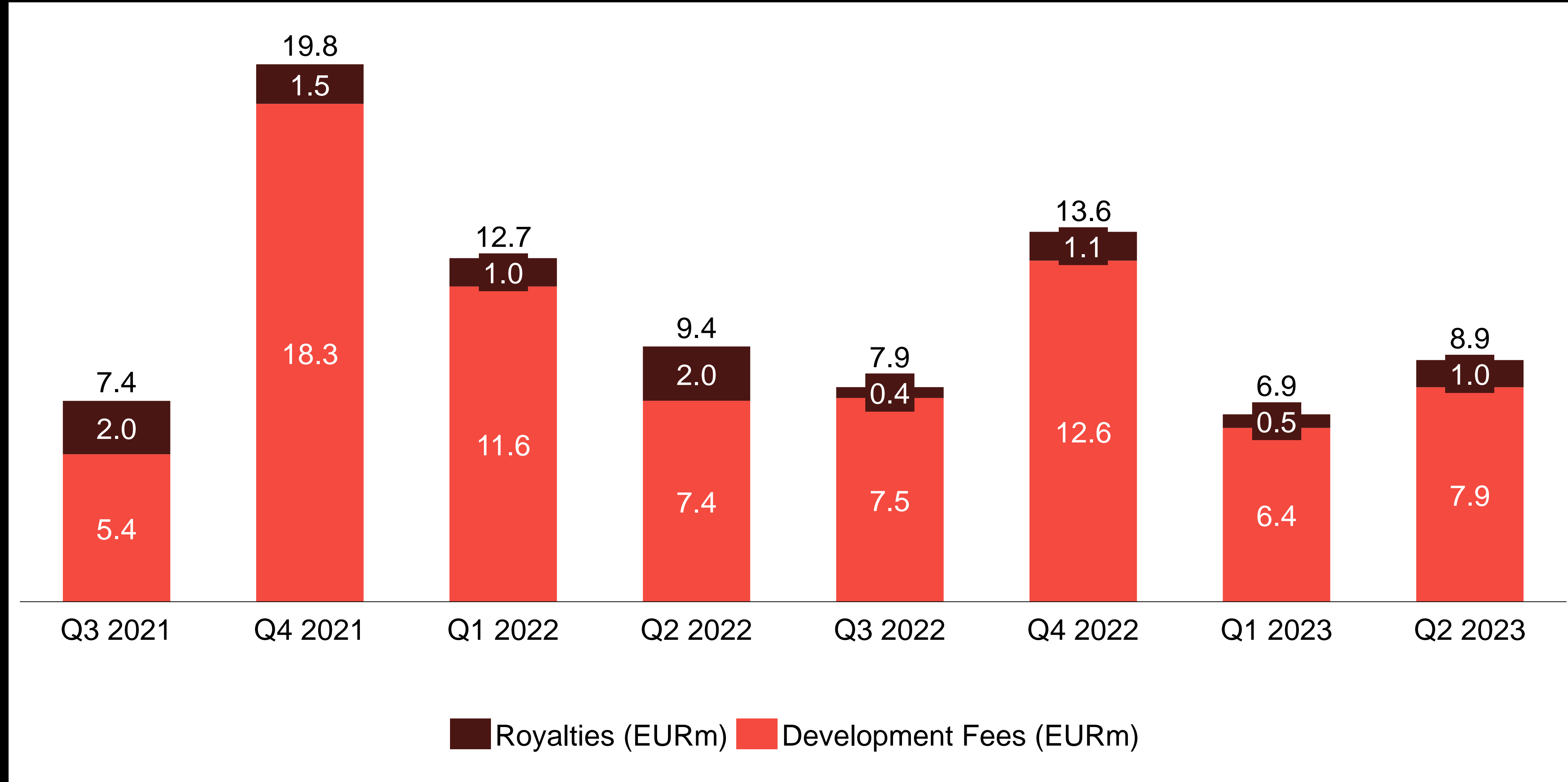


# Q2 2023: SMALL GROWTH IN DEVELOPMENT FEES OFFSET BY A DECLINE IN GAME ROYALTIES



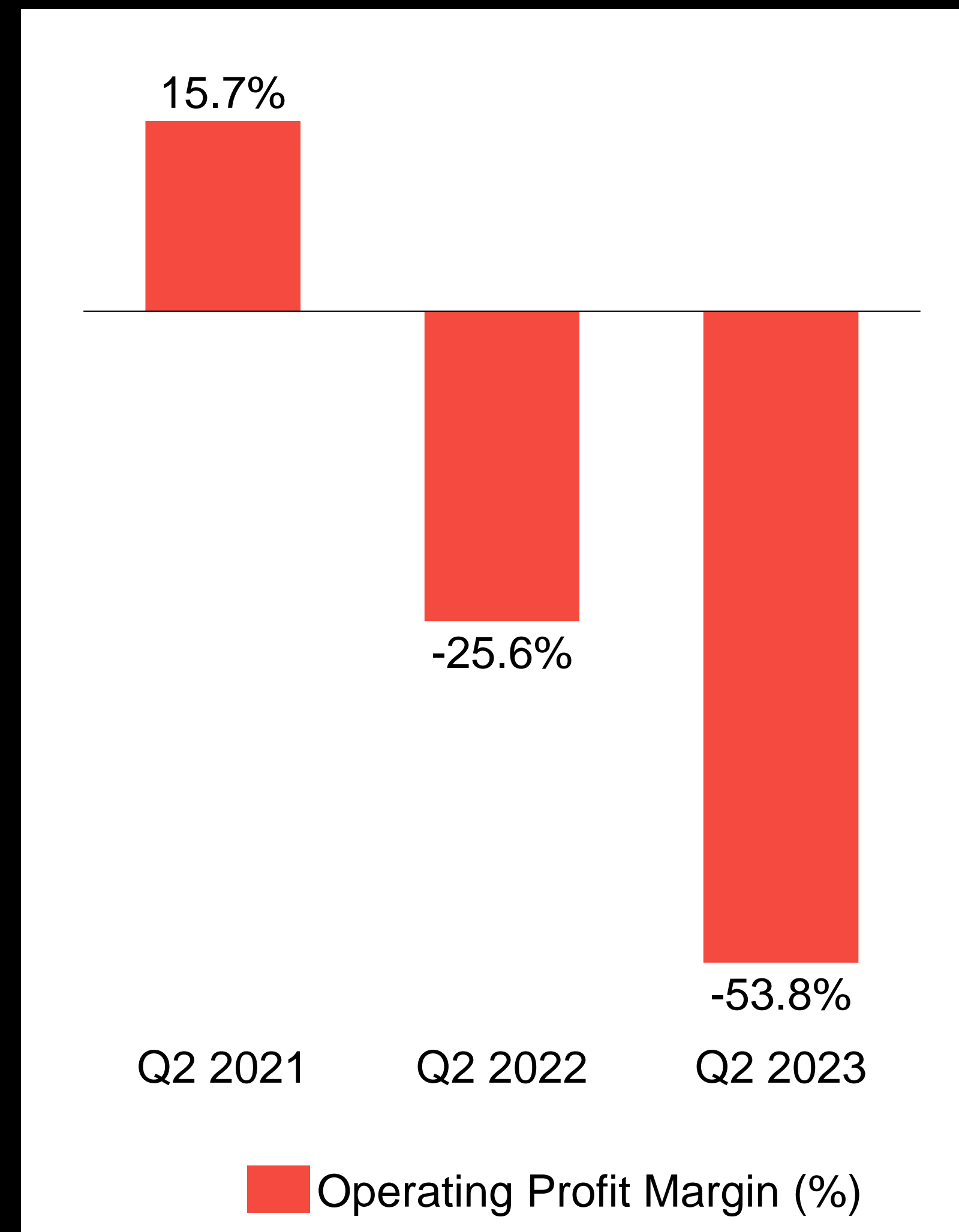
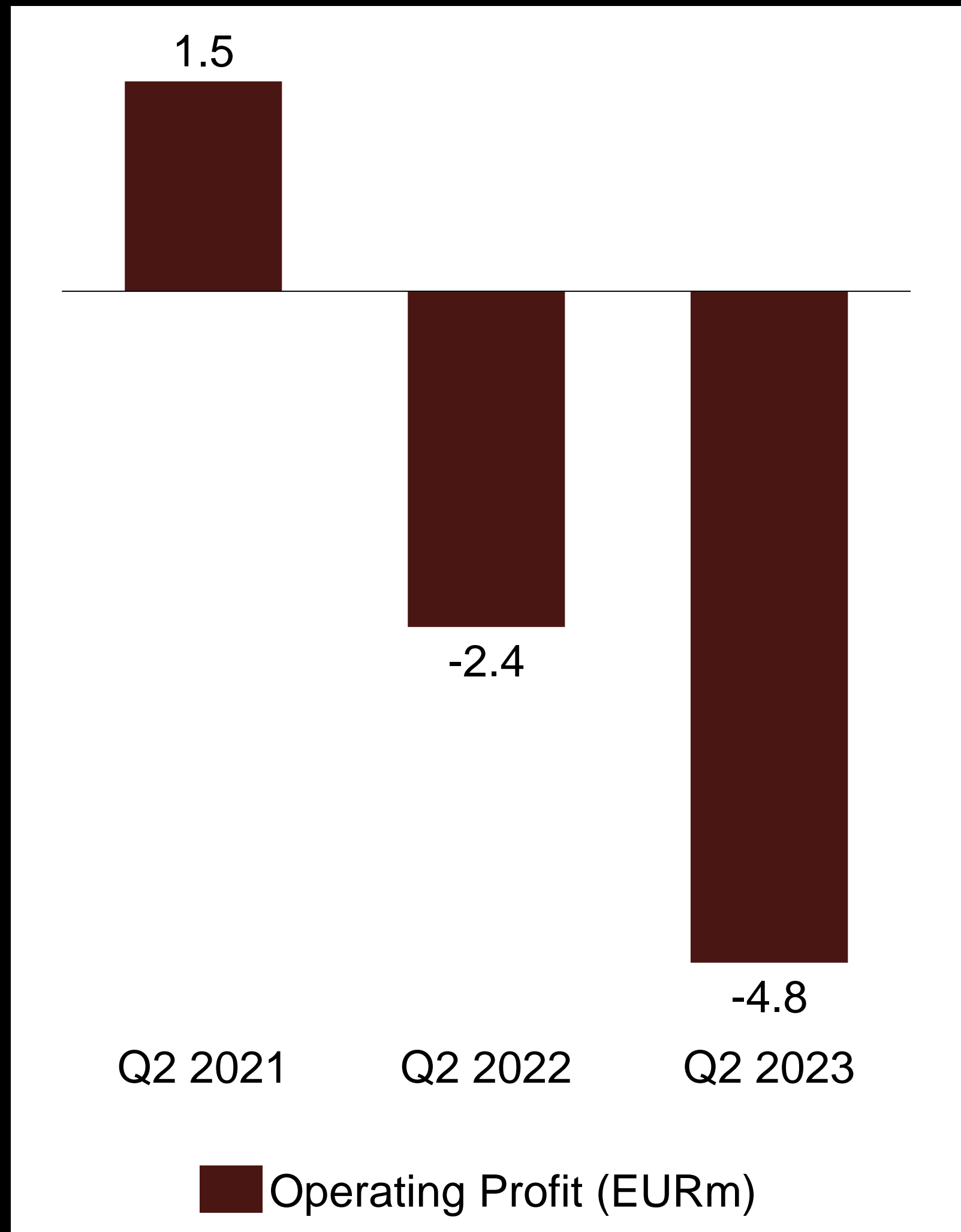


# HISTORICAL BREAKDOWN OF REVENUE

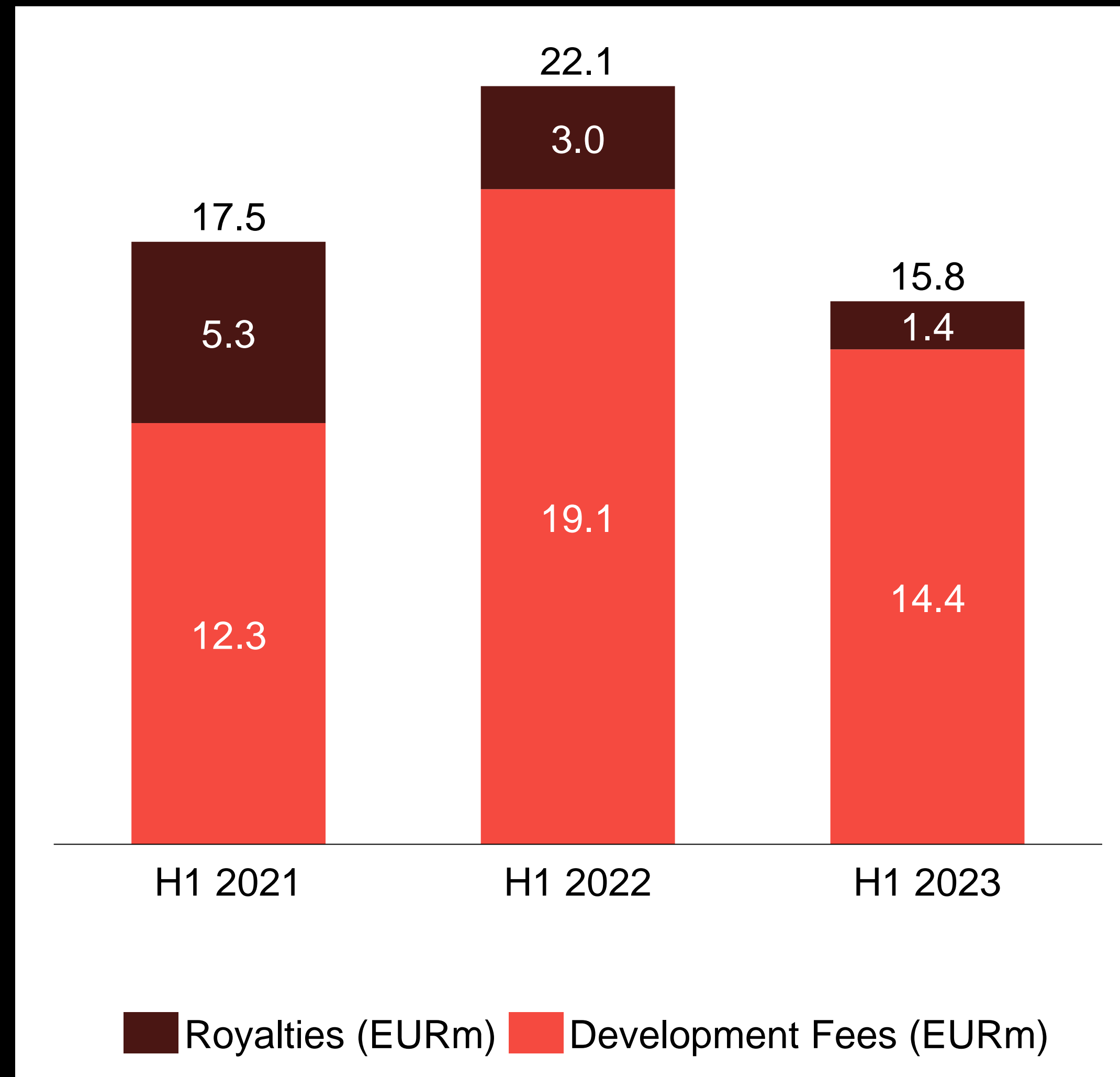




# Q2 2023: CURRENT INVESTMENT PHASE WAS REFLECTED IN PROFITABILITY

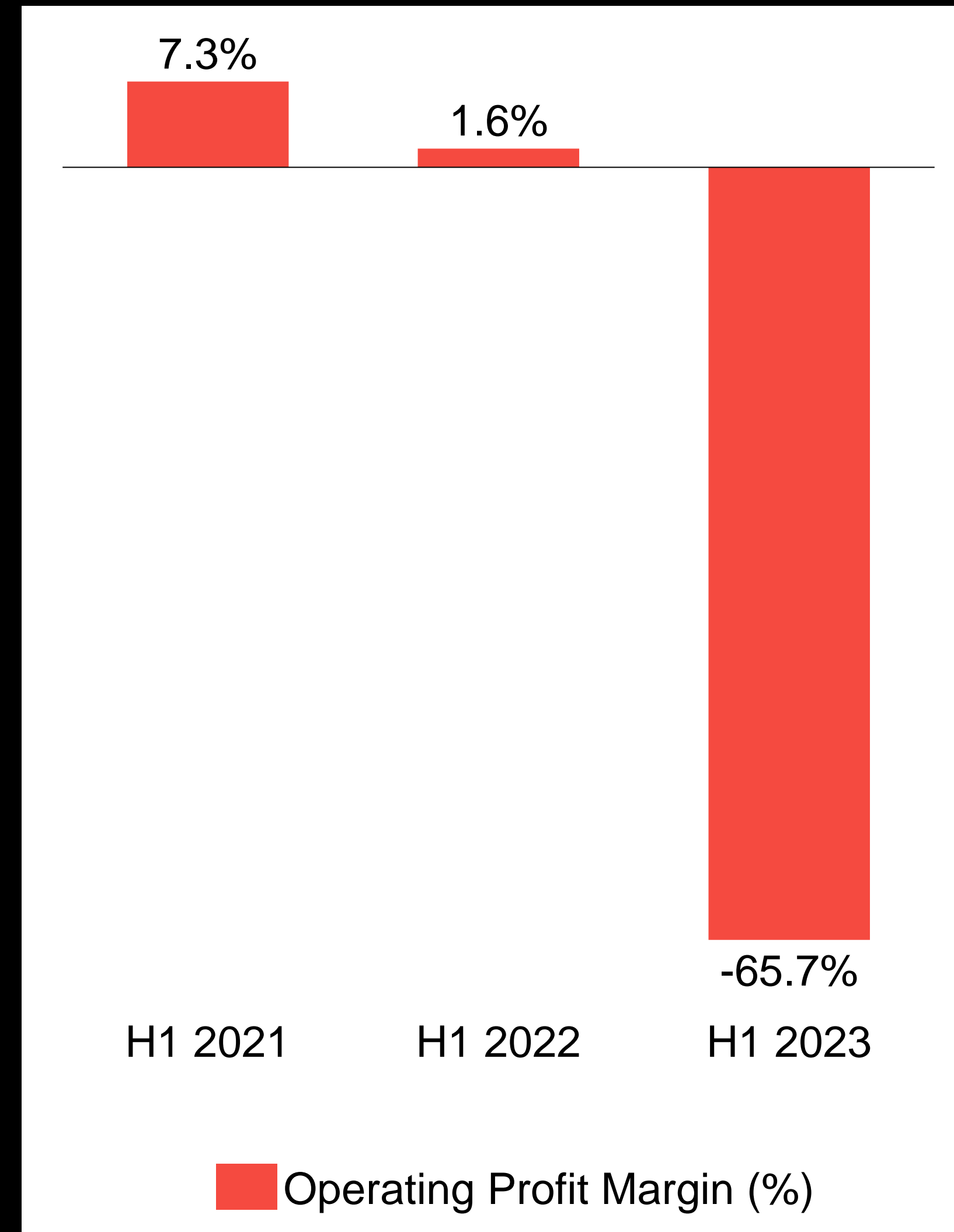
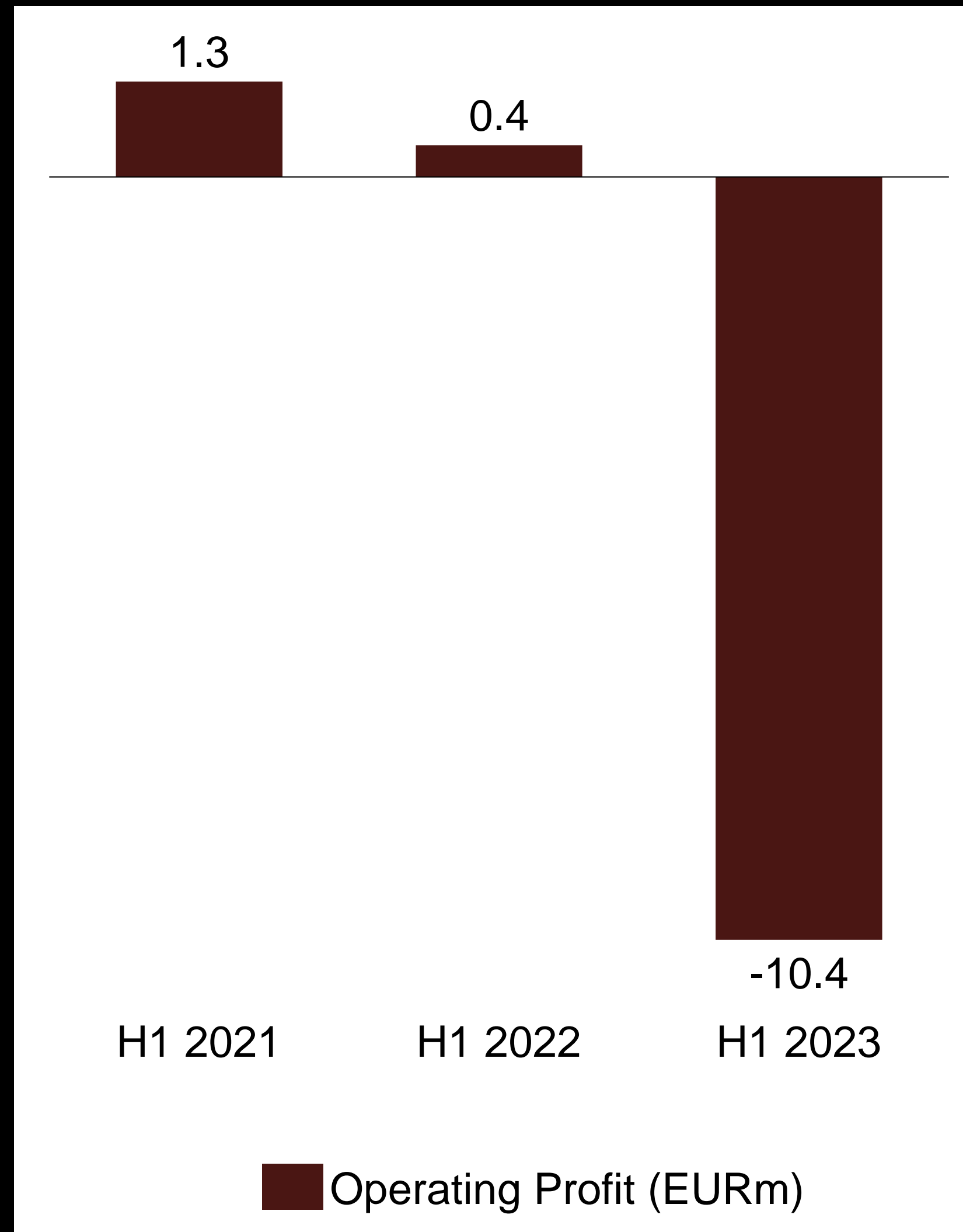


# H1 2023: HIGHER AMOUNT OF OWN INVESTMENTS IN GAME PROJECTS, LESS DEVELOPMENT FEES.





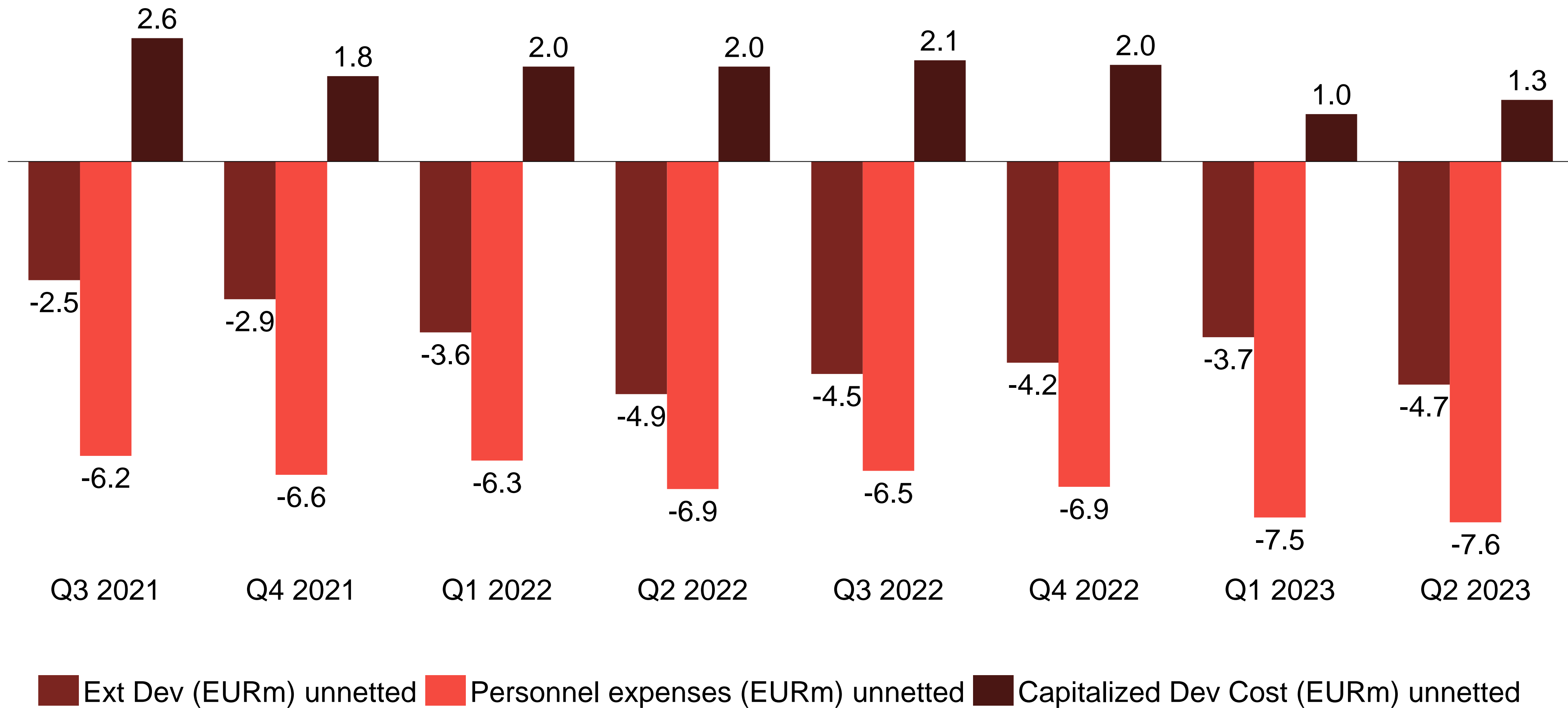
# H1 2023: INVESTMENT STAGE REFLECTED ON PROFITABILITY



# Q2 2023: Y-O-Y INCREASE IN PERSONNEL COSTS TO SUPPORT A LARGER GAME PORTFOLIO

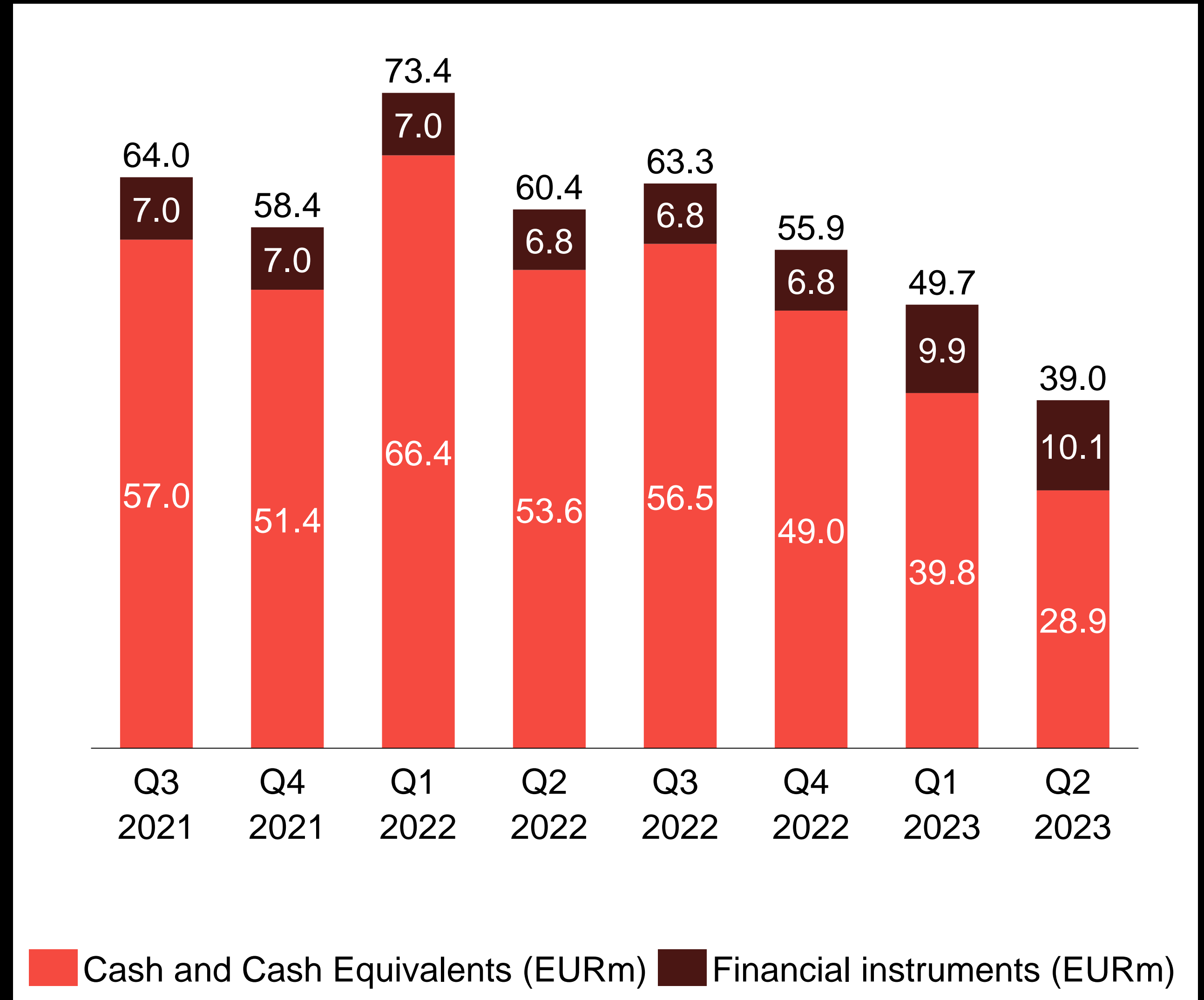
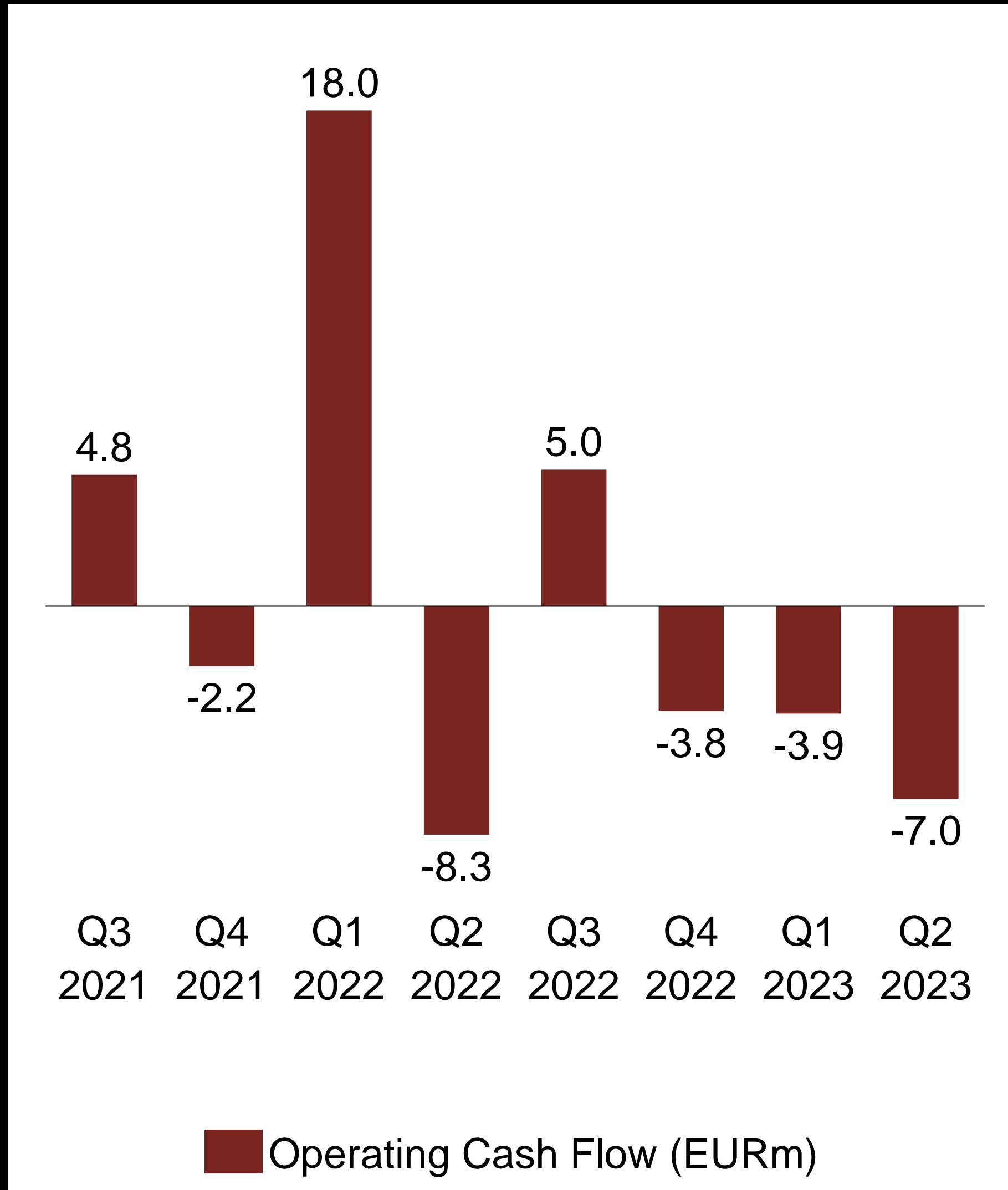


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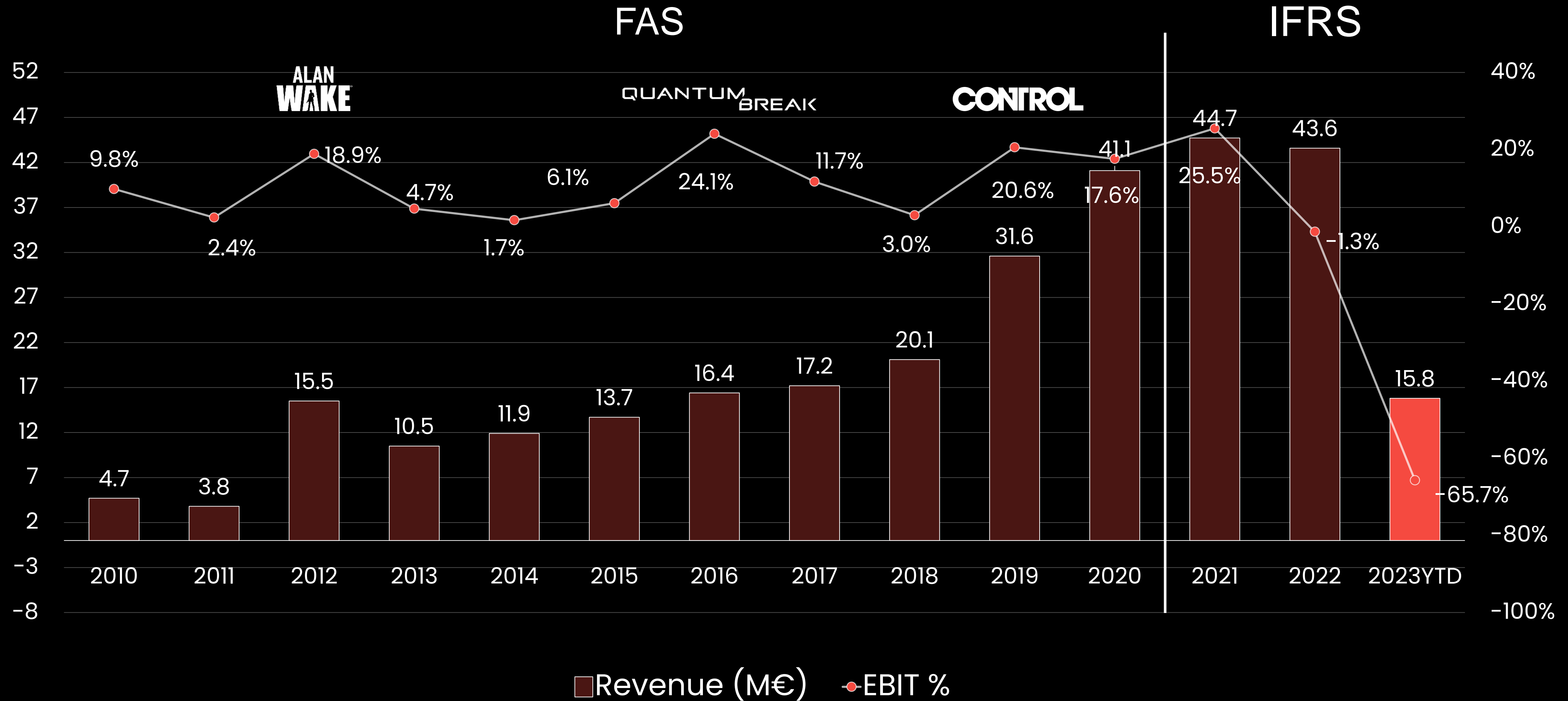
# Q2 2023: STRONG CASH POSITION GIVES THE BACKBONE FOR THE CURRENT INVESTMENT PHASE WITH MORE CO-FINANCED PROJECTS



# HISTORICAL REVENUE AND PROFITABILITY PROFILE



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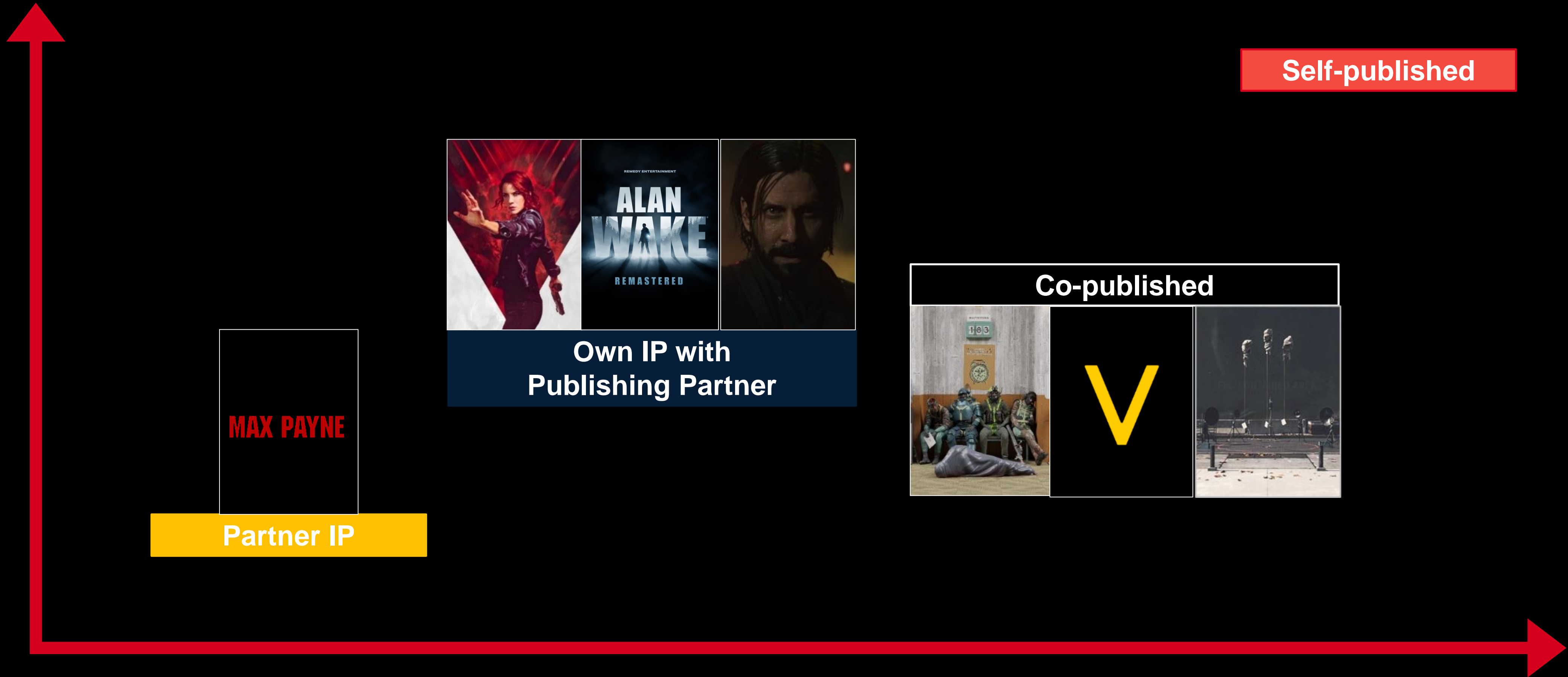




# MULTI-PROJECT FUTURE WITH MORE GAMES: BALANCING RISK AND REWARD



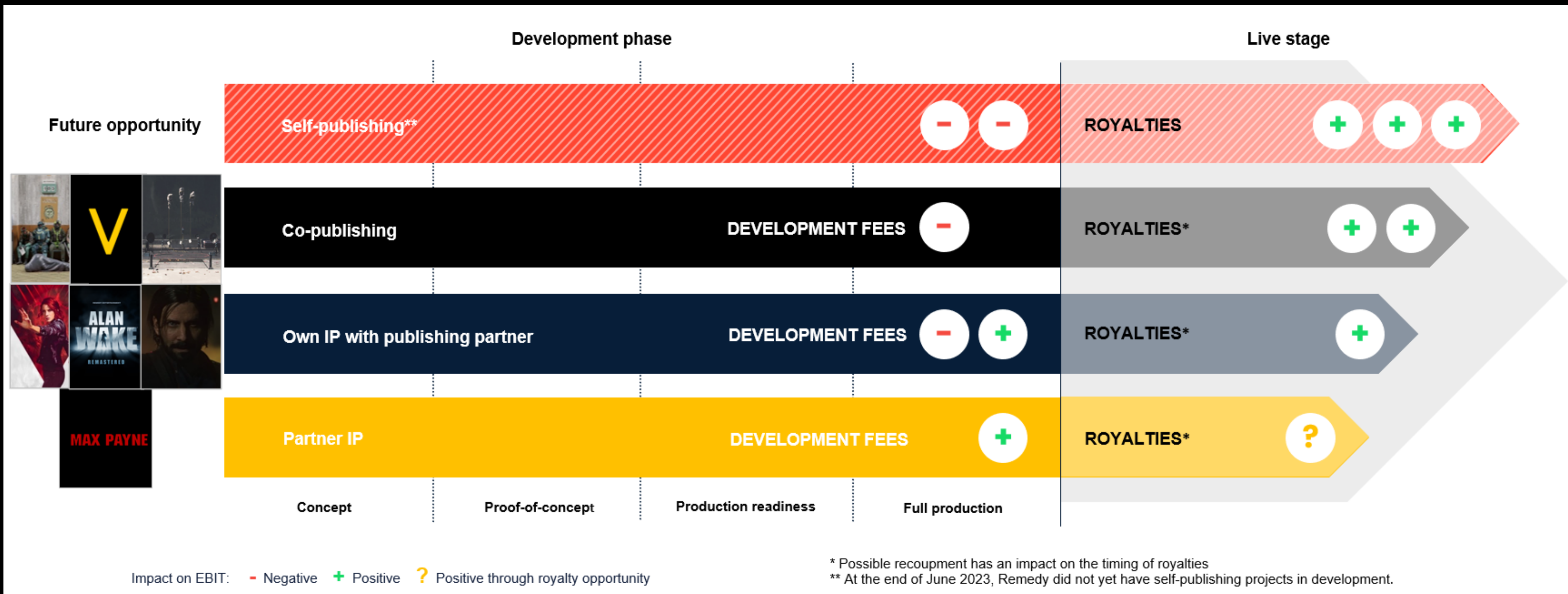
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# MULTI-PROJECT FUTURE WITH MORE GAMES: BALANCING RISK AND REWARD



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# Outlook

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Tero Virtala, CEO





# OUTLOOK FOR 2023 (UNCHANGED)

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)

- 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**.







# Questions & Answers

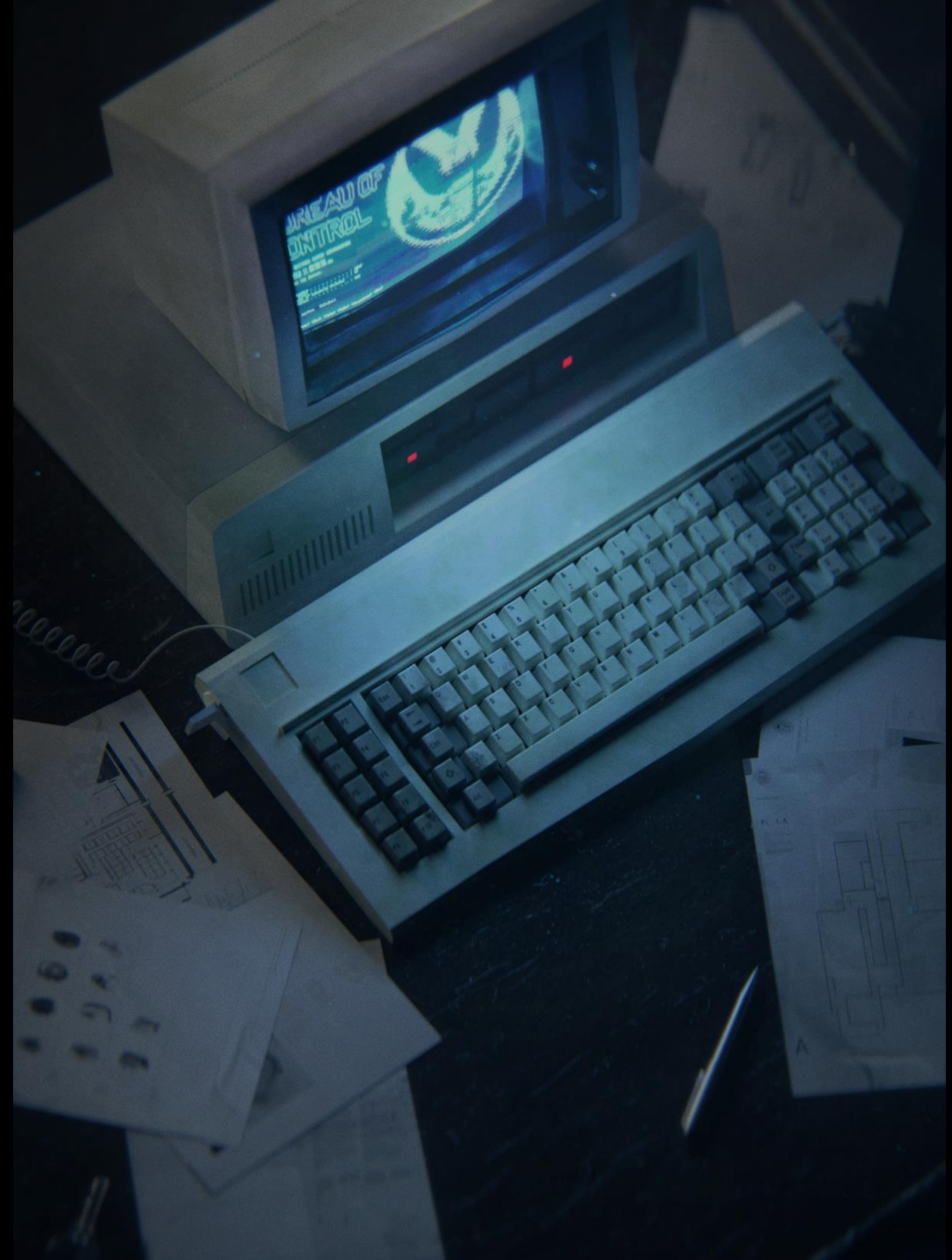
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# Q&A INSTRUCTIONS

- Speakers will now take questions from the investors, analysts and media representatives
- Web participants: type in your question





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