



Half year financial report JANUARY–JUNE 2024





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Remedy Entertainment Plc's Half year financial report January–June 2024

Codename Condor and Max Payne 1&2 remake in full production and Alan Wake 2 Night Springs expansion launched

Higher revenue and improved profitability versus the comparison period

The Half year financial report is unaudited. Figures in parentheses refer to the comparison period in the previous year, unless otherwise stated.

Highlights from April–June 2024

- Revenue increased by 16.2% to EUR 10.3 (8.9) million.
- EBITDA was EUR -2.4 (-4.1) million.
- Operating profit (EBIT) was EUR -3.2 (-4.8) million, and the operating profit margin was -31.0% (-53.8%) of revenue.
- Cash flow from operations was EUR 0.9 (-7.0) million.
- In June 2024, Remedy launched *Alan Wake 2*'s first expansion Night Springs.
- *Control 2* progressed to the production readiness stage and *Max Payne 1&2* remake entered the full production stage.
- After the review period, in August 2024, Santtu Kallionpää was appointed Chief Financial Officer.

Highlights from January–June 2024

- Revenue increased by 33.7% to EUR 21.1 (15.8) million.
- EBITDA was EUR -3.6 (-8.9) million.
- Operating profit (EBIT) was EUR -5.3 (-10.4) million, and the operating profit margin was -25.0% (-65.7%) of revenue.
- Cash flow from operations was EUR 4.2 (-11.0) million.
- In February 2024, Remedy acquired full rights to the Control franchise from 505 Games. Through the transaction, all rights to *Control*, *codename Condor*, *Control 2*, and all future Control products reverted to Remedy.

Key Figures

MEUR, IFRS, Group, unaudited	4–6/2024	4–6/2023	1–6/2024	1–6/2023	1–12/2023
Revenue	10.3	8.9	21.1	15.8	33.9
Growth in revenue, %	16.2%	-5.3%	33.7%	-28.3%	-22.2%
EBITDA	-2.4	-4.1	-3.6	-8.9	-17.0
Operating profit (EBIT)	-3.2	-4.8	-5.3	-10.4	-28.6
Operating profit, % of revenue	-31.0%	-53.8%	-25.0%	-65.7%	-84.4%
Result for review period	-2.2	-2.7	-4.2	-8.3	-22.7
Result for review period, % of revenue	-21.4%	-30.0%	-19.9%	-52.5%	-66.8%
Balance sheet total	90.3	92.7	90.3	92.7	79.3
Cash flow from operations	0.9	-7.0	4.2	-11.0	-16.0
Net cash	19.0	31.7	19.0	31.7	23.8
Cash and cash equivalents	22.4	28.9	22.4	28.9	20.1
Net gearing, %	-29.1%	-39.3%	-29.1%	-39.3%	-35.1%
Equity ratio, %	72.3%	86.8%	72.3%	86.8%	85.5%
Capital expenditures	3.4	2.0	23.0*	4.0	10.0
Average number of personnel during review period (FTE)	350	334	348	331	334
Headcount at the end of period	361	347	361	347	352
Earnings per share, €	-0.16	-0.20	-0.31	-0.62	-1.68
Earnings per share, € (diluted)	-0.16	-0.19	-0.31	-0.60	-1.66
Number of shares at the end of period	13,552,651	13,477,900	13,552,651	13,477,900	13,490,151

*Contains 16.9 million invested in publishing rights of Control franchise

Comments by CEO Tero Virtala

In the second quarter of 2024, revenue increased 16% from a year ago to EUR 10.3 million. Development fees increased from the comparison period due to higher development fees from *Max Payne 1&2 remake*. Royalties consisted mainly of game sales of *Control* and *Alan Wake Remastered*. *Alan Wake 2* did not yet generate royalties. In the second quarter, operating loss was EUR 3.2 million, improving by EUR 1.6 million from the comparison period.

Games portfolio – steady progress in games development

In May, we announced the cancellation of *codename Kestrel*. This brought increased focus and better development synergies and enabled us to move experienced developers into other game projects.

One highlight of the quarter was the release of the Night Springs expansion for *Alan Wake 2*. The press reviews and fan feedback for the expansion have been excellent. In June, Remedy and Epic Games announced that the Physical Deluxe Edition of *Alan Wake 2* is coming out in October and a Collector's Edition will ship in December. At the time of publishing this report, *Alan Wake 2* has recouped most of its development and marketing expenses.

Codename Condor is in full production. The development team has worked on multiple maps and different mission types, and we have organized a growing amount of internal and limited external playtesting for feature validation and feedback.

Control 2 has progressed to the production readiness stage. The development team reached an important milestone in delivering a build of the game showcasing several important features in playable form. This has supported the ongoing business negotiations. The development team is working towards scaling up the production of the project.

Max Payne 1&2 remake progressed from production readiness to the full production stage. The development team has been working towards developing the game to an early functional state from beginning to end.

Taking time to make the right decisions

Remedy has two games in full production and one in the production readiness stage. This is a great milestone for us and a result of improved processes and ways of working. To be ready to take on the challenges of the next phases of our strategy, we have taken steps to strengthen our core management team.

With full control of the IP and publishing rights of *Control* and *Alan Wake*, we can choose how to bring our future games to the market. We have been weighing self-publishing and related business models, as well as discussing different partner publishing opportunities.

We are preparing to take a more significant role in growing the two franchises and especially in the way we commercialize, market, and publish our games. We look forward to sharing more about the strategy towards the end of the year.

Outlook 2024 (unchanged)

Remedy expects its revenue to increase from the previous year and operating profit (EBIT) 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.

Long-term business prospects

We have two established own franchises, Control and Alan Wake, which are linked through the Remedy Connected Universe. Growing and expanding these franchises will be a key part of our future. In addition, we work with a partner franchise Max Payne that was originally created by Remedy.

Games portfolio

Overview

All games in development at Remedy made progress during the second quarter of 2024. We have re-allocated certain development team members to strengthen the different game teams' needs in specific areas of development.

One of the quarter's highlights was the June 8, release of the Night Springs expansion for *Alan Wake 2*. This coincided with the announcement of the physical Deluxe Edition of *Alan Wake 2* and the limited Collector's Edition, which will be released in October and December 2024, respectively.

At their Worldwide Developer Conference on June 10, 2024, Apple announced that Control Ultimate Edition, developed by Apple and Remedy, is coming to Apple silicon Macs. The release is expected to happen in 2024.

As gamers like to spend more time on their beloved franchises, it has become increasingly important to continue to maintain our existing games. To ensure we look after our games as well as possible and service our player base, we formed a new, dedicated team to manage our portfolio of games currently available on the market.

Alan Wake 2

In the past quarter, the *Alan Wake 2* development team finished work on the Night Springs expansion and Photo mode and progressed in the design work of the development of The Lake House expansion.

The Night Springs expansion was announced at Summer Games Fest and released on June 8, 2024. The reviews have been excellent across the board. At the time of publication of this report, the Metacritic score for Night Springs stands at 85.

Remedy and Epic Games announced the Physical Deluxe Edition of *Alan Wake 2* coming on October 22, 2024, and a Collector's Edition produced by Limited Run Games shipping in December. The Collector's Edition has been keenly requested by our fan base and the Physical Deluxe Edition will help in giving the game added exposure.

Through iam8bit.com, another Airam Oh Deer Diner thermos batch was released on June 11, 2024, and was sold out in minutes.

Codename Condor

Stage gate status: in full production

The development team has worked on multiple maps and different mission types, and we have organized a growing amount of internal and limited external playtesting for feature validation and feedback.

Control 2

Stage gate status: passed the proof-of-concept stage and has progressed to the production readiness stage during the second quarter of 2024

The development team reached an important milestone in delivering a build of the game that showcased several important features in playable form. This was used in a large-scale internal playtest to gather valuable feedback. The development team is working towards scaling up the project's production.

Max Payne 1&2 remake

Stage gate status: passed the production readiness stage and has progressed to the full production stage during the second quarter of 2024

The development team has been working towards developing the game to an early functional state from beginning to end while focusing on key differentiating gameplay features.

Webcast and conference call

Remedy will host a webcast and conference call in English on its H1 2024 financial results for investors, analysts and media on August 9, 2024, at 2:00 p.m. (EEST). Remedy's financial results will be presented by CEO Tero Virtala.

The half-year financial report will be available after publication on Remedy's Investor website: <https://investors.remedygames.com/financials-and-reports/financial-reports/>.

Webcast details:

Register in advance for the webcast:

<https://remedy.zoom.us/j/82829148142?pwd=zCNw0z0T5o6TOOhrD93OmF0JgbGg0X.1>

After registering, you will receive a confirmation email containing information about joining the webcast.

Conference call details:

Dial in by calling your local phone number a few minutes before the briefing begins. International numbers are available at: <https://remedy.zoom.us/j/kbZXDFBZgc>.

Finland: +358 9 7252 2471
Sweden: +46 850 539 728
United Kingdom: +44 330 088 5830
United States: +1 646 558 8656

Webinar ID: 857 828 2914 8142
Passcode: 487991

A recording of the webcast will be available afterwards on Remedy's Investor website: <https://investors.remedygames.com/financials-and-reports/webcasts-and-presentations/>.

More information

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Remedy in brief

Remedy Entertainment Plc is a pioneering, globally renowned video game company founded in 1995 and headquartered in Finland with an office in Stockholm, Sweden. 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 game engine and tools technology that powers many of its games. Remedy's shares are listed on Nasdaq Helsinki's main list.

www.remedygames.com

Result from business operations

April–June 2024

In April–June 2024, Remedy's revenue increased by 16.2% in relation to the comparison period, amounting to EUR 10.3 (8.9) million. Development fees were EUR 9.4 (7.9) million and royalties from publishing partners were EUR 0.9 (1.0) million. The main source of revenue was the development fees from *Max Payne 1&2 remake*.

In April–June 2024, Remedy's EBITDA was EUR -2.4 (-4.1) million and operating profit (EBIT) was EUR -3.2 (-4.8) million, -31.0% (-53.8%) of the revenue. The increase was mainly due to higher revenue level. Depreciation expenses were 13.4% higher than in the comparison period, which was due to depreciation of capitalized development expenses related to *Alan Wake Remastered*. Personnel expenses were 3.5% and other operating expenses 4.2% lower than in the comparison period while materials and services expenses were 2.1% higher.

January–June 2024

In January–June 2024, Remedy's revenue increased by 33.7% to EUR 21.1 (15.8) million. Development fees were EUR 18.4 (14.4) million and royalties from publishing partners were EUR 2.7 (1.4) million. The main sources of revenue were the development fees from *Max Payne 1&2 remake*, as well as royalties from *Control* and *Alan Wake Remastered*. Development fee revenue from *Control 2* and *codename Condor* was not generated in the reporting period as Remedy purchased the publishing rights for *Control* franchise in the first quarter of 2024.

In January–June 2024, Remedy's EBITDA was EUR -3.6 (-8.9) million and operating profit (EBIT) EUR -5.3 (-10.4) million, -25.0% (-65.7%) of the revenue. Materials and services expenses were 6.5% and other operating expenses 4.0% higher than in the comparison period while personnel expenses were 4.9% lower than in the comparison period.

Cash flow and financial position

Cash flow

April–June 2024

In April–June 2024, Remedy's cash flow from business operations amounted to EUR 0.9 (-7.0) million.

In April–June 2024, Remedy's cash flow from investing activities amounted to EUR 4.4 (-2.3) million and cash flow from financing activities amounted to EUR 0.1 (-1.6) million. In the reporting period, cash flow from investments was impacted by EUR 6.8 million liquidation of cash management investments. In the comparison period financing cash flow was impacted by dividend payment of EUR 1.3 million.

January–June 2024

In January–June 2024, Remedy's cash flow from business operations amounted to EUR 4.2 (-11.0) million. Compared to the comparison period, Remedy received more agreement-based development fee payments related to *Max Payne 1 and 2 remake* and royalties from *Alan Wake Remastered*. Outgoing payments related to business operations were slightly smaller than in the comparison period.

Royalty revenue cash flow is based on agreed payment terms with partners and can differ significantly during certain periods from accrual-based revenue recognized within a period. Cash flow from business operations is also affected by the timing of significant incoming project development fee payments, which vary according to invoicing milestones.

In January–June 2024, Remedy's cash flow from investing activities amounted to EUR -2.0 (-7.5) million. Cash flow from financing activities amounted to EUR 0.1 (-1.7) million.

Financial position

Remedy's non-current assets on June 30, 2024, totalled EUR 56.8 (37.9) million. Publishing rights of Control franchise were bought from 505 Games during the first quarter, which increased the amount of non-current assets by EUR 16.9 million. Remedy has several projects under development and their product development costs are capitalized according to IFRS standards. The total amount of capitalized product development expenses was EUR 23.2 (25.5) million on June 30, 2024. After the comparison period, the capitalized amount has been impacted by EUR 7.2 million write-off of codename Vanguard in Q4 2023 and depreciations related to Alan Wake Remastered. The company does not have any goodwill on its balance sheet.

On June 30, 2024, Remedy's cash position was EUR 22.4 (28.9) million. Remedy has additionally financial cash management investments for EUR 3.7 (10.1) million.

The company's liabilities on June 30, 2024, amounted to EUR 25.0 (12.2) million. The amount contains EUR 10.4 million agreement-based liabilities related to the two last payments of acquisition of publishing rights of Control franchise.

Remedy's balance sheet total on June 30, 2024, was EUR 90.3 (92.7) million and equity EUR 65.3 (80.5) million. The company's equity ratio was 72.3% (86.8%) and net gearing -29.1% (-39.3%).

Personnel, management and governance

The number of the company's personnel (headcount) was 361 (347) at the end of the period under review, with an annual growth of 4%. Of the personnel, 52% represent 33 different nationalities, and the rest (48%) are Finnish. The total headcount at the end of the period under review was 396 (381), growing 4% from the same period in the previous year. The total headcount is defined as headcount added with people who work in Remedy's projects but are not employed by Remedy.

At the end of the period under review, the company's Core Management Team comprised Chief Executive Officer Tero Virtala, Chief Product Officer Markus Mäki, Creative Director Sami Järvi, Creative Director Mikael Kasurinen, Chief Commercial Officer Johannes Paloheimo and Chief Technology Officer Mika Vehkala. Chief Financial Officer Terhi Kauppi left the company on June 30, 2024.

Annual General Meeting

Remedy's Annual General Meeting was held on April 12, 2024, at the company's office at Luomanportti 3, 02200 Espoo, Finland.

The Annual General Meeting approved all proposals made to the Annual General Meeting in the form included in the notice to the Annual General Meeting. Among other things, the Annual General Meeting resolved to adopt the company's Financial Statements for 2023, not to distribute a dividend for the financial period ended on December 31, 2023, to elect Markus Mäki, Henri Österlund, Kaisa Salakka, Sonja Ängeslevä and Kai Tavakka to the Board of Directors, to discharge Board members and the CEO from liability and to adopt the company's Remuneration Policy and Remuneration Report.

Further information about the resolutions made by the Annual General Meeting can be found in Remedy's Annual General Meeting resolutions release dated April 12, 2024, available on <https://investors.remedygames.com/annual-general-meeting-2024/>.

Shares, shareholders and share-based incentive schemes

Remedy's shares are traded in Nasdaq Helsinki with the trading code REMEDY. The closing price of Remedy's shares on the last trading day of the review period was 17.56 euros.

January–June 2024	Highest share price, €	Lowest share price, €	Closing share price, €	Volume-weighted average price, €
Remedy	26.50	15.66	17.56	18.92

	June 30, 2024	June 30, 2023	December 31, 2023
Market capitalization, €	237,984,552	332,904,130	342,649,835
Number of shareholders	17,352	16,859	17,745
Number of shares at the end of period	13,552,651	13,477,900	13,490,151
Number of shares at the end of period, diluted (IFRS)*	13,741,150	13,945,150	13,681,674
Number of shares at the end of period, diluted	14,773,650	14,583,150	14,819,650
Average number of shares within period	13,530,151	13,470,900	13,478,474
Average number of shares within period, diluted (IFRS)*	13,771,733	13,945,817	13,676,349
Average number of shares within period, diluted	14,795,983	14,580,483	14,585,817
Value of share turnover within period	27,258,580	15,862,841	41,933,882
Total number of traded shares within period	1,440,904	686,988	1,708,862

*Calculated according to International Financial Reporting Standards (IFRS)

The company has one series of shares (ISIN: FI4000251897). The number of shares in the company was 13,552,651 on June 30, 2024. The company held no treasury shares.

Between September 16 and December 31, 2023, a total of 26,250 new shares of Remedy were subscribed for with the company's stock options 2018, 2019 and 2020. These shares were registered in the Trade Register on February 1, 2024. As an outcome, the number of the company's shares increased from 13,490,151 to 13,516,401.

Between January 1 and March 31, 2024, a total of 36,250 new shares of Remedy were subscribed for with the company's stock options 2018 and 2019. These shares were registered in the Trade Register on April 11, 2024. As an outcome, the number of the company's shares increased from 13,516,410 to 13,552,651.

On April 12, 2024, the Annual General Meeting granted the Board of Directors an authorisation to resolve on the issuance of new shares, treasury shares and option rights or other special rights to shares in one or several instalments either against payment or without payment so that the number of shares to be issued can be at maximum 700,000. On June 30, 2024, the authorization had not been used and thus, a total maximum of 700,000 new shares could be issued under the authorization on said date.

Major shareholders on June 30, 2024

	Name	Shares	Percentage
1.	Mäki Markus	3,197,000	23.6
2.	Järvi Sami Antero	560,000	4.1
3.	Virtala Tero	300,000	2.2
4.	Lehtinen Saku Hermann	218,867	1.6
5.	Evli Finnish Small Cap Fund	197,000	1.5
6.	Varma Mutual Pension Insurance Company	150,000	1.1
7.	Proprius Partners Micro Finland (non-ucits)	149,750	1.1
8.	Sijoitusrahasto Aktia Capital	129,807	1.0
9.	Erikoissijoitusrahasto Aktia Mikro Markka	114,368	0.8
10.	Paloheimo Johannes Alfred Gustaf	103,000	0.8
	10 largest shareholders total	5,119,792	37.8
	Accendo Capital SICAV RAIF (nominee registered)	2,063,162	15.2
	Other nominee registered	2,401,503	17.7
	Other shares	3,968,194	29.3
	Total	13,552,651	100.0%

Option plans

During the reporting period, Remedy has had six option plans directed to Remedy's key persons: Option Plan 2018, Option Plan 2019, Option Plan 2020, Option Plan 2021, Option Plan 2022 and Option Plan 2023. The table below illustrates the key information about the option plans. More information about the option plans can be found on Remedy's website at <https://investors.remedygames.com/remuneration/>.

Key information about the option plans as of June 30, 2024

Option Plan	Maximum number of option rights issued	Number of allocated option rights	Number of unexercised option rights	Share subscription period	Share subscription price, EUR
Option Plan 2018	302,500	302,500	0	June 1, 2021 – May 31, 2024	7.02
Option Plan 2019	371,000	371,000	188,499	June 1, 2022 – May 31, 2025	9.23
Option Plan 2020	179,500	179,500	170,500	June 1, 2023 – May 31, 2026	22.21
Option Plan 2021	270,000	270,000	270,000	June 1, 2024 – May 31, 2027	47.09
Option Plan 2022	350,000	307,000	307,000	June 1, 2025 – May 31, 2028	26.64
Option Plan 2023	350,000	285,000	285,000	June 1, 2026 – May 31, 2029	27.31

Option Plan 2018 ended on May 31, 2024. Remedy's option rights 2019 are listed on the Nasdaq Helsinki Ltd First North Growth Market marketplace. Option Plan 2021 vested on June 1, 2024. Originally, a total number of 350,000 option rights 2021 were issued of which Remedy cancelled a total of 80,000 option rights held by the company. The remaining 270,000 option rights entitle their holders to subscribe for a corresponding amount of company shares.

Risks and uncertainties

The most substantial short-term risks and uncertainties are:

- Remedy's game development efforts may fail if the company is unable to develop its games within set mandates, such as release schedule, quality, and budget. Additionally, the company's games may not generate sufficient sales after their release, even if well received and of high quality, thus generating less than estimated game royalties for Remedy.
- Remedy has entered into long-term publishing agreements with its key partners. If the company failed to satisfy key contract obligations, its partners could terminate their agreements with, or present claims to, the company.

- Remedy purchased back publishing rights for Control, Condor and Control 2 and is this way taking more own risk in game development. This means that there is currently no partner to share the financing of the game development for Condor and Control 2 and this increases financing needs for Remedy. There is a risk that Remedy does not find financing solutions or that the terms of these solutions are unfavorable. The financial effects of financing solutions might pose higher financing expenses due to the current overall higher interest rate environment.
- Remedy's success depends significantly on its ability to hire, train, and retain skilled personnel. If the company fails in these areas, it will be unable to effectively conduct its business.
- Remedy's business is subject to economic, market, and geopolitical conditions, which are beyond its control. Recently, the company has seen that its costs have been subject to inflationary pressures. If the company is unable to shift its increased costs to its partners or if these are not reflected in the retail prices of its games, this could have a negative impact on the company's profitability.

The above-mentioned risks might, if they materialize, have a significant negative impact on Remedy's business operations, result, financial position, outlook and share price.

Events after the end of the reporting period

- On August 7, 2024, Remedy announced that Santtu Kallionpää was appointed Chief Financial Officer.

Tables

Consolidated statement of comprehensive income

EUR thousand	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
REVENUE	10,349	8,903	21,143	15,814	33,932
Other operating income	0	0	1	0	49
Materials and services	-4,198	-4,111	-8,028	-7,537	-16,841
Personnel expenses	-6,687	-6,929	-13,110	-13,779	-26,938
Depreciation and impairment	-825	-725	-1,730	-1,457	-11,676
Other operating expenses	-1,845	-1,926	-3,564	-3,426	-7,153
OPERATING PROFIT (LOSS)	-3,205	-4,789	-5,288	-10,384	-28,627
Financial income	323	618	448	783	1,766
Financial expenses	-60	-179	-67	-379	-681
PROFIT (LOSS) BEFORE INCOME TAXES	-2,942	-4,350	-4,907	-9,980	-27,541
Income tax	723	1,683	696	1,673	4,885
PROFIT (LOSS) FOR THE FINANCIAL YEAR	-2,219	-2,667	-4,212	-8,307	-22,657
OTHER COMPREHENSIVE INCOME (EXPENSE)					
Items that may be subsequently reclassified to profit or loss	0	0	0	0	0
Total other comprehensive income (expense) for the financial year	0	0	0	0	0
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE FINANCIAL YEAR	-2,219	-2,667	-4,212	-8,307	-22,657
PROFIT (LOSS) FOR THE FINANCIAL YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	-2,219	-2,667	-4,212	-8,307	-22,657
EARNINGS PER SHARE					
Basic earnings per share, euro	-0.16	-0.20	-0.31	-0.62	-1.68
Diluted earnings per share, euro	-0.16	-0.19	-0.31	-0.60	-1.66

Consolidated balance sheet

EUR thousand	June 30, 2024	June 30, 2023	December 31, 2023
NON-CURRENT ASSETS			
Intangible assets	40,194	25,534	19,308
Tangible assets	3,731	4,030	3,806
Right-of-use assets	3,159	2,486	2,720
Investments	3,000	3,000	3,000
Non-current receivables	1,000	1,076	1,013
Deferred tax assets	5,697	1,736	5,027
CURRENT ASSETS			
Inventory	-	11	6
Trade and other receivables	10,362	18,822	16,957
Other current financial assets	749	7,106	7,357
Cash and cash equivalents	22,374	28,877	20,066
TOTAL ASSETS	90,266	92,678	79,260
EQUITY			
Share capital	80	80	80
Share premium	38	38	38
Invested non-restricted equity reserve	58,196	57,366	57,815
Retained earnings (losses)	11,202	31,278	32,474
Profit (loss) for the financial year	-4,212	-8,307	-22,657
LIABILITIES			
Non-current liabilities			
Government loan	-	919	-
Lease liabilities	1,821	1,396	1,433
Current liabilities			
Government loan	918	919	918
Lease liabilities	1,358	1,096	1,309
Trade and other payables	20,833	7,863	7,751
Deferred tax liabilities	30	32	99
TOTAL EQUITY AND LIABILITIES	90,266	92,678	79,260

Condensed consolidated statement of cash flow

EUR thousand	1-6/2024	1-6/2023	1-12/2023
Cash flow from business operations	4,177	-10,971	-16,034
Cash flow from investments	-1,990	-7,485	-9,822
Cash flow from financing	122	-1,701	-3,112
Cash and cash equivalents			
Opening balance	20,066	49,034	49,034
Change in cash and cash equivalents	2,308	-20,157	-28,968
Closing balance	22,374	28,877	20,066

Consolidated statement of changes in equity

Changes in shareholders' equity 1-6/2024	Share capital	Share premium account	Invested unrestricted equity fund	Retained earnings	SHARE-HOLDERS' EQUITY TOTAL
EUR thousand					
Balance January 1, 2024	80	38	57,815	9,817	67,750
Comprehensive income					
Profit (Loss) for the financial year				-4,212	-4,212
Other comprehensive income					
Total comprehensive income				-4,212	-4,212
Transactions with owners of the company					
Dividend distribution					
Share options granted				1,385	1,385
Share issue and other share subscriptions			381		381
Total transactions with owners			381	1,385	1,767
BALANCE June 30, 2024	80	38	58,196	6,991	65,305

Changes in shareholders' equity 1–6/2023	Share capital	Share premium account	Invested unrestricted equity fund	Retained earnings	SHARE-HOLDERS' EQUITY TOTAL
EUR thousand					
Balance January 1, 2023	80	38	57,101	31,137	88,356
Comprehensive income					
Profit (Loss) for the financial year				-8,307	-8,307
Other comprehensive income					
Total comprehensive income				-8,307	-8,307
Transactions with owners of the company					
Dividend distribution				-1,347	-1,347
Share options granted				1,488	1,488
Share issue and other share subscriptions			265		265
Total transactions with owners			265	141	406
BALANCE June 30, 2023	80	38	57,366	22,971	80,455

Notes to half-year financial report

Accounting policies applied in the half-year financial report

The Financial Statement report has been prepared in accordance with IAS 34 'Interim Financial Reporting' while adhering to related IFRS standards applicable within the EU on June 30, 2024. The accounting policies of the half-year financial report are similar to the accounting policies applied in the financial statements according to IFRS for the period ended December 31, 2023. The disclosed figures have been rounded off from the accurate figures.

The information presented in this half-year report is unaudited.

Revenue breakdown per quarter

EUR thousand	4–6/2024	1–3/2024	10–12/2023	7–9/2023	4–6/2023
Development fees	9,436	8,961	7,648	6,714	7,948
Royalties	912	1,834	2,655	1,102	955
Total	10,349	10,795	10,302	7,816	8,903

Fair value measurement and hierarchy of financial instruments

Currently Remedy's financial assets and liabilities measured at fair value comprise of derivative assets and derivative liabilities and investments to equity funds.

June 30, 2024	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
EUR thousand					
Financial assets measured at fair value					
Investments to equity funds	3,749	3,749	-	-	3,749
	3,749	3,749	-	-	3,749
Financial liabilities not measured at fair value					
Unsecured government loan	918	-	-	918	918
	918	-	-	918	918

December 31, 2023	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
EUR thousand					
Financial assets measured at fair value					
Investments to equity funds	10,357	10,357	-	-	10,357
	10,357	10,357	-	-	10,357
Financial liabilities not measured at fair value					
Unsecured government loan	918	-	-	918	918
	918	-	-	918	918

- Level 1: fair value is calculated on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities that Remedy can access at the measurement date.
- Level 2: fair value is calculated on the basis of inputs other than quoted prices included in Level 1 that are observable for the asset or liability; either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value is calculated on the basis of inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, Remedy uses observable market data as far as possible.

Changes in property, plant and equipment

EUR thousand	Machinery and equipment		Other tangible assets		Total	
	2024	2023	2024	2023	2024	2023
Cost						
Balance January 1	8,504	6,233	1,988	1,918	10,492	8,151
Additions	672	1,739	-	-	672	1,739
Balance June 30	9,176	7,972	1,988	1,918	11,164	9,890
Accumulated amortization and impairment						
Balance January 1	-4,762	-3,215	-1,923	-1,793	-6,686	-5,009
Amortization	-736	-727	-12	-125	-748	-852
Balance June 30	-5,498	-3,942	-1,935	-1,918	-7,433	-5,861
Carrying amount on January 1	3,742	3,018	65	125	3,806	3,142
Carrying amount on June 30	3,678	4,030	53	0	3,731	4,030

Changes in intangible assets

EUR thousand	Capitalized development costs		Other intangible assets		Total	
	2024	2023	2024	2023	2024	2023
Cost						
Balance January 1	38,017	33,237	-	-	38,017	33,237
Additions	4,230	2,273	16,947	-	21,177	2,273
Balance June 30	42,247	35,510	16,947	-	59,194	35,510
Accumulated depreciation and impairment						
Balance January 1	-18,709	-9,975	-	-	-18,709	-9,975
Depreciation	-291	-	-	-	-291	-
Balance June 30	-19,001	-9,975	-	-	-19,001	-9,975
Carrying amount on January 1	19,308	23,262	0	0	19,308	23,262
Carrying amount on June 30	23,247	25,534	16,947	0	40,194	25,534

Calculation formulas used for the indicators

EBITDA: Operating profit (EBIT) + depreciation and amortization

Operating profit (EBIT): Profit (loss) before taxes and financial items

Operating profit, % of revenue: Operating profit (EBIT) / revenue

Net cash: Cash in hand and banks + liquid investments* - interest-bearing liabilities

Net gearing, %: (Interest-bearing liabilities - cash in hand and at banks – liquid investments*) / shareholders' equity

Equity ratio: Shareholders' equity / (balance sheet total - advances received)

Capital Expenditures: Change in tangible and intangible assets added by depreciation of these assets

*Liquid investments include Remedy's liquid investments to equity funds. The indicators from comparison periods have also been corrected according to this principle.

Espoo, August 9, 2024
Remedy Entertainment Plc
Board of Directors