



Business Review July–September 2024

NOVEMBER 1, 2024

AGENDA



- 1** Q3 2024 Review
- 2** Q3 Financial Results
- 3** Outlook
- 4** Questions & Answers



Tero Virtala
CEO



Santtu Kallionpää
CFO

Q3 2024 Review

Tero Virtala, CEO



Q3 2024 HIGHLIGHTS

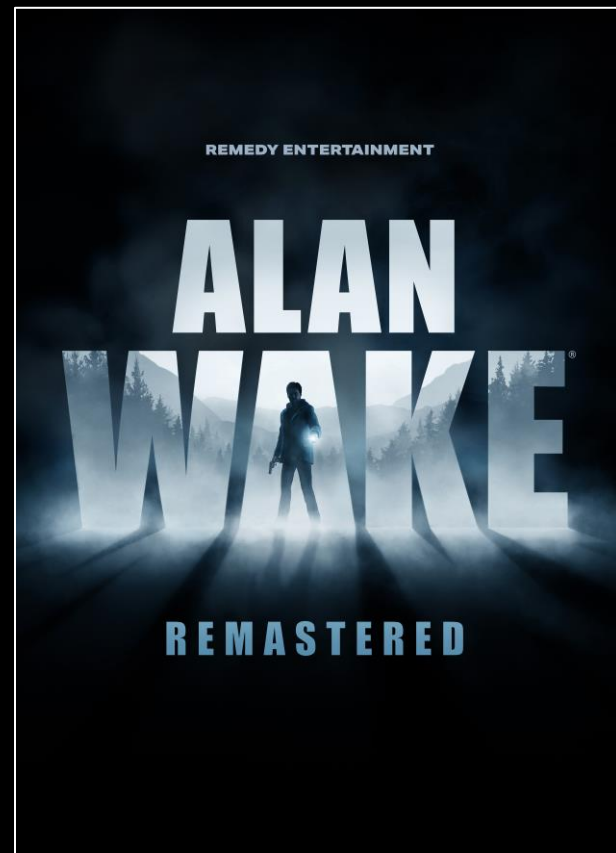
- Revenue increased by 128.6% to EUR 17.9 (7.8) million
- EBITDA increased to EUR 6.6 (-4.2) million
- Operating profit was EUR 2.4 (-5.5) million, and the operating profit margin was 13.4% (-70.0%)
- Cash flow from operations was EUR 6.6 (-5.1) million
- Strategic partnership agreement with Annapurna
- Convertible loan agreement with Tencent
- After the quarter ended, we announced Alan Wake 2's second expansion, The Lake House, and FBC: Firebreak (previously Condor)



CURRENT PROJECT AND GAME PORTFOLIO



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Alan Wake
Remastered

LAUNCHED



Alan Wake 2

LAUNCHED



Control

LAUNCHED



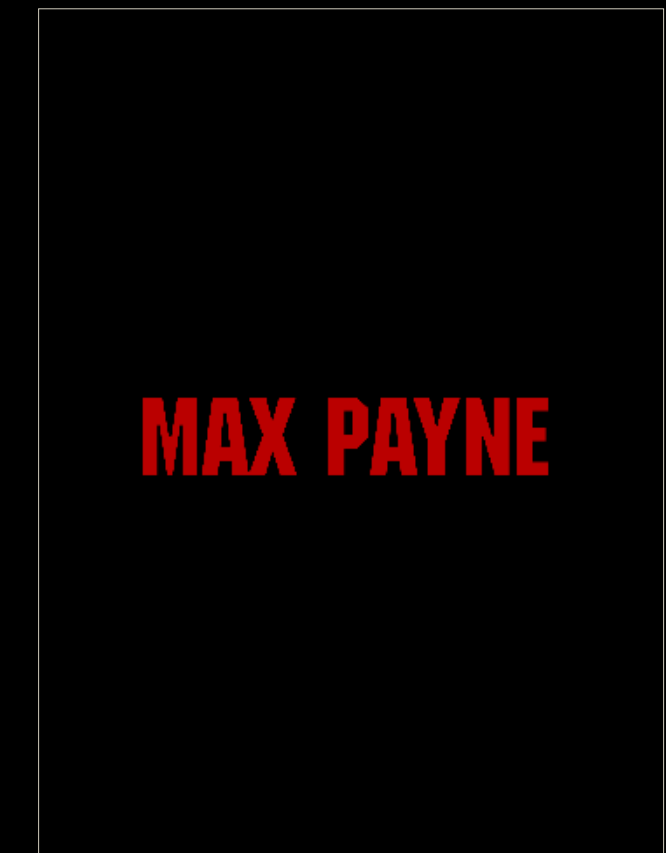
FBC:
Firebreak

FULL
PRODUCTION



Control 2

PRODUCTION
READINESS



Max Payne
1&2 remake *

FULL
PRODUCTION

WITH



SELF-PUBLISHED

WITH





THE LAKE HOUSE

ALAN WAKE II EXPANSION

ALAN WAKE 2 – A LOT OF ACTIVITY IN Q4



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**PHYSICAL DELUXE
EDITION**

**THE LAKE HOUSE
EXPANSION**

**THE ANNIVERSARY
UPDATE**

**PLAYSTATION 5 PRO
SUPPORT**

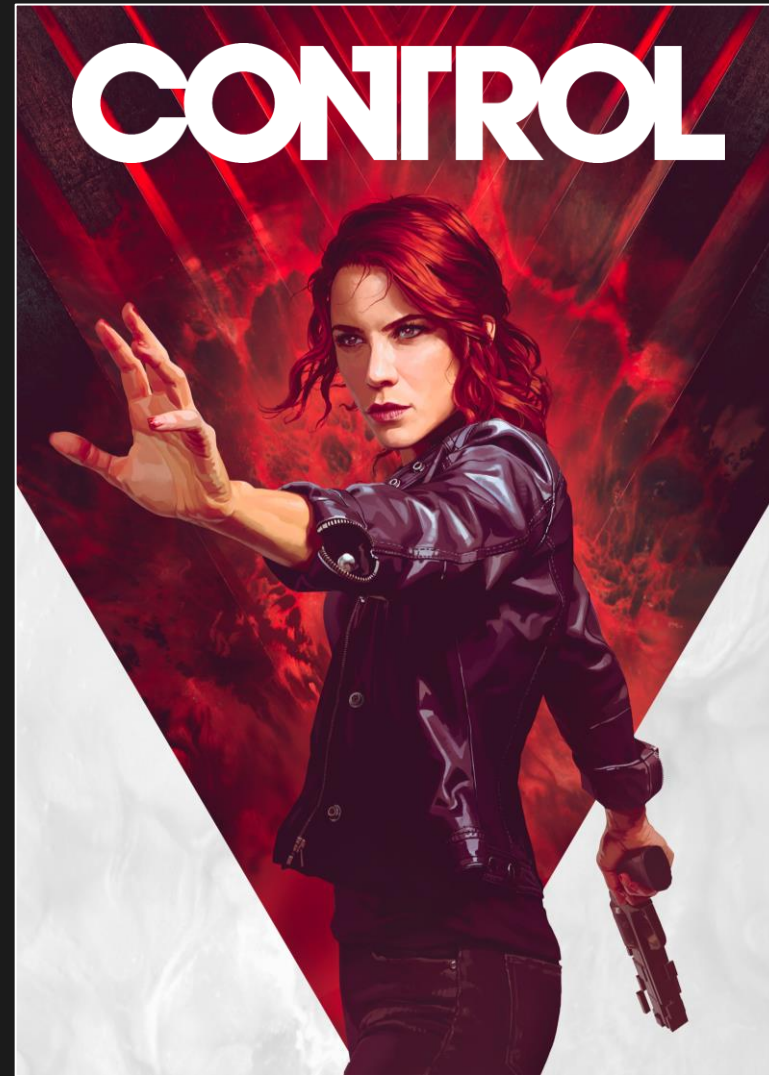
**COLLECTOR'S EDITION
IN DECEMBER**

**STRONG MARKETING
FOR Q4**

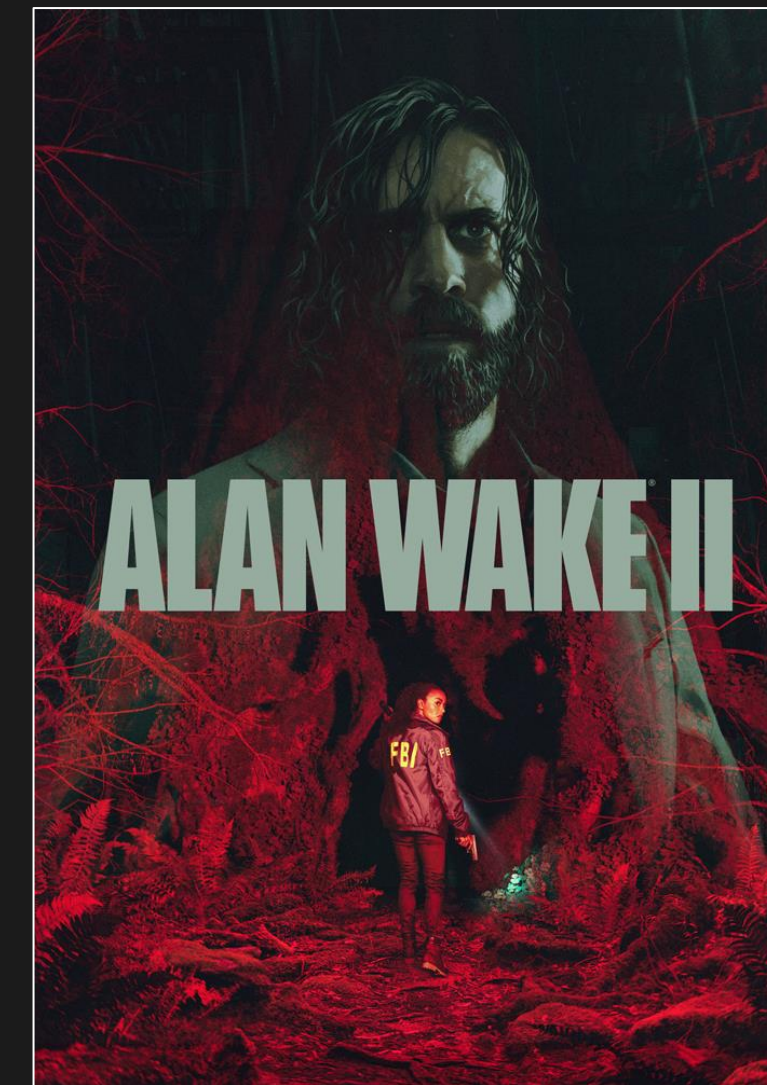
WE ACQUIRED BACK CONTROL RIGHTS, AND THE FUTURE OF BOTH OF OUR FRANCHISES IS IN OUR HANDS



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February 2024: Remedy acquired back full rights from 505 Games



Alan Wake 2 published by Epic Games, Remedy owns all the sequel rights

WE EVALUATED THE MODEL TO BEST GROW THE FRANCHISES AND BUILD SUCCESS



PUBLISHING
BY PARTNER

CO-
PUBLISHING

SELF-
PUBLISHING

STRATEGIC PARTNERSHIP WITH ANNAPURNA PICTURES



Key terms of the deal

Financing of the development of Control 2 is shared between Annapurna (50%) and Remedy (50%)

Annapurna gets rights to take Control and Alan Wake into TV and film

Remedy gets a greater revenue share from Control 2 sales, Annapurna from TV and film sales

Benefits of the deal

Allows Remedy to move into self-publishing

Gives both parties good revenue opportunities on their main business

Allows Remedy to focus on games, while Control and Alan Wake can grow also beyond games

Secures a budget to make a great Control 2

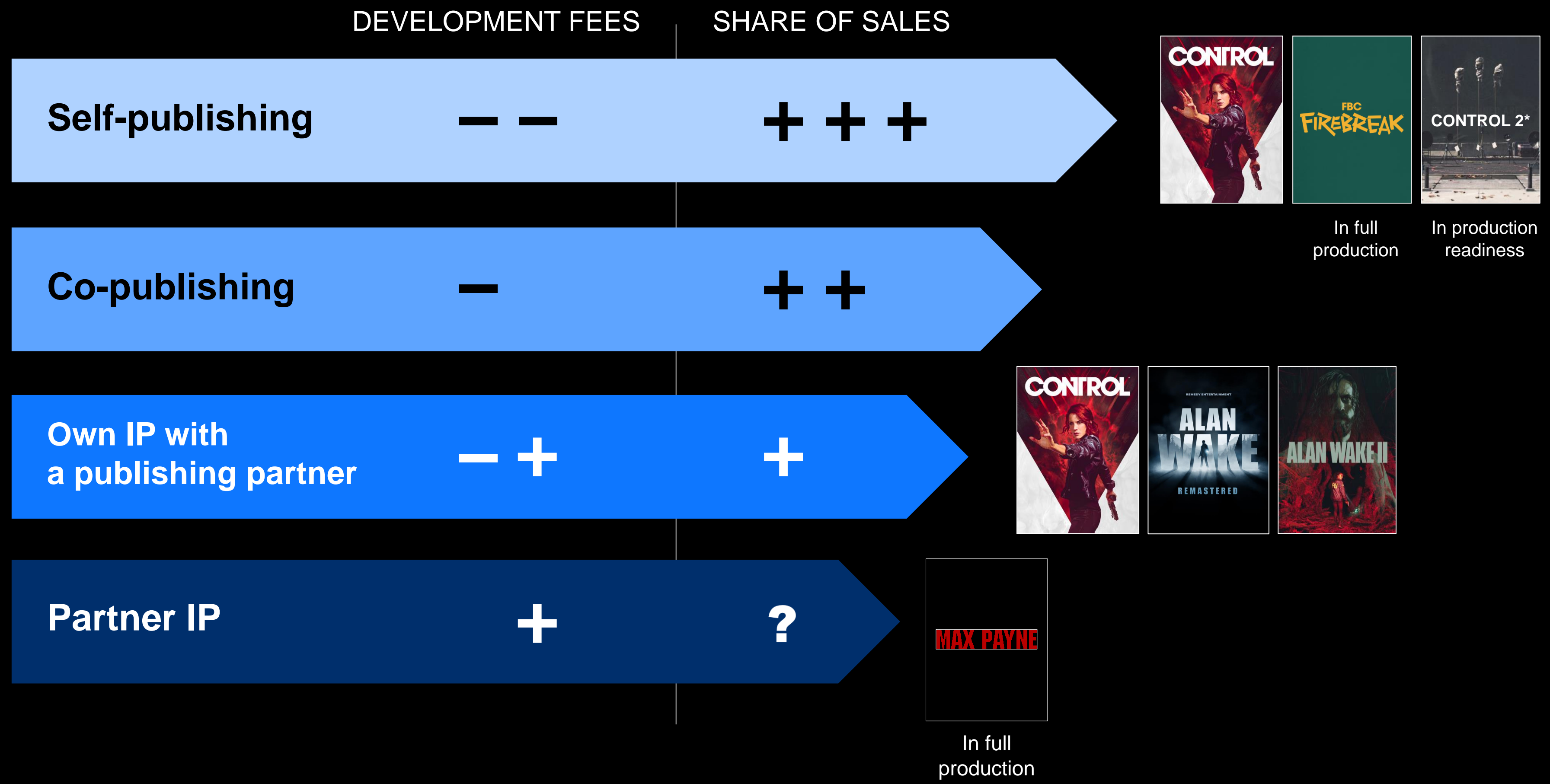
CONVERTIBLE LOAN FROM TENCENT



- An unsecured loan of EUR 15 million from Tencent was announced in September
- 8% p.a. interest that is capitalized annually
- Conversion at a fixed price of EUR 27.20 per share starting from the third anniversary until the fifth anniversary
- This financing will support us in developing and fully realizing the potential of the games we have in development and successfully carrying out the commercial activities of our next self-published games



SELF-PUBLISHING STRENGTHENS OUR POSITION AND ENABLES GREATER FINANCIAL UPSIDE, BUT ALSO REQUIRES MORE FROM US



FBC
FIREBREAK™



FBC: FIREBREAK

- A three-player cooperative first-person shooter
- A stand-alone experience set within the acclaimed Control universe
- Self-published in 2025
- Launches for PC via Steam and Epic Games Store, Xbox Series X|S and PlayStation 5
- Will launch day one on PC Game Pass and Game Pass Ultimate, and onto the PlayStation Plus Game Catalog, available for all Extra and Premium members



Q3 Financial Results

Santtu Kallionpää, CFO



Witch's
Ladle

There is no mystery to a lake being named after a witch's shape. And yet, there are many mysterious stories about the lake being a gloomy doorway to the underworld. Or of a witch whose cauldron the lake really was.

The legend tells that when the affections of a local Sheriff went unanswered, he accused the lady in question of having bewitched him. She was drowned, but her dropped ladle grew into a strange tree, named Witch's Ladle.

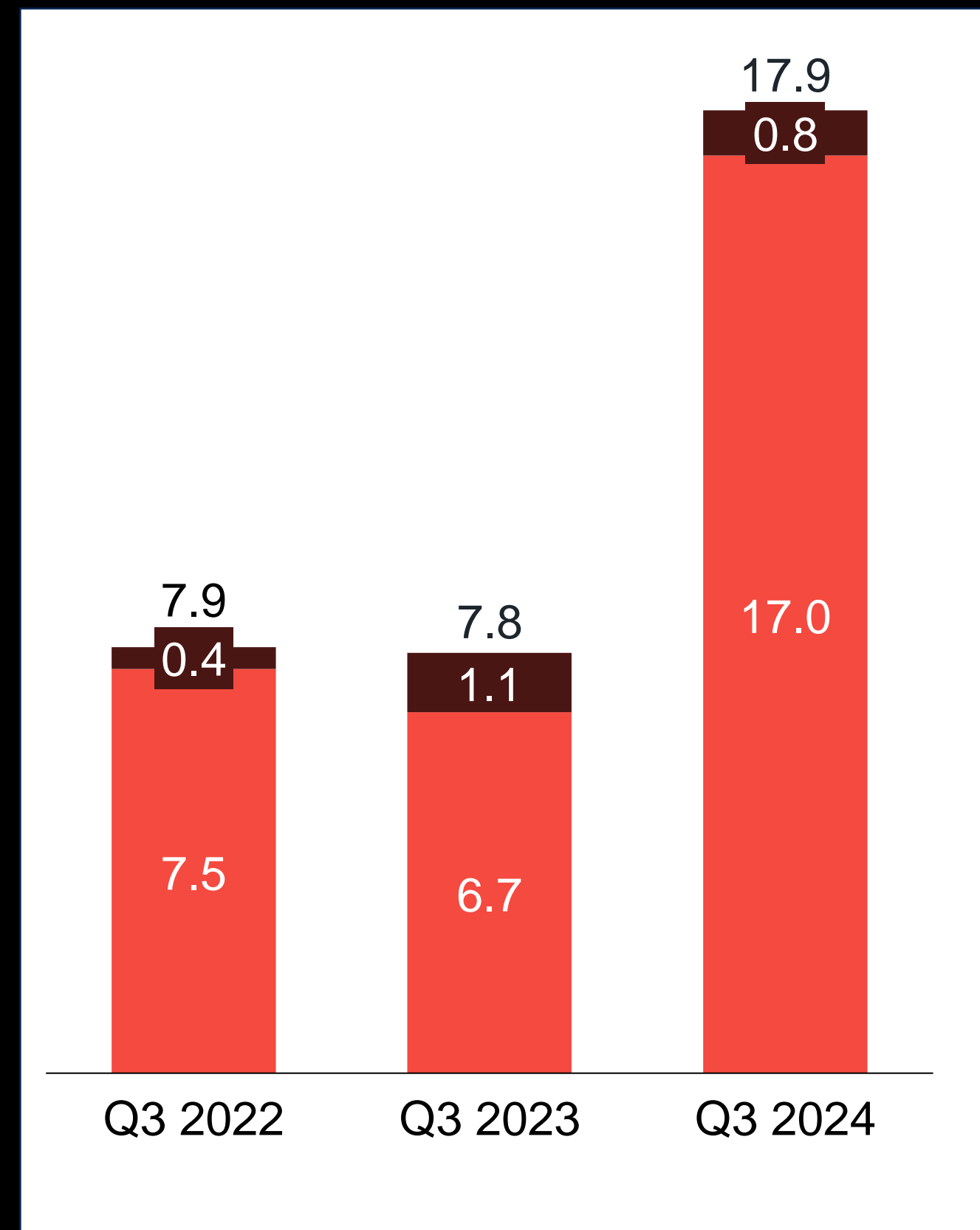
The woman returned to avenge her wrongdoers – if she was a witch before she was one now. She killed the Sheriff, drowning him in the lake. Then, she took out his heart and locked it in a box. With the key, she would summon him from the underworld for exact revenge on her wrongdoers. So the legend goes.



Santtu Kallionpää

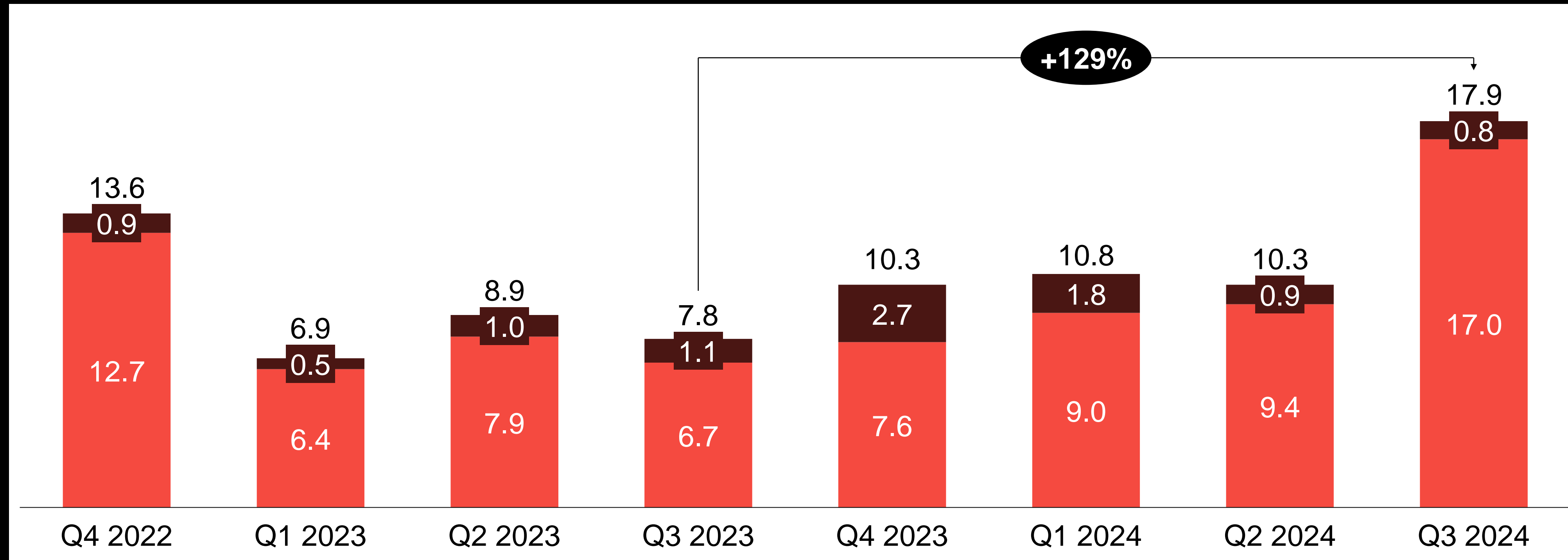
CFO

Q3 2024: REVENUE GROWTH DRIVEN BY THE DEVELOPMENT FEES RELATED TO CONTROL 2 AND MAX PAYNE 1&2 REMAKE

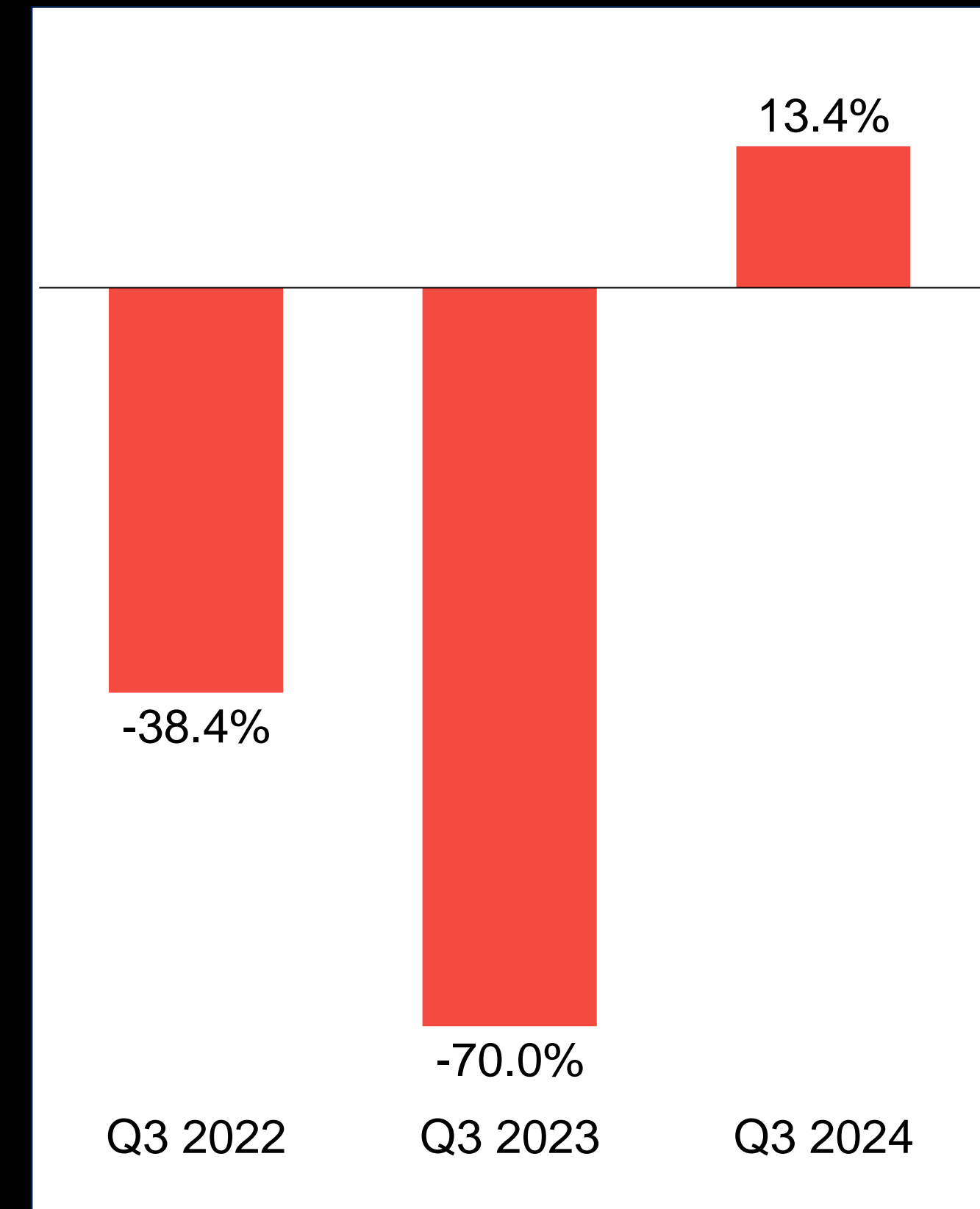
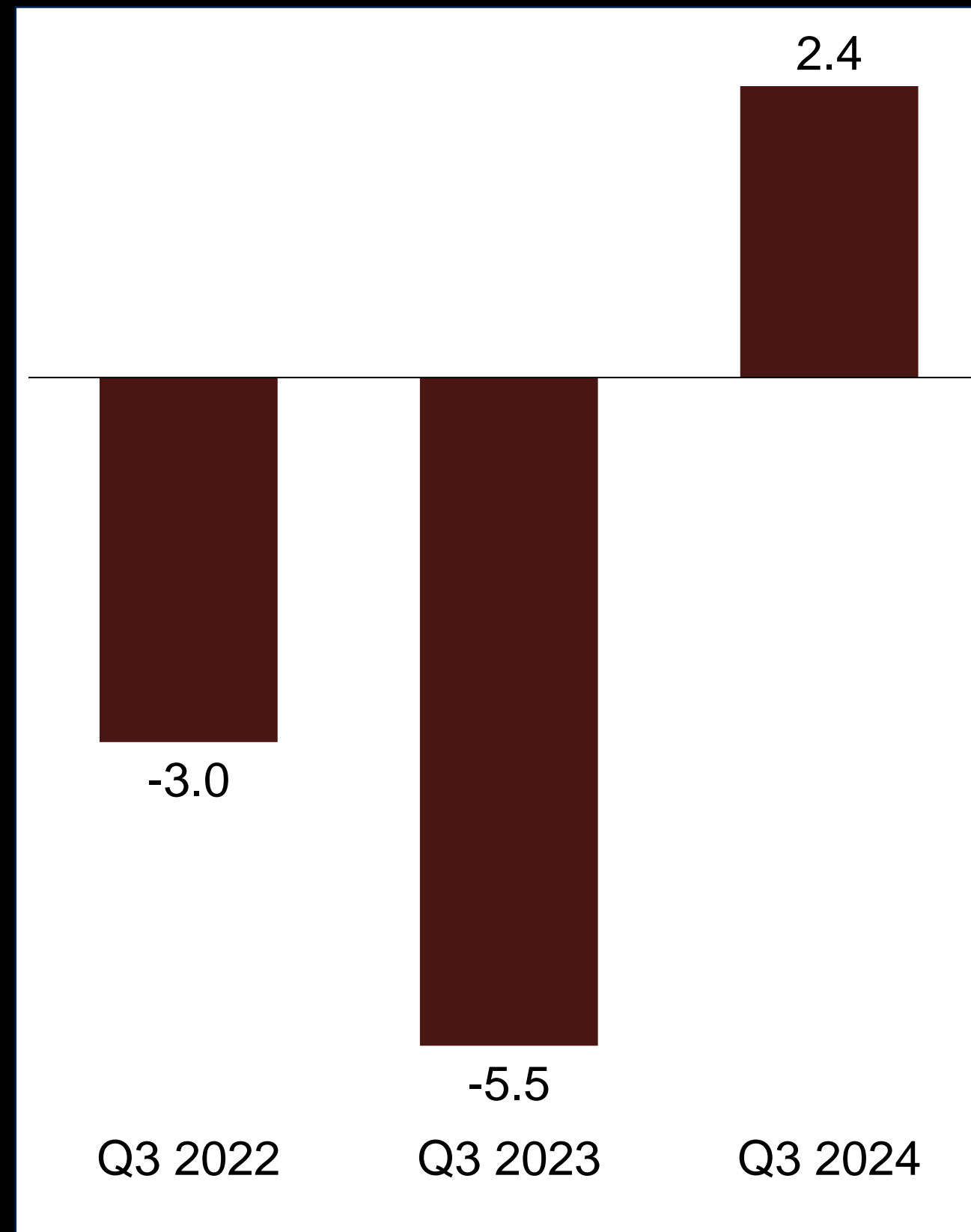


■ Royalties (EURm) ■ Development Fees (EURm)

HISTORICAL BREAKDOWN OF REVENUE



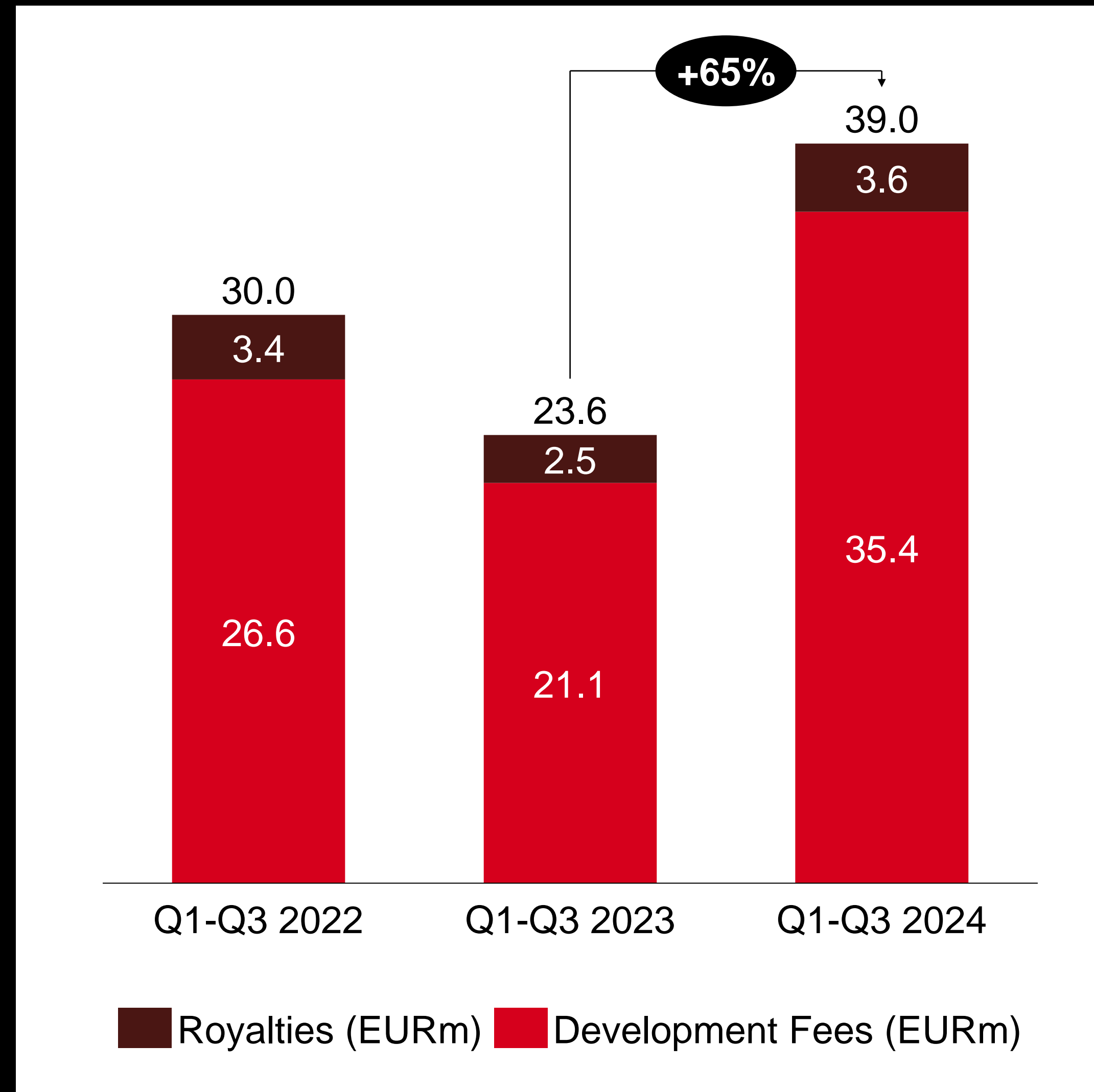
Q3 2024: PROFITABILITY IMPACTED BY ONE-TIME-PAYMENT REGARDING CONTROL 2



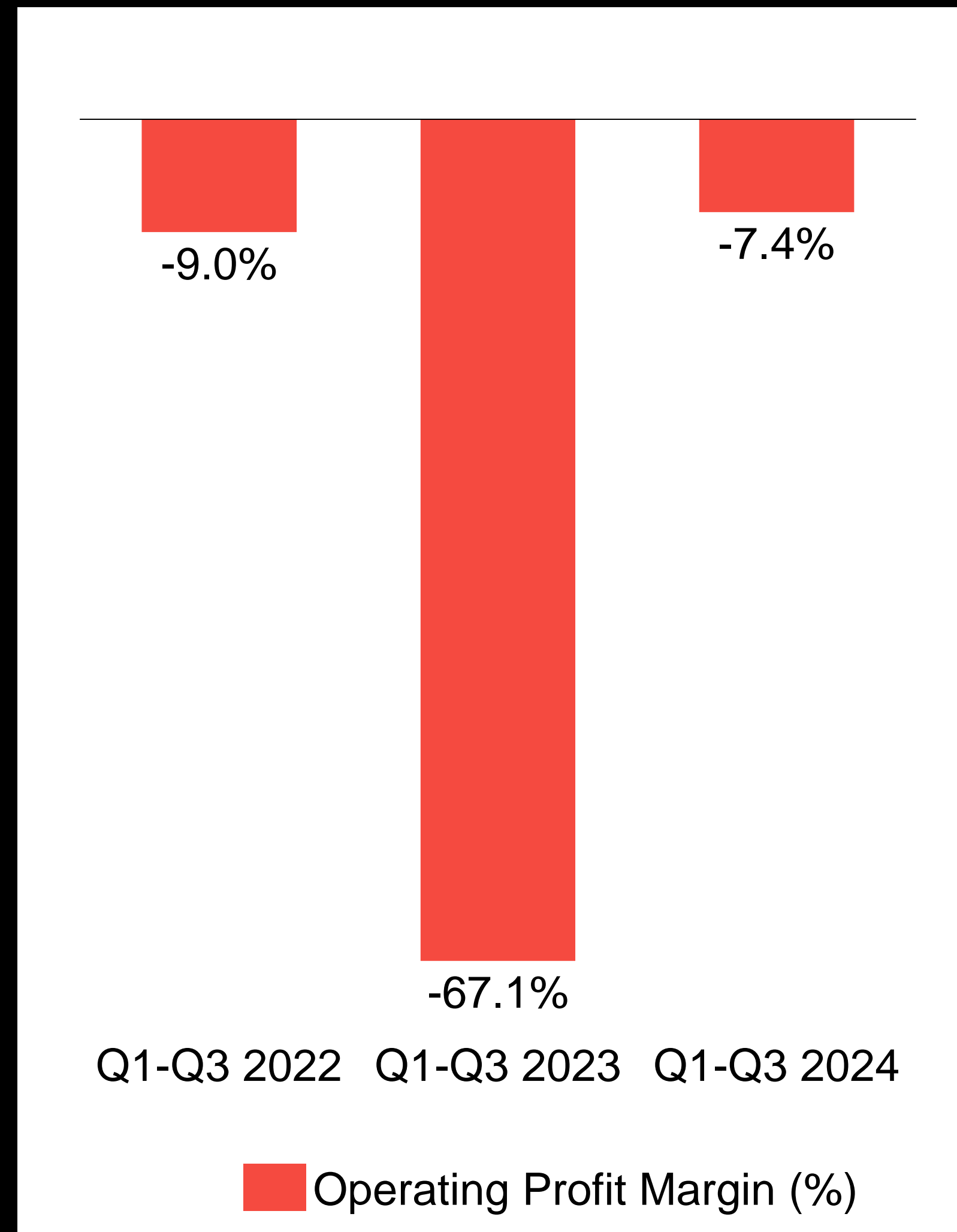
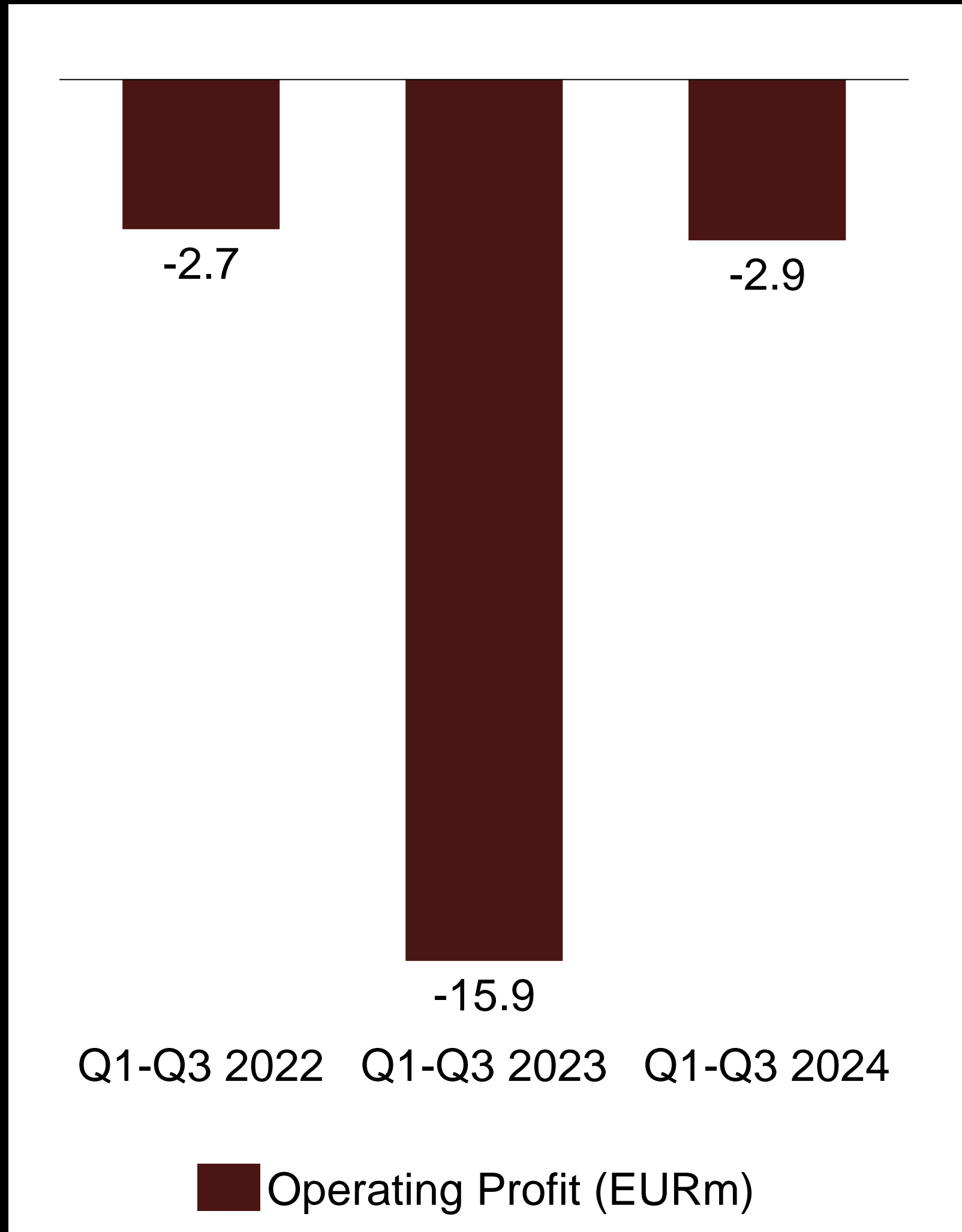
Operating Profit (EURm)

Operating Profit Margin (%)

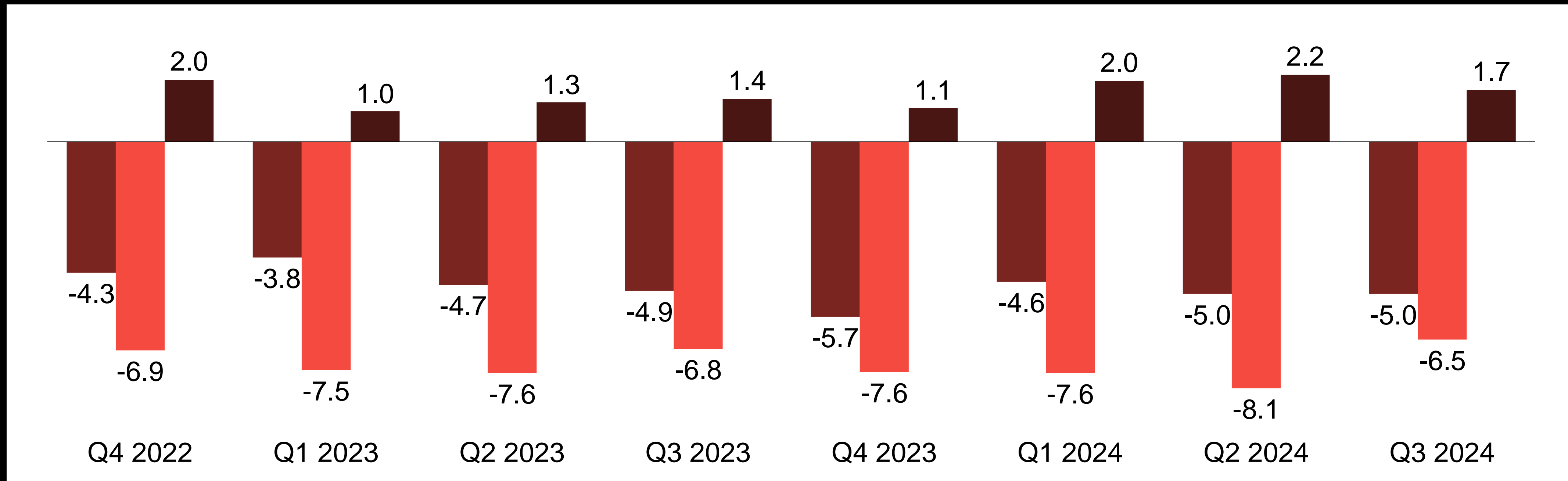
Q1-Q3 2024: REVENUE HAS INCREASED FROM PREVIOUS YEARS DRIVEN BY STRONG THIRD QUARTER



Q1-Q3 2024: PROFITABILITY IMPROVEMENT DRIVEN BY REVENUE GROWTH

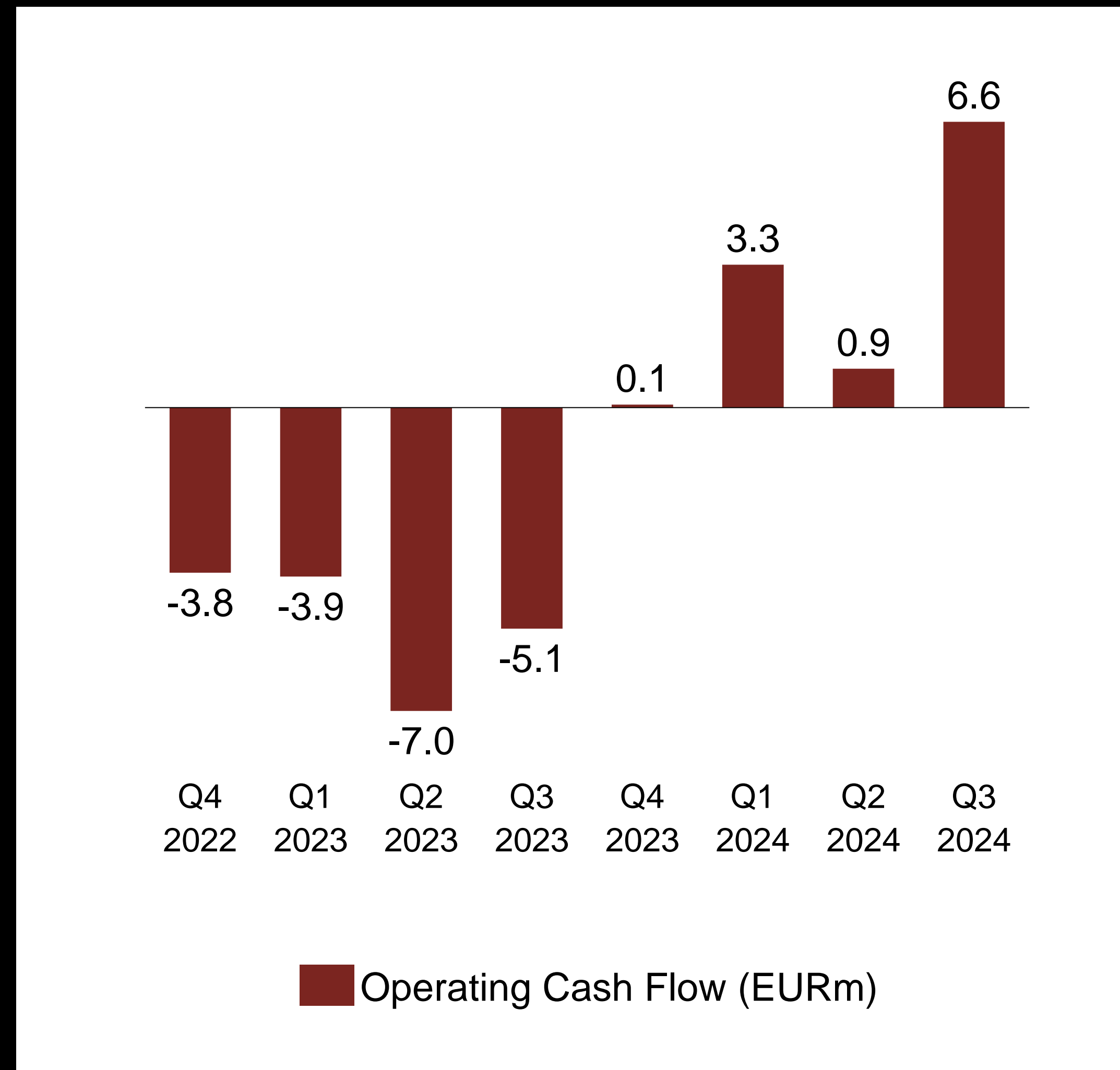


Q3 2024: OWN INVESTMENTS INTO CONTROL FRANCHISE GAME PROJECTS SHOW AS A HIGHER LEVEL OF CAPITALIZED DEVELOPMENT EXPENSES

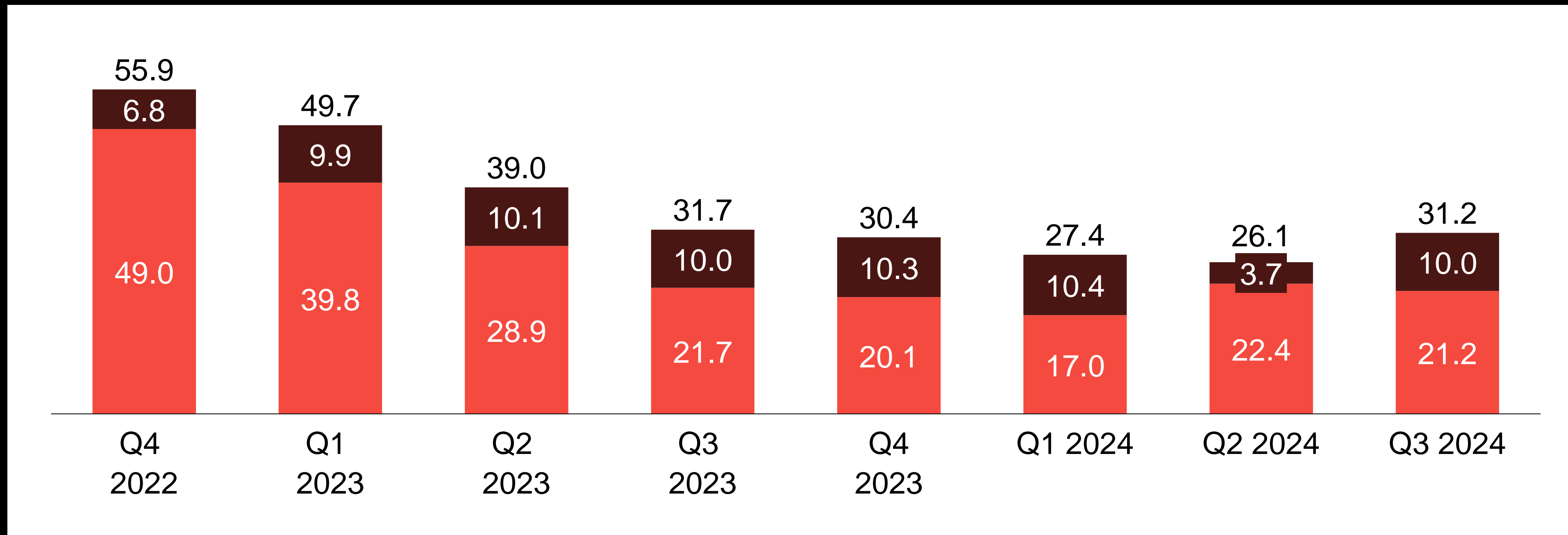


- Ext Dev (EURm) unnetted
- Personnel expenses (EURm) unnetted
- Capitalized Dev Cost (EURm) unnetted

Q3 2024: OPERATING CASH FLOW HIGHLY POSITIVE IN THE THIRD QUARTER OF 2024



Q3 2024: CASH POSITION INCREASED IN THE THIRD QUARTER OF 2024

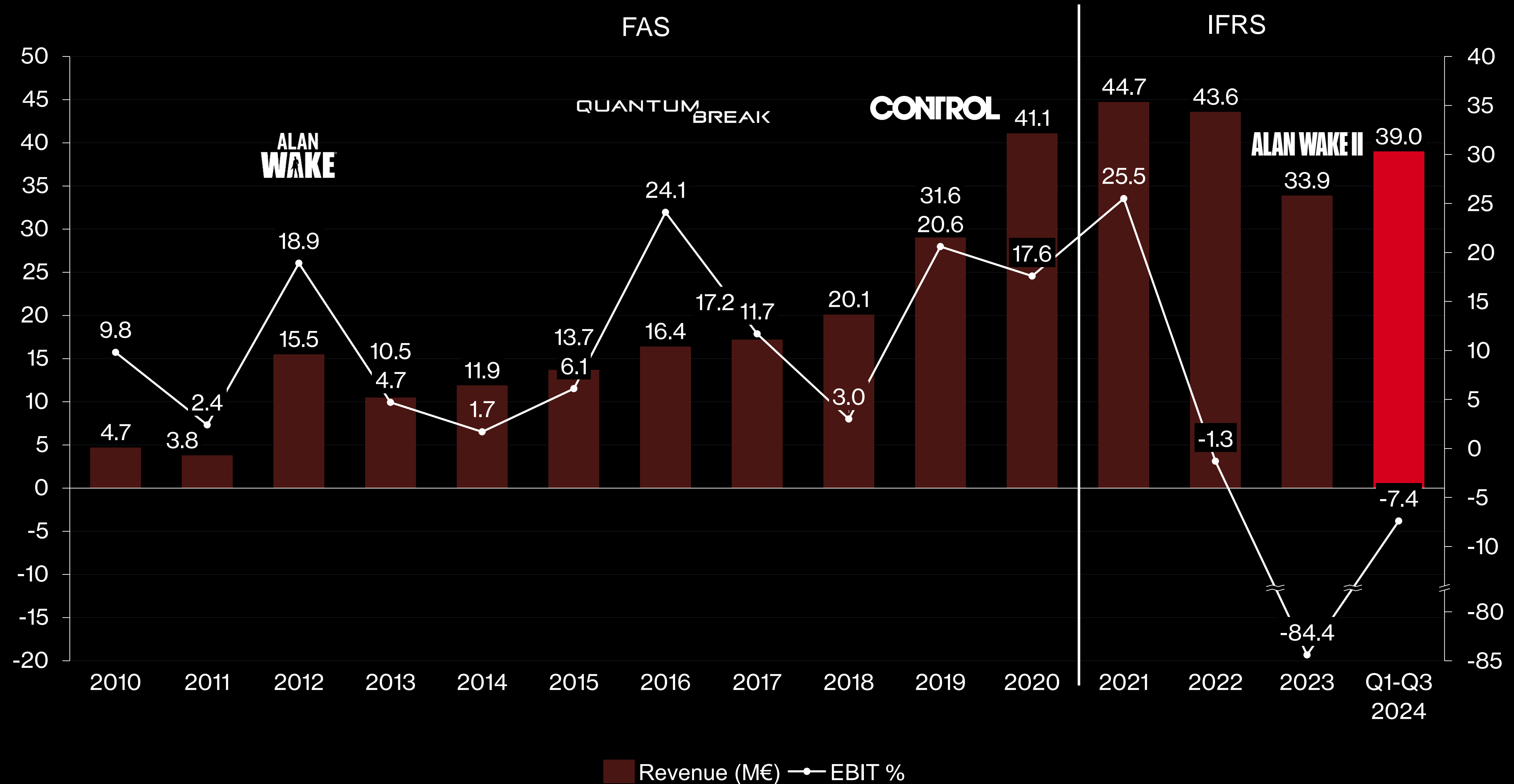


 Cash and Cash Equivalents (EURm)
 Financial instruments (EURm)

HISTORICAL REVENUE AND PROFITABILITY PROFILE



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Outlook

Tero Virtala, CEO



OUTLOOK FOR 2024 (UNCHANGED)

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

As we have announced earlier, the revenue growth rate and EBIT improvement in 2024 are meaningfully dependent on the choice between different publishing models. With the decision to self-publish both Control 2 and FBC: Firebreak, these projects will generate less development fees in the short-term but bring greater value in the long-term.

Therefore, in 2024 our revenue will increase, and EBIT improve but remain negative.





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