



Business Review January–March 2024

APRIL 29, 2024

AGENDA



- 1** Q1 2024 Business Review
- 2** Q1 Financial Results
- 3** Outlook
- 4** Questions & Answers



Tero Virtala
CEO



Terhi Kauppi
CFO

A misty forest scene with a person in the distance and a large tree trunk in the foreground. The scene is dimly lit, with a warm, golden light filtering through the trees, creating a hazy atmosphere. The person in the distance is wearing a dark jacket with 'FBI' written on the back. The large tree trunk in the foreground is partially obscured by the text.

Q1 2024 Business Review

Tero Virtala, CEO



Q1 2024 HIGHLIGHTS

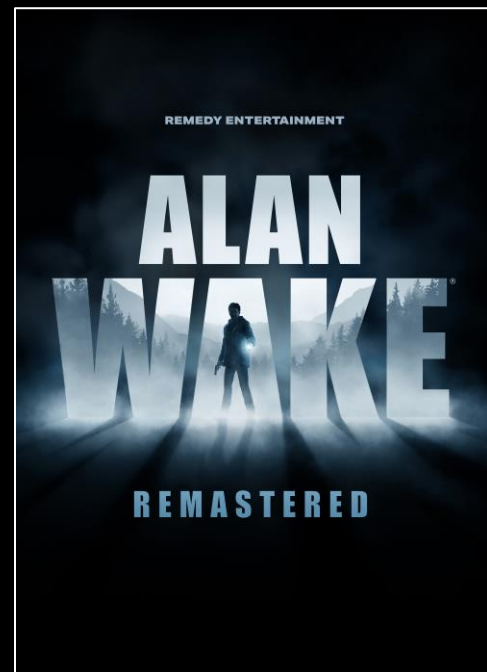
- Revenue increased by 56.2% to EUR 10.8 (6.9) million
- EBITDA increased to EUR -1.2 (-4.9) million
- Operating profit was EUR -2.1 (-5.6) million, and the operating profit margin was -19.3% (-81.0%)
- Cash flow from operations was EUR 3.3 (-3.9) million
- In February, Remedy acquired full rights to the Control franchise from 505 Games. Upon the transaction, all publishing, distribution, marketing and other rights to Control, codename Condor, Control 2, and all future Control products reverted to Remedy.



CURRENT PROJECT PORTFOLIO



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Alan Wake
Remastered

LAUNCHED



Alan Wake II

LAUNCHED



CONTROL

LAUNCHED



Condor*

FULL PRODUCTION



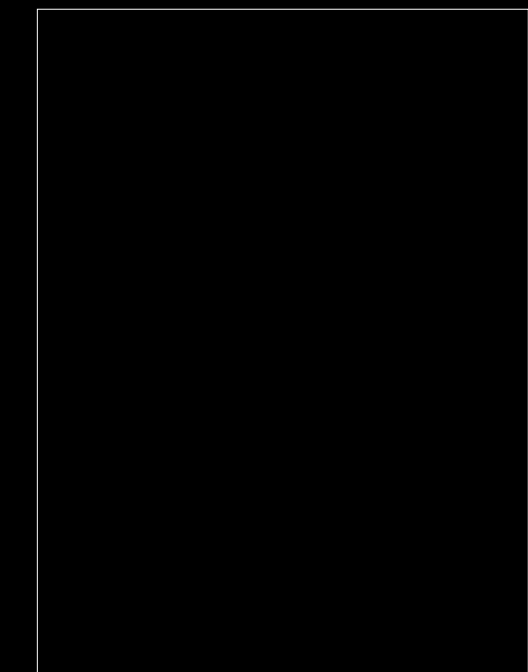
Control 2

PROOF-OF-CONCEPT



Max Payne
1&2 remake

PRODUCTION READINESS



Kestrel*

CONCEPT

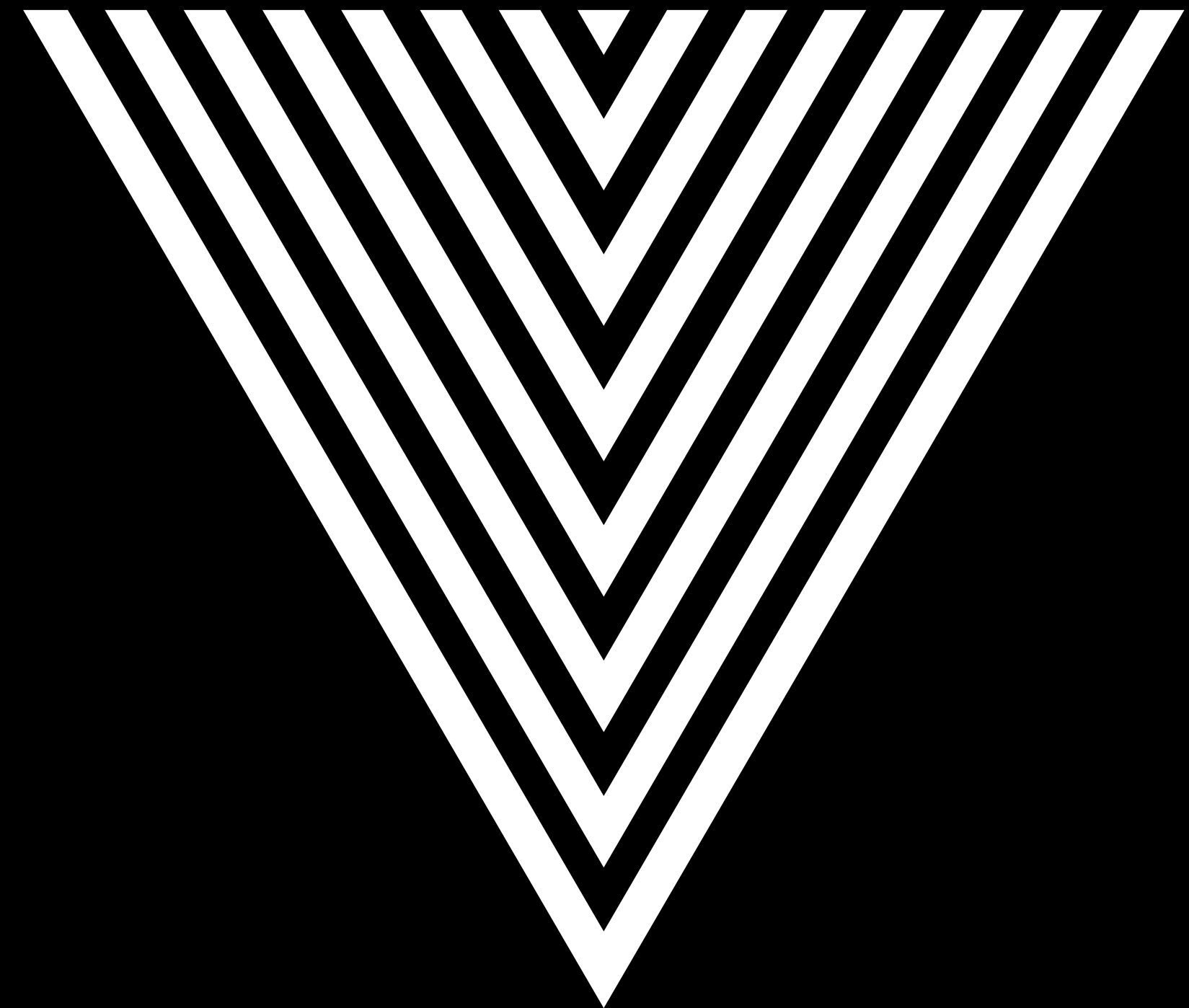


* project codename

ACQUIRING THE FULL RIGHTS TO THE CONTROL FRANCHISE FROM 505 GAMES



- Remedy’s aim is to systematically grow Control into a major gaming franchise. This aim, and actions required, were not aligned with our partner’s interest and abilities.
- In February 2024, we acquired all publishing, distribution, marketing and other rights to Control, codename Condor, Control 2, and all future Control products from 505 Games.
- The maximum purchase price for the transaction is approximately EUR 17 million, which equals the amount that 505 Games has paid for the development of codename Condor and Control 2 to date including a minor premium.
- This deal allows us to decide the best way forward, both for Remedy and Control, and opens major growth opportunities in the mid and long term.



EVALUATING THE MODEL TO SUCCEED WITH A GAME, GROW THE FRANCHISE AND MAINTAIN CONTROL



**PUBLISHING
BY PARTNER**

**CO-
PUBLISHING**

**SELF-
PUBLISHING**

REMEDY'S CORE MANAGEMENT TEAM



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TERO VIRTALA
Chief Executive Officer



MARKUS MÄKI
Chief Product Officer



SAMI JÄRVI
Creative Director



MIKAEL KASURINEN
Creative Director



TERHI KAUPPI
Chief Financial Officer



JOHANNES PALOHEIMO
Chief Commercial Officer



MIKA VEHKALA
Chief Technology Officer

WE EVALUATE AND DEVELOP OUR BUSINESS WITH THESE GUIDING PRINCIPLES



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- 1** Increase focus and synergies
- 2** Make great games earning back at least double the money invested
- 3** Grow franchises
- 4** Strengthen position to maximize the franchise potential

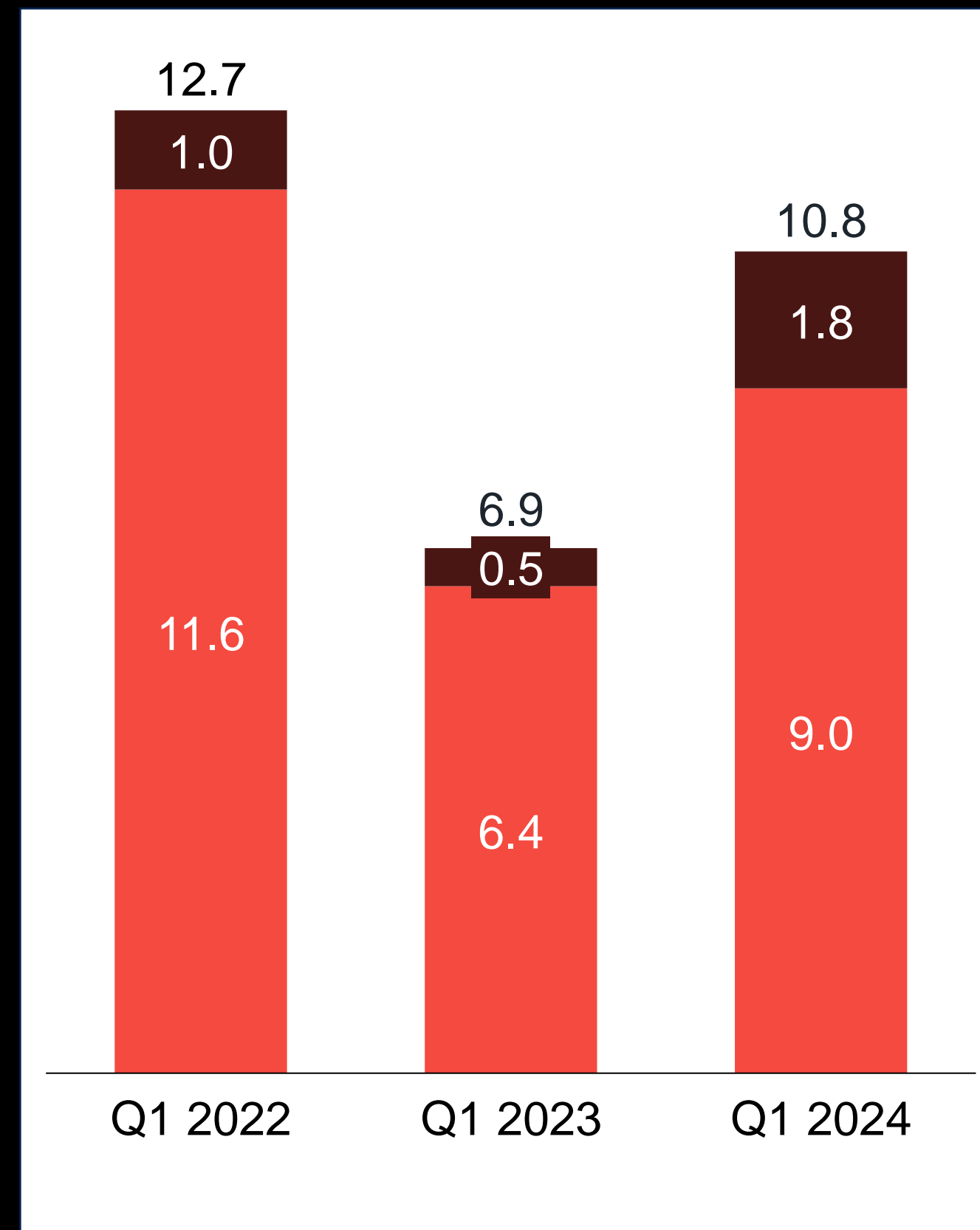


Q1 Financial Results

Terhi Kauppi, CFO

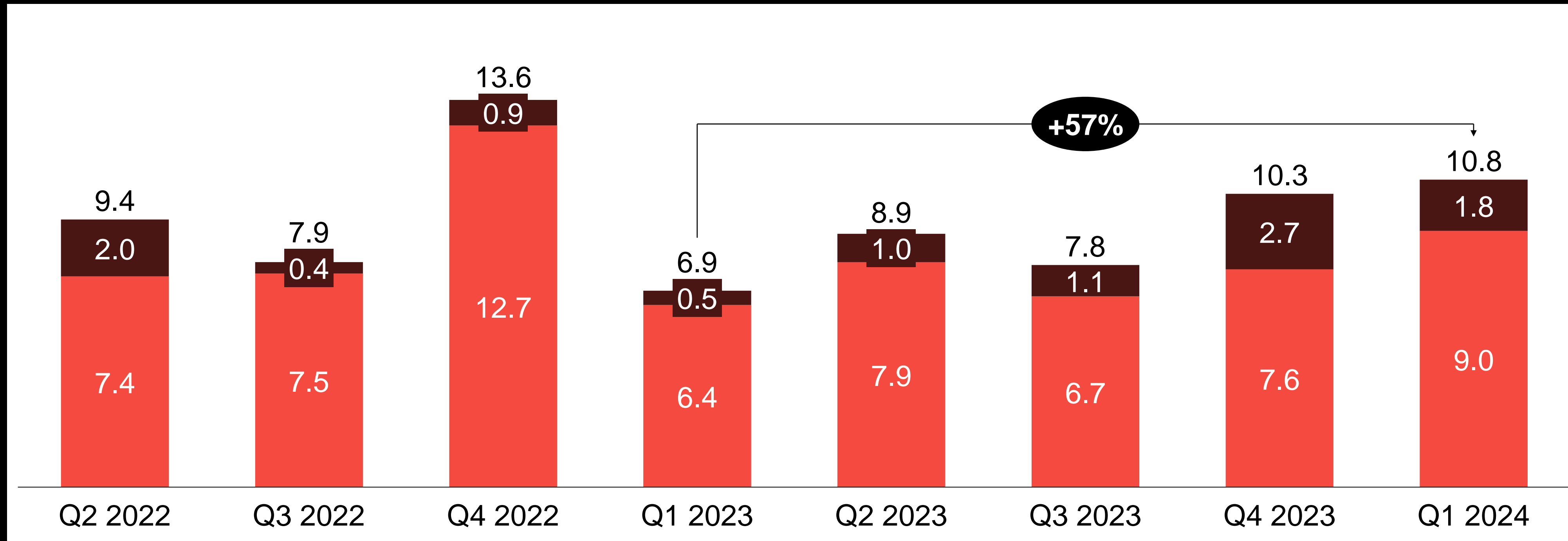


Q1 2024: MEANINGFUL REVENUE GROWTH DRIVEN BY THE DEVELOPMENT FEES RELATED TO MAX PAYNE 1&2 REMAKE

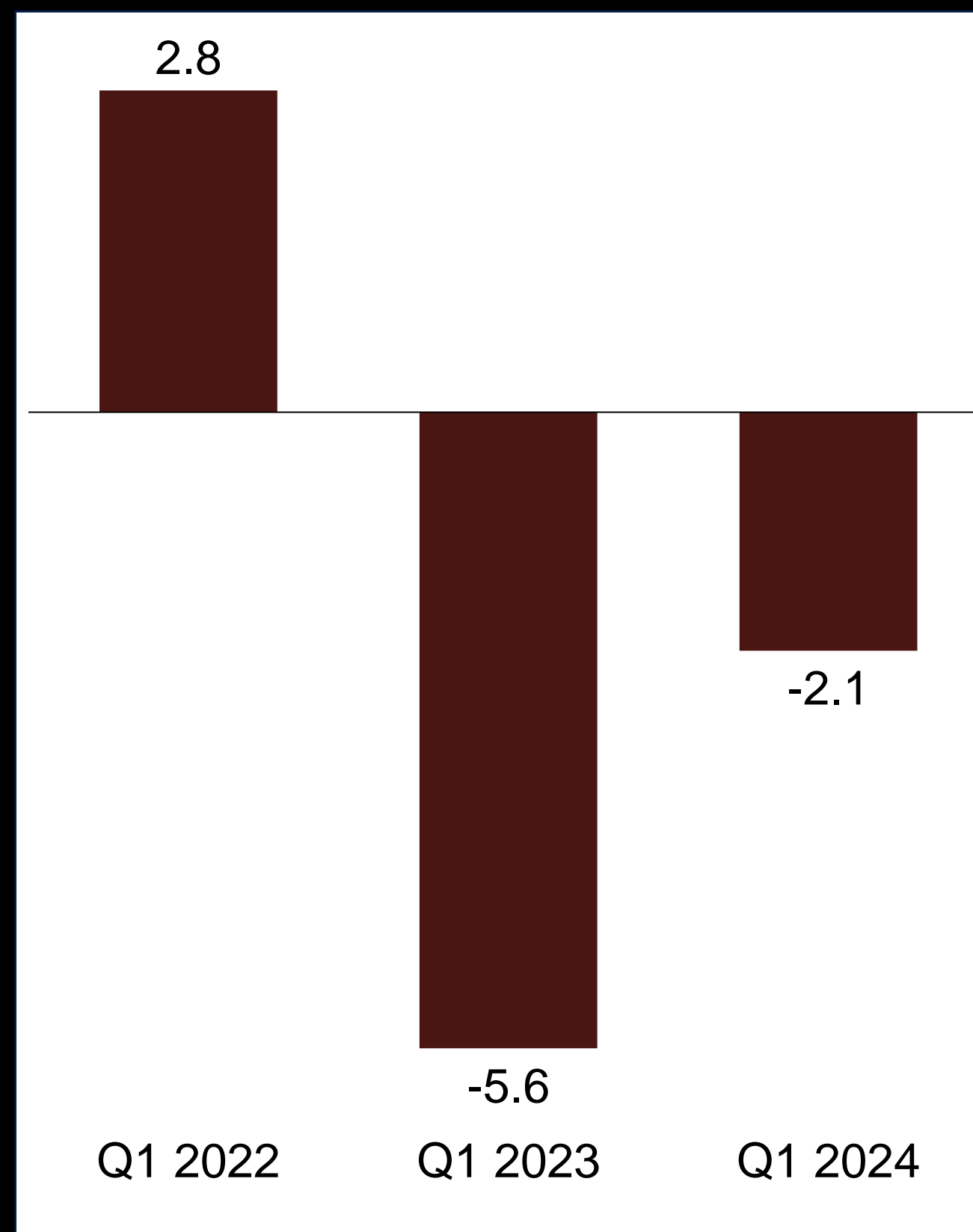


■ Royalties (EURm) ■ Development Fees (EURm)

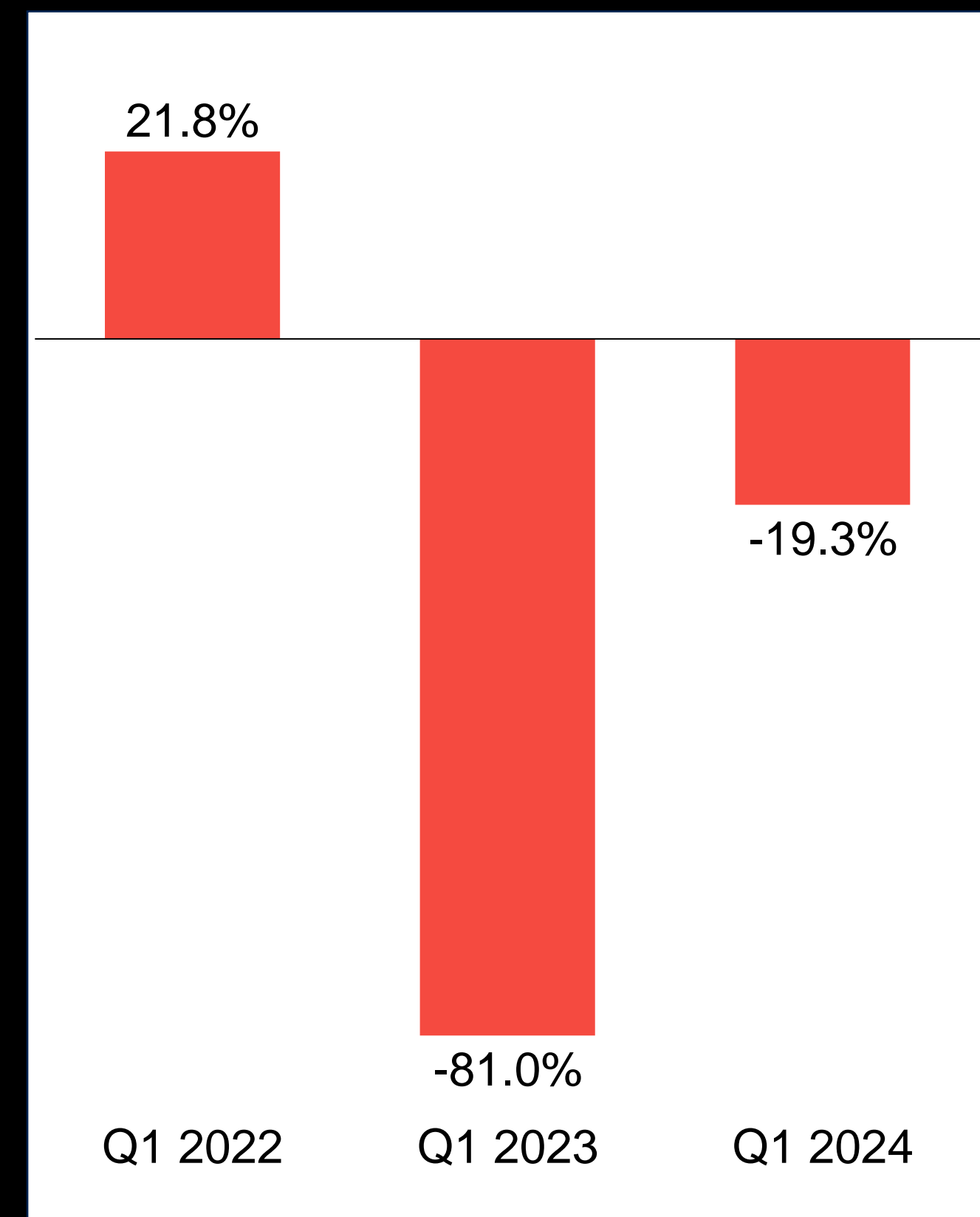
HISTORICAL BREAKDOWN OF REVENUE



Q1 2024: IMPROVEMENT IN PROFITABILITY IMPACTED BY HIGHER SUBCONTRACTING REVENUES

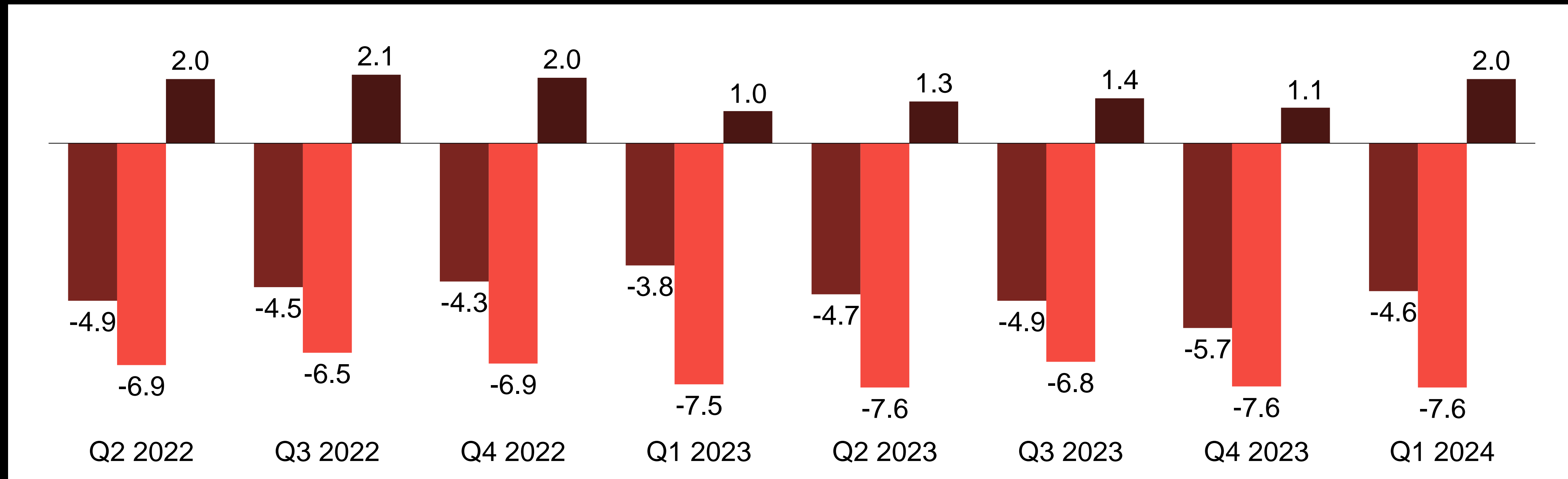


Operating Profit (EURm)



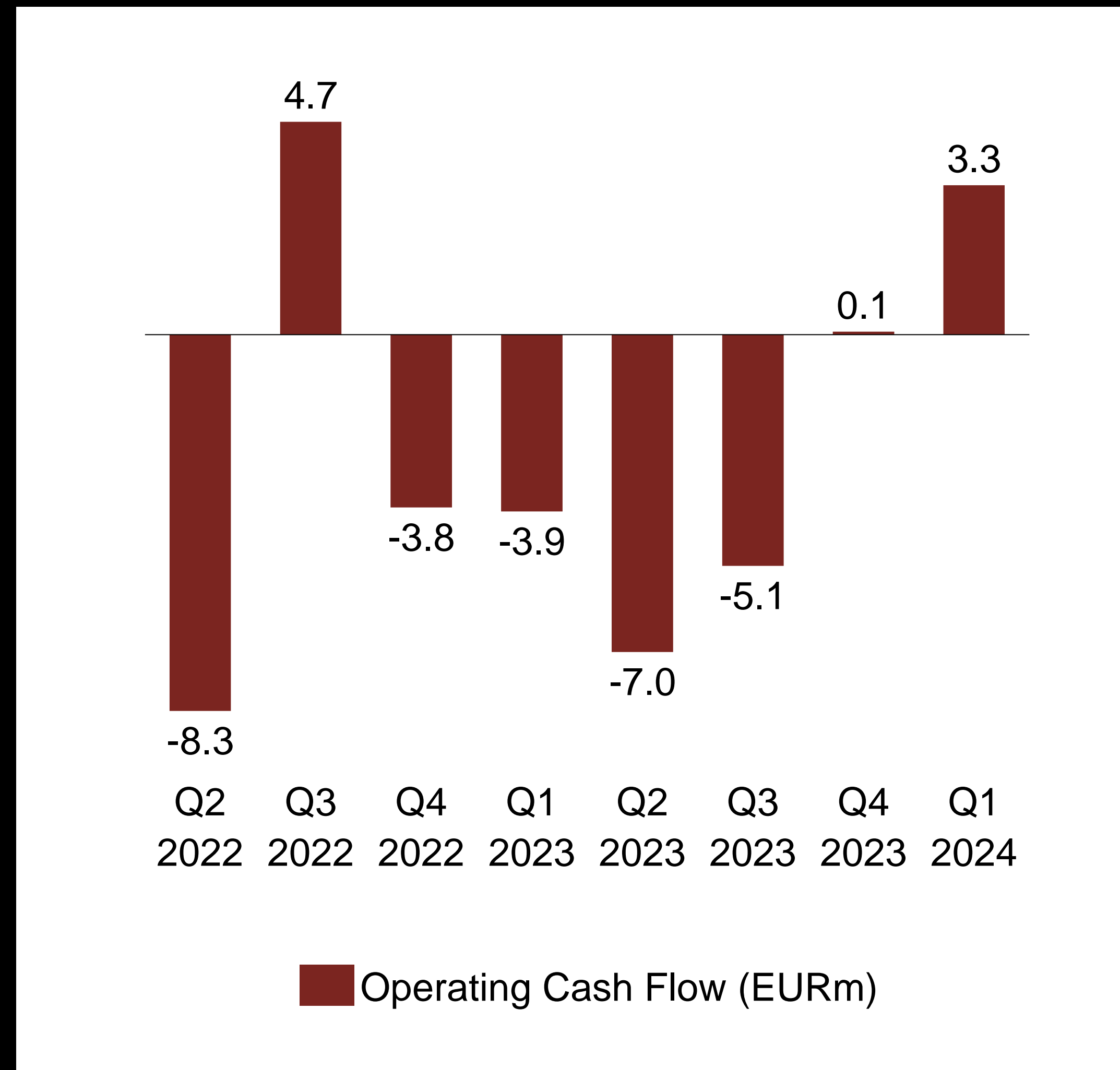
Operating Profit Margin (%)

Q1 2024: SIGNIFICANT PICKUP IN EXTERNAL DEVELOPMENT TO SUPPORT MORE PROJECTS IN LATER STAGES OF DEVELOPMENT

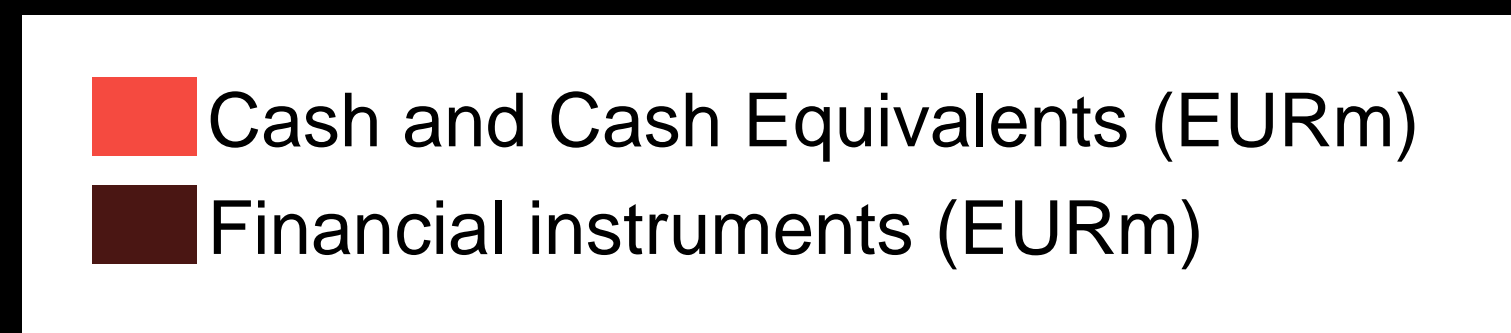
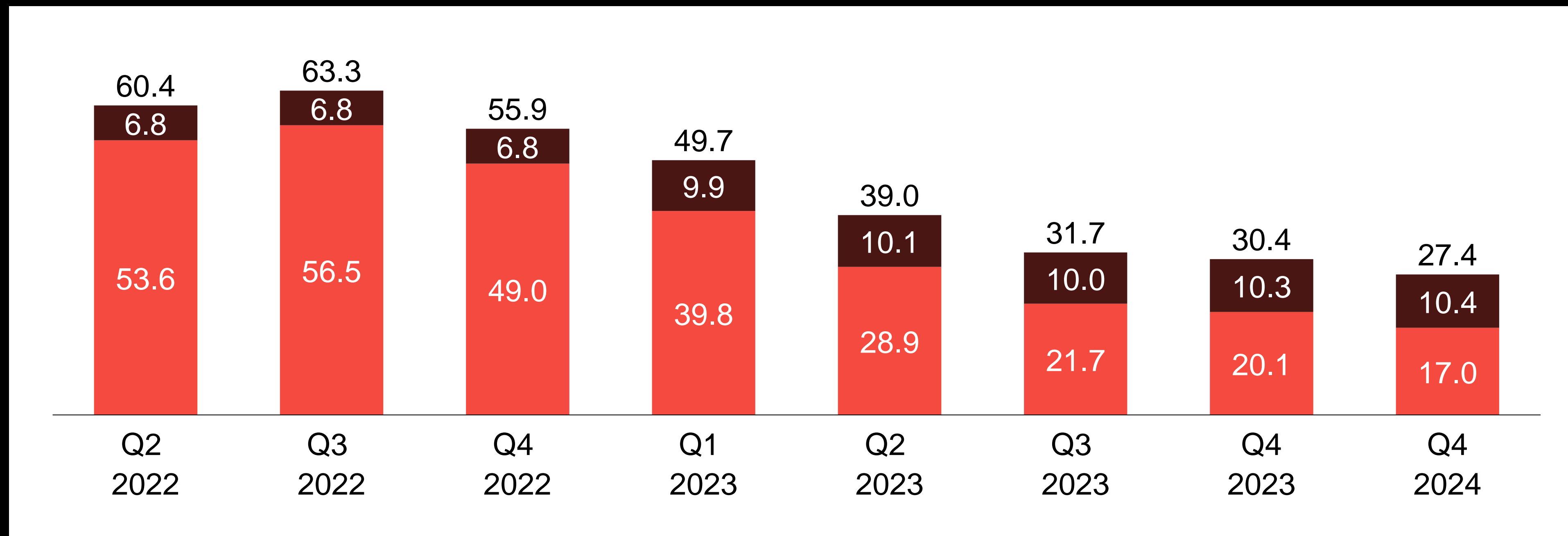


- Ext Dev (EURm) unnetted
- Personnel expenses (EURm) unnetted
- Capitalized Dev Cost (EURm) unnetted

Q1 2024: OPERATING CASH FLOW CLEARLY POSITIVE IN THE FIRST QUARTER 2024



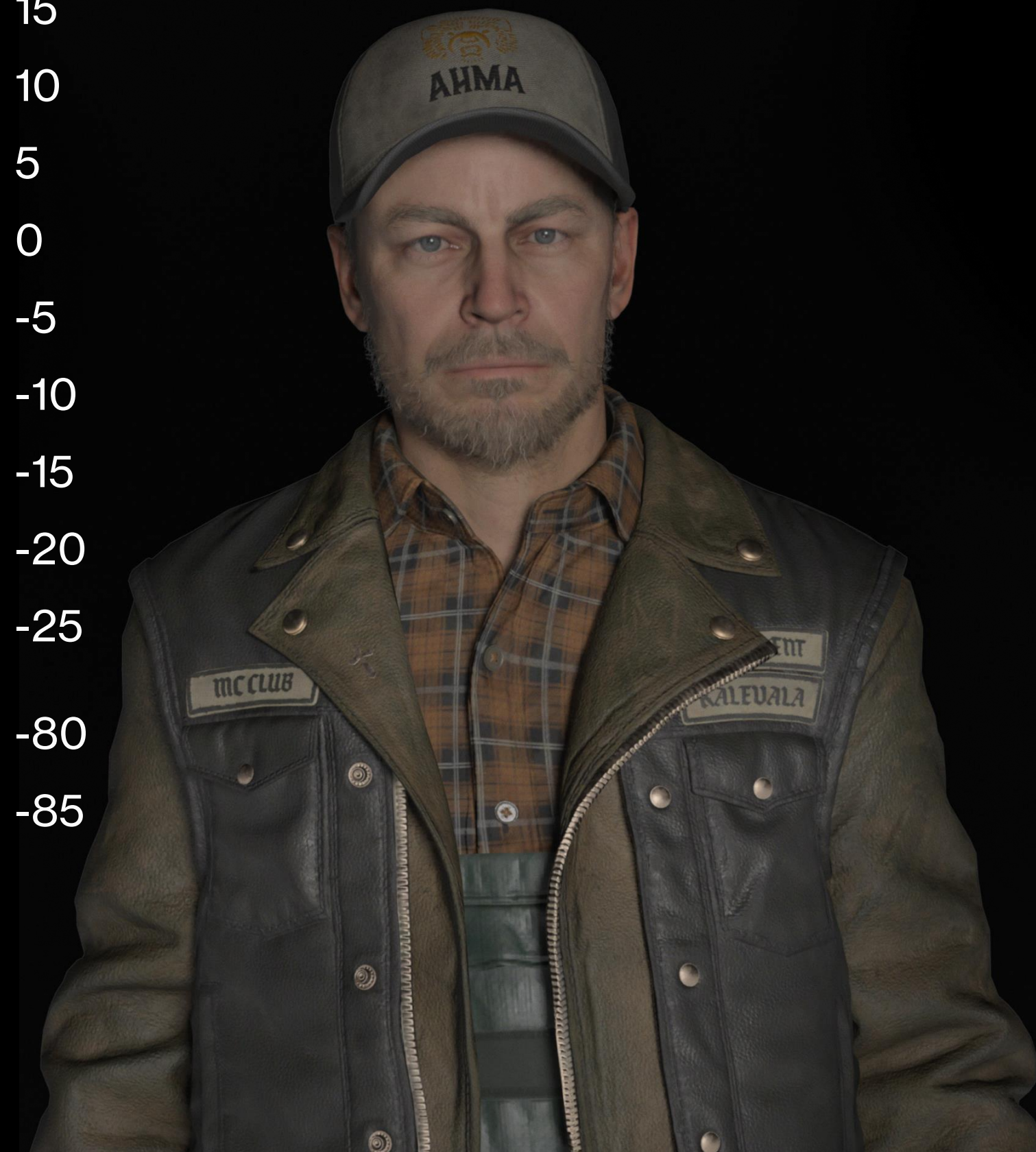
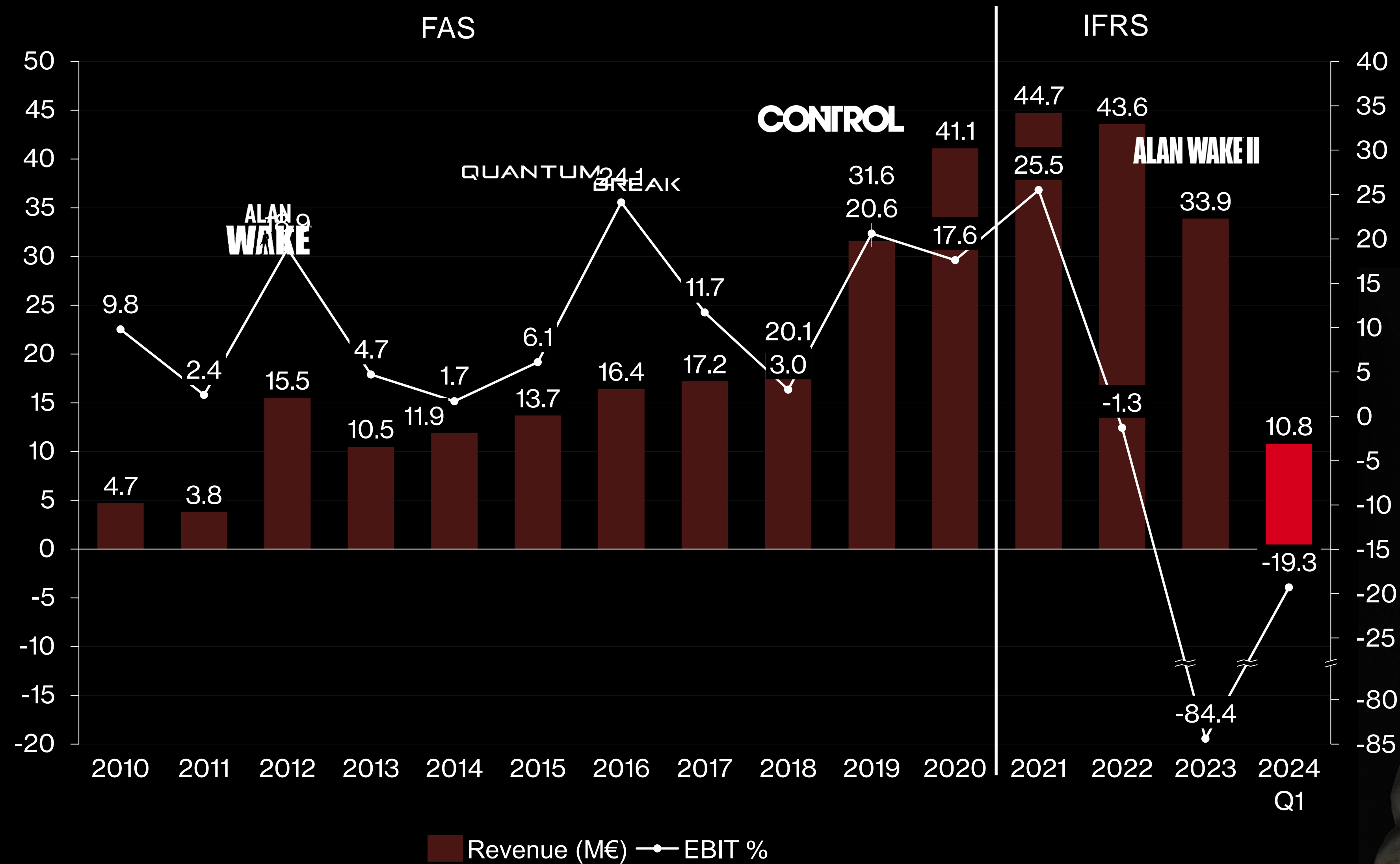
Q1 2024: CASH POSITION DECREASE IMPACTED BY CONTROL FRANCHISE PAYMENT



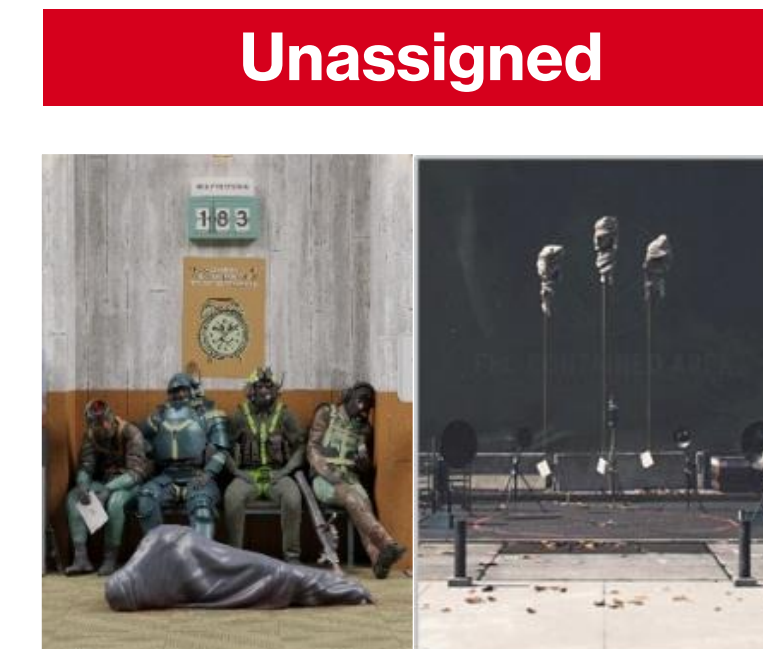
HISTORICAL REVENUE AND PROFITABILITY PROFILE



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



Outlook

Tero Virtala, CEO



OUTLOOK FOR 2024 (UNCHANGED)

Remedy expects its revenue to increase from the previous year and operating profit to improve.

The revenue growth rate and EBIT improvement are meaningfully dependent on the choice between self-publishing and/or choosing a new publishing partner for the games in the Control franchise (Codename Condor and Control 2).

We will specify the Outlook for 2024 when the decision for the business model and the potential agreements for Control 2 and Condor have been made.





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