



Business Review January–September 2023

OCTOBER 31, 2023

AGENDA



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- 1** Q3 2023 Review
- 2** Q3 2023 Financial Results
- 3** Outlook
- 4** Questions & Answers



Tero Virtala
CEO



Terhi Kauppi
CFO

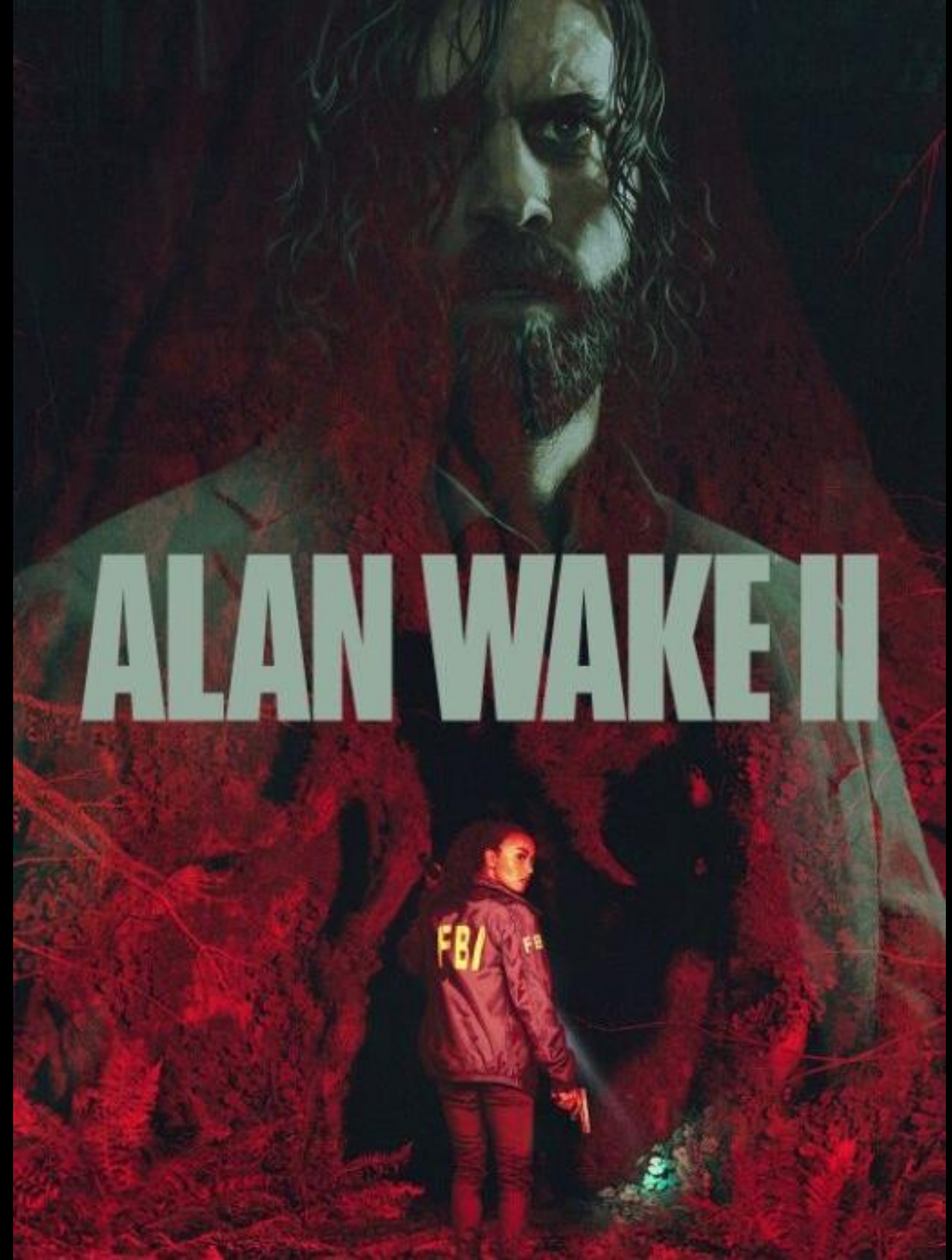
Q3 2023 Review

Tero Virtala, CEO



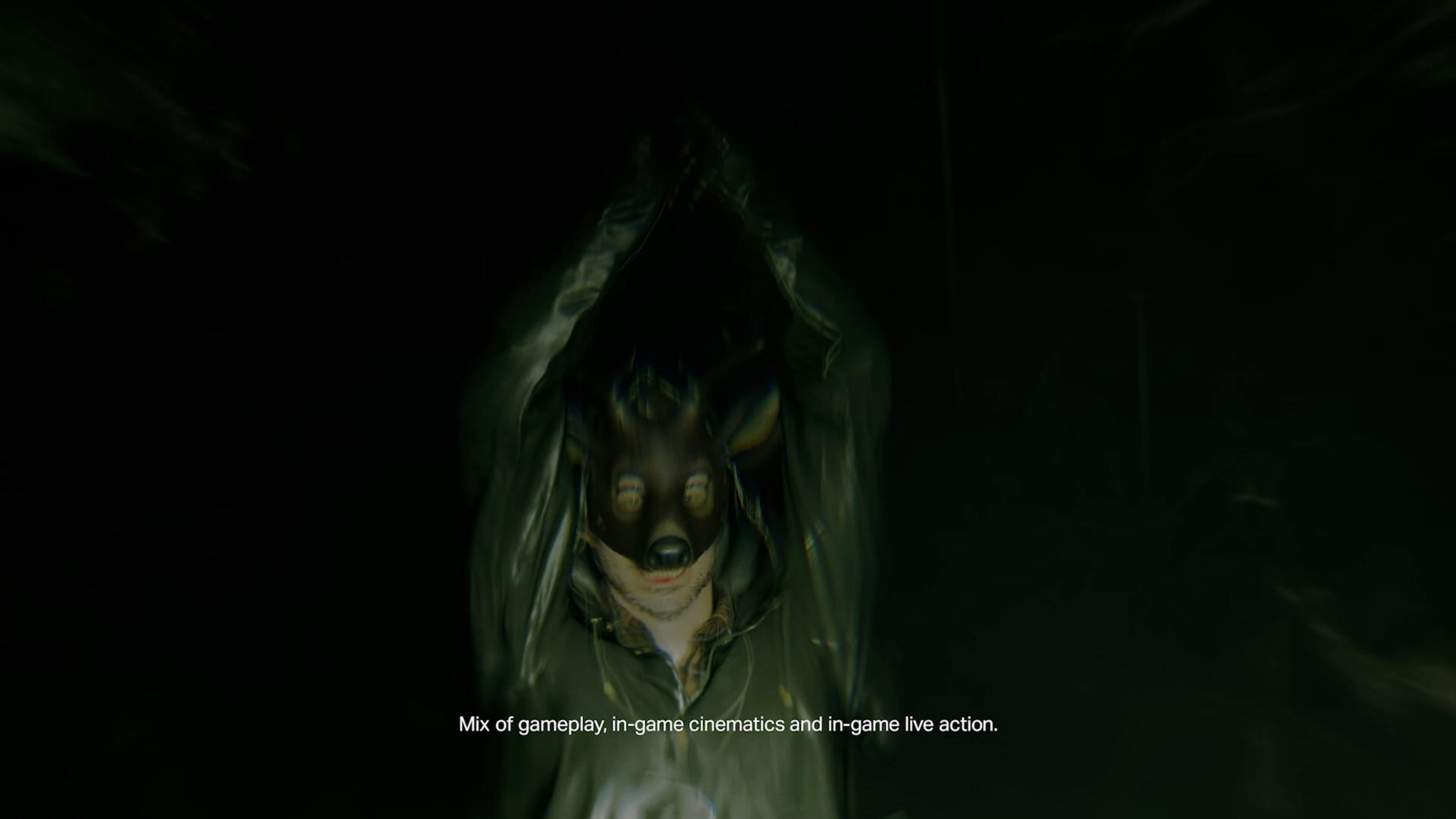
Q3 2023 HIGHLIGHTS

- Revenue decreased by 1.1% to 7.8 M€ (7.9)
- EBITDA decreased to -4.2 M€ (-2.4)
- Operating profit -5.5 M€ (-3.0), operating profit margin -70.0% (-38.4%)
- Cash flow from operations -5.1 M€ (4.7)
- In September, the Board of Directors of Remedy decided on a new option plan 2023
- Alan Wake 2 was being finalized for its October 27, 2023 launch
- In August, the Alan Wake 2 Dark Place trailer debuted at Gamescom
- In September, an Alan Wake 2 briefing and an exclusive hands-on demo session was held for a select group of global media and influencers



ALAN WAKE 2 LAUNCHED ON OCTOBER 27



A character with a dark, animal-like head and glowing eyes, wearing a dark jacket, standing in a dark, tunnel-like environment. The character's head is the central focus, with glowing yellow eyes and a dark snout. The background is a dark, textured tunnel with faint lines suggesting depth.

Mix of gameplay, in-game cinematics and in-game live action.

ALAN WAKE 2: GREAT VISIBILITY ACROSS STORES



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ALAN WAKE II

OUT NOW
A string of ritualistic murders threatens Bright Falls in the newest psychological thriller from Remedy Entertainment.

Starting at €49.99

[BUY NOW](#) [ADD TO WISHLIST](#)

- Alan Wake 2
- Return to Moria™
- Halloween Sale 2023
- Ghostrunner 2
- Hot Wheels Unleashed™ 2
- Hogwarts Legacy

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NOW AVAILABLE

Alan Wake 2

Monsters Wear Many Faces

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PlayStation Store

New games [View All](#)

- NHL® 24
- Alan Wake 2
- Marvel's Spider-Man 2
- UFC® 5
- Assassin's Creed® Mirage
- METAL GEAR SOLID: MASTER COLLECTION Vol. 1

ALAN WAKE II

10/10

TheSixthAxis

10/10

Gamereactor UK

10/10

Gamespot

10/10

GamesRadar+

10/10

Push Square

10/10

XboxEra

10/10

Nexus Hub

10/10

Player 2

9.5/10

God is a Geek

5/5

VG247

5/5

ScreenRant

5/5

VGC

4.5/5

Entertainment Weekly

5/5

TheGamer

5/5

Dexerto

9/10

IGN

9.5/10

PSU

9.5/10

Rectify Gaming

9.5/10

Press Start

9.5/10

MP1st

9.5/10

SECTOR sk

9/10

PCGamesN

9/10

COGconnected

9/10

Gaming Bible

18/20

Jeux Video

90/100

Gaming Trend

4.5/5

Windows Central

9/10

Shacknews

9/10

GamingBolt

4.5/5

CG Magazine

DEDICATION AND HARD WORK REFLECTED IN THE METACRITIC SCORE OF ALAN WAKE 2



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Very positive overall view on the game

Alan Wake II



[View All Platforms](#)

Released On: OCT 27, 2023

METAScore

Generally Favorable

Based on 46 Critic Reviews

89

USER SCORE

Generally Favorable

Based on 367 User Ratings

8.5

Review success on all platforms



89

Based on 46 Critic Reviews

PC

91

Based on 32 Critic Reviews

XBOX
SERIES X

95

Based on 4 Critic Reviews



CURRENT PROJECT PORTFOLIO



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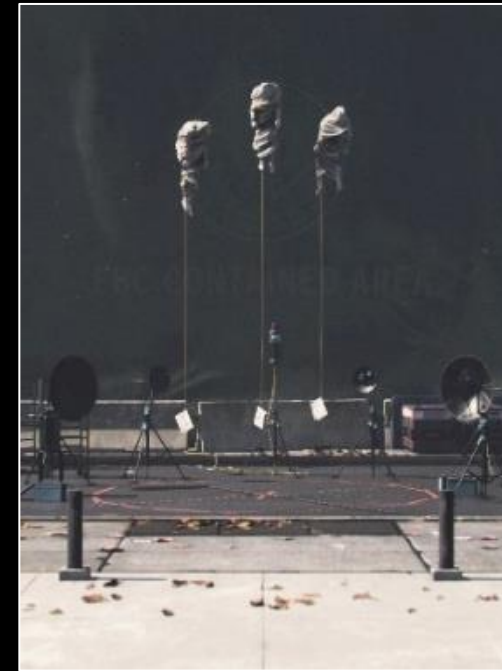
CONTROL

LAUNCHED



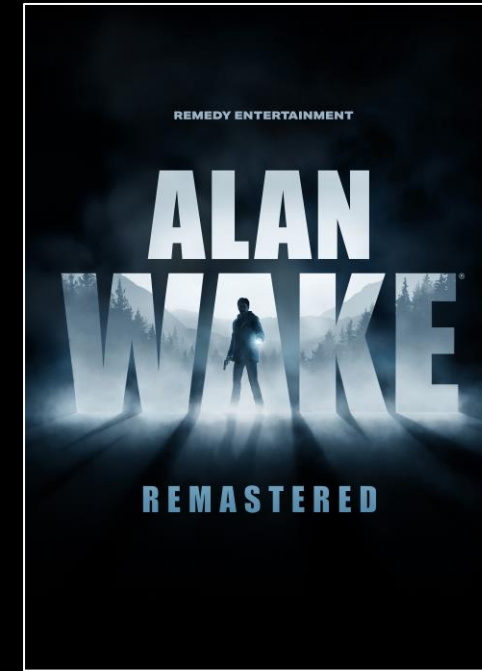
Condor*

PRODUCTION READINESS



Control 2

PROOF-OF-CONCEPT



Alan Wake
Remastered

LAUNCHED



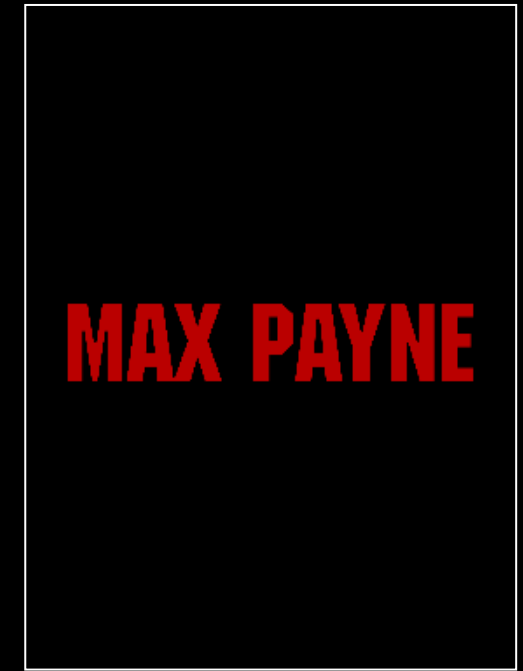
Alan Wake II

LAUNCHED



VANGUARD*

PROOF-OF-CONCEPT



Max Payne
1&2 remake

PRODUCTION READINESS

WITH
505GAMES

WITH
**EPIC
GAMES**

WITH
Tencent

WITH
R*

* project codename

WE CONTINUE TO INVEST INTO OUR WORLD CLASS TALENT POOL



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Remedy talents*
(September 30, 2023)

We utilize and
continue to expand
external development
capabilities

2

**Development
studios**



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

STRONG BASIS AND INVESTMENTS 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

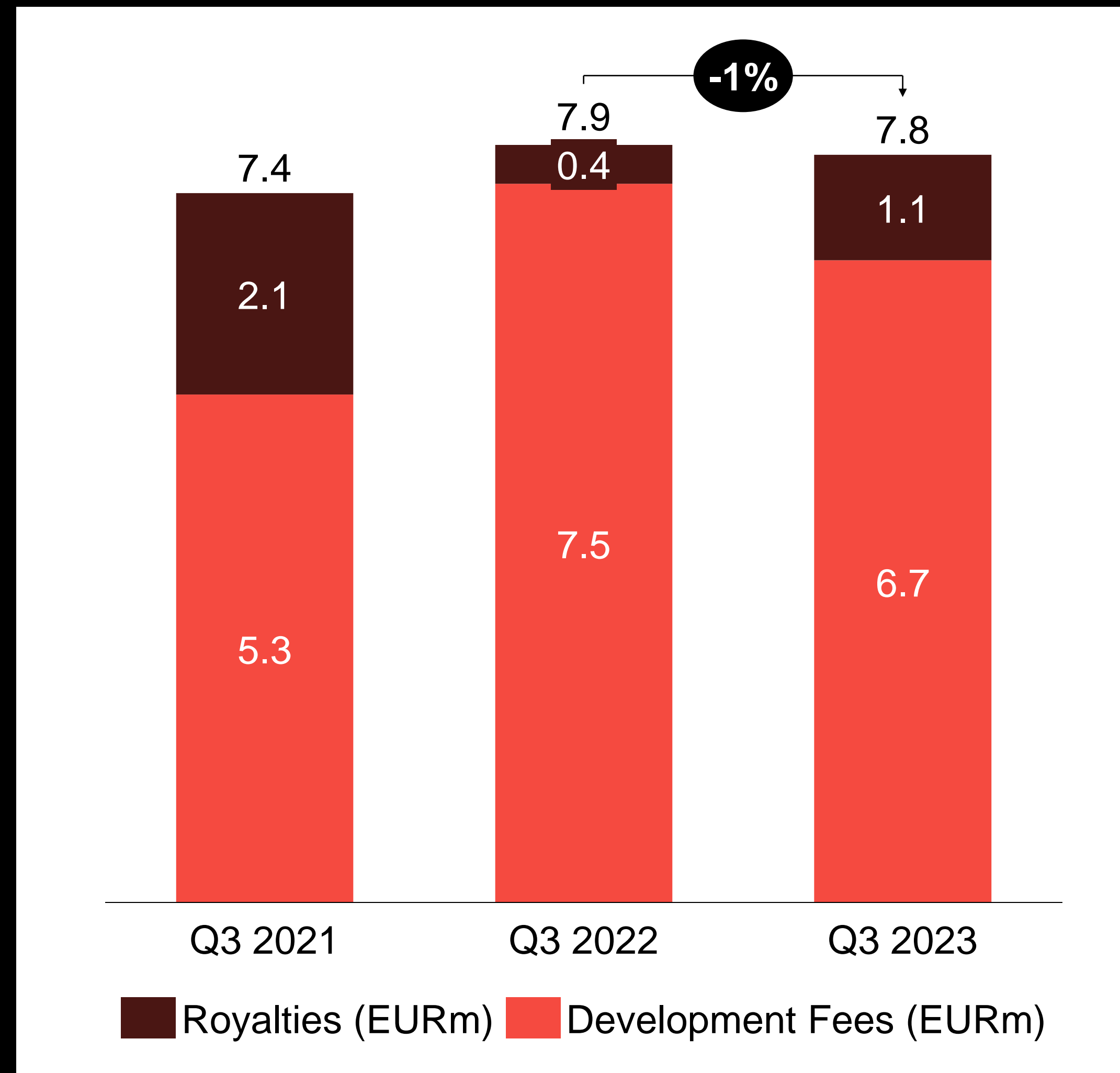
- Ability to develop new games and live operate existing ones.
- Game updates, and new game launches every year.
- Longer-engaging games with recurring revenue.
- Higher royalty upside.
- Direct involvement in game marketing and sales.
- Stronger ability to build, connect and serve our communities.

Q3 2023 Financial Results

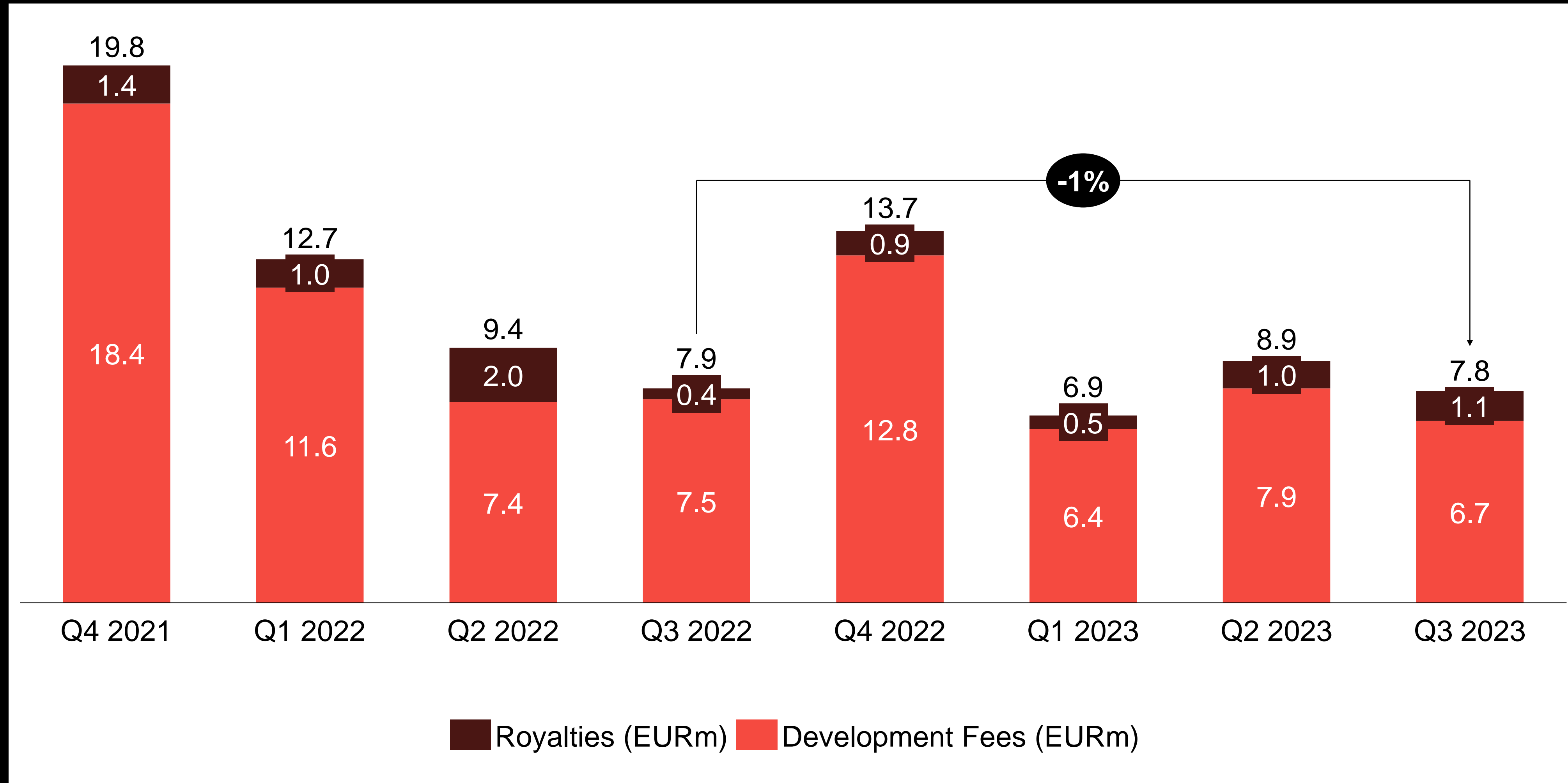
Terhi Kauppi, CFO



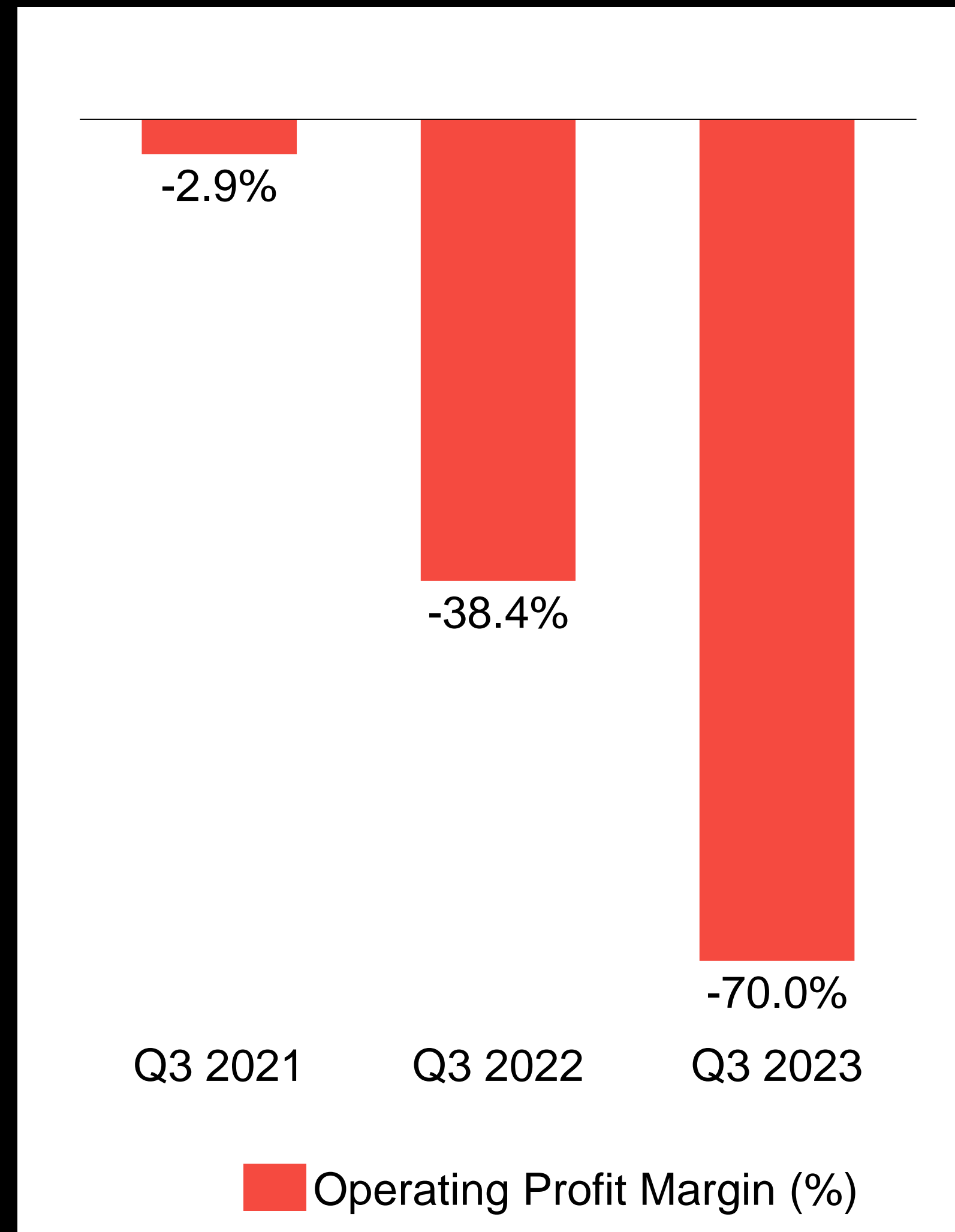
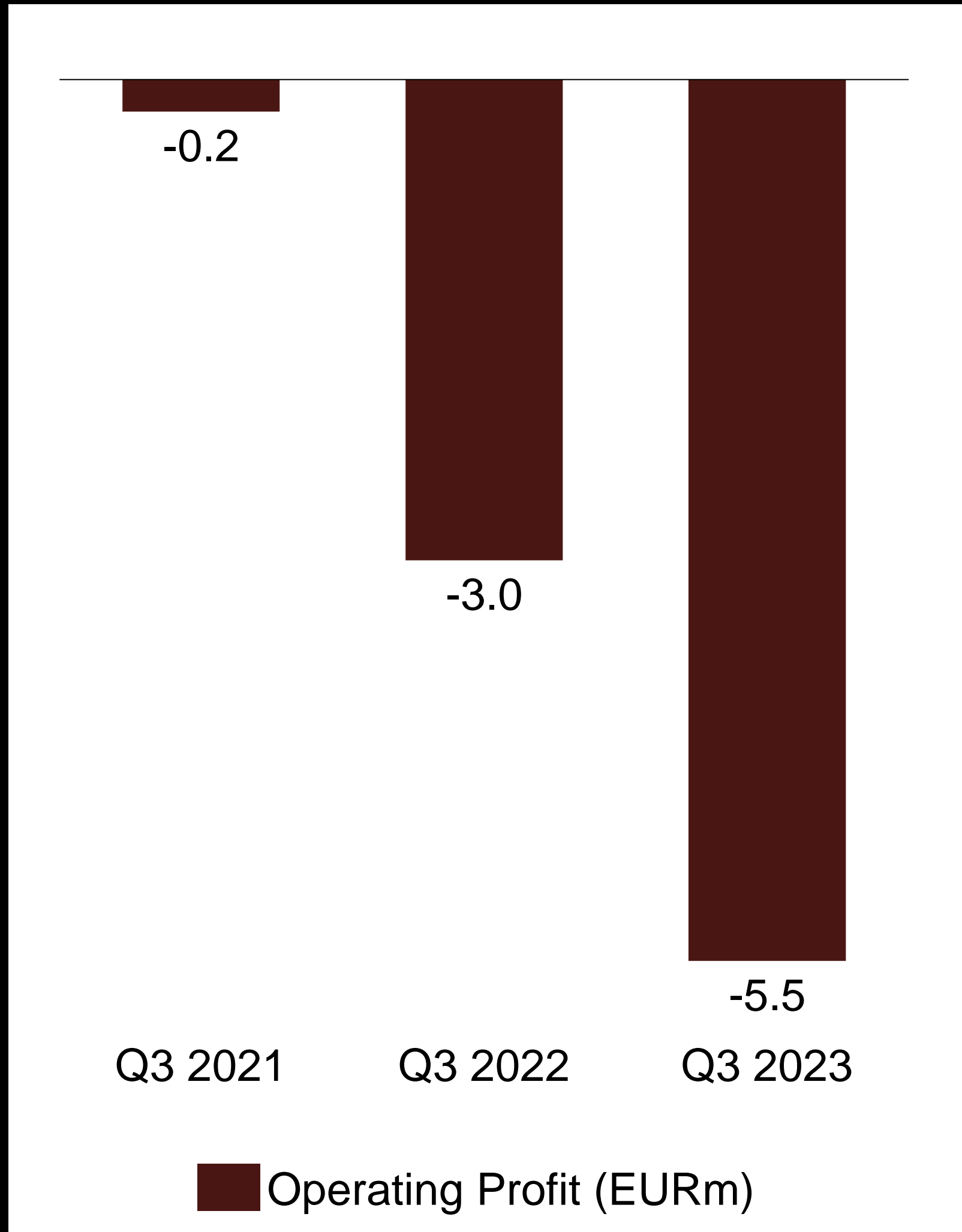
Q3 2023: REVENUE FLAT Y-O-Y, ROYALTIES GREW Y-O-Y DRIVEN BY ALAN WAKE REMASTERED BREAKING EVEN DURING THE QUARTER



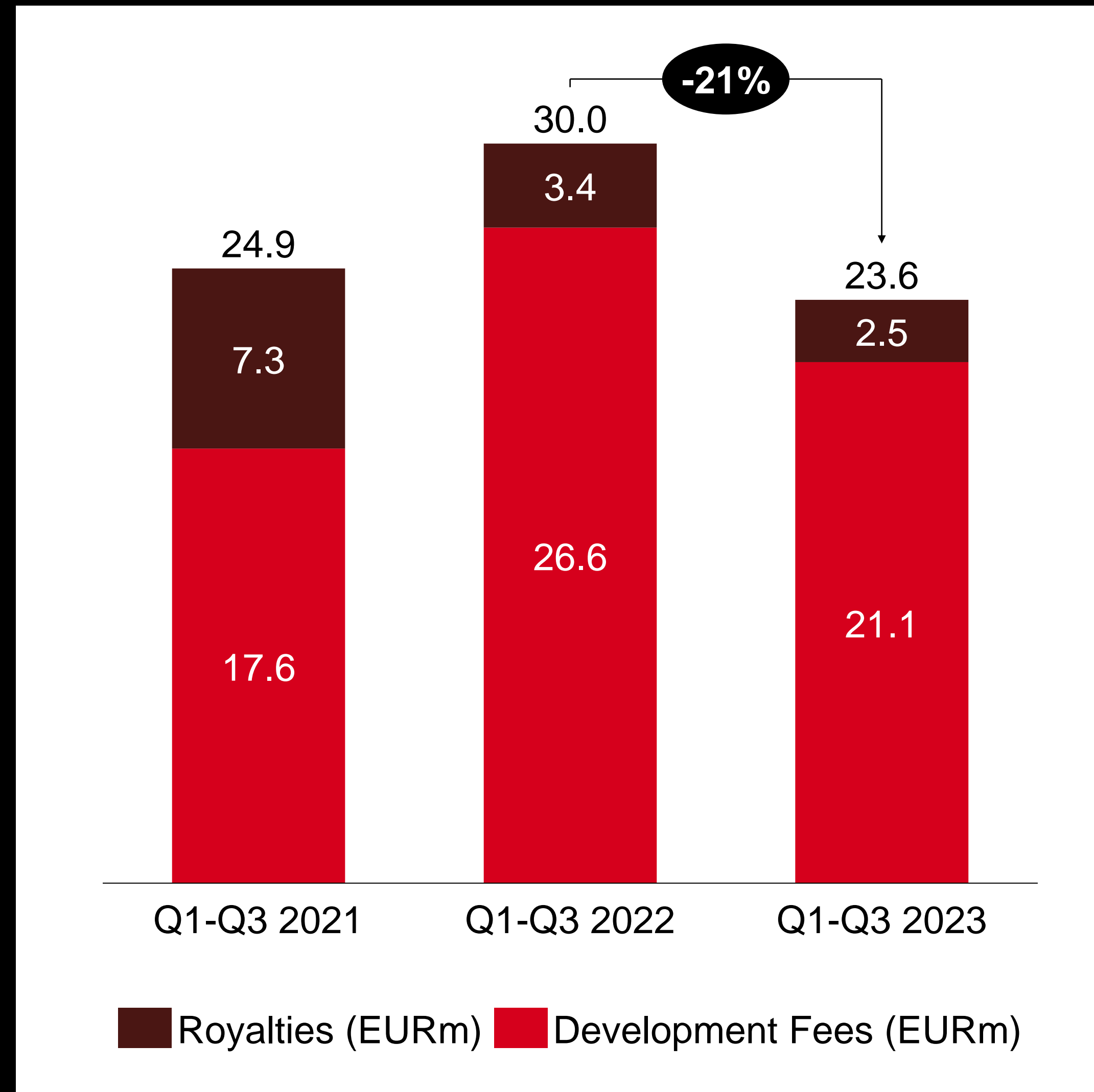
HISTORICAL BREAKDOWN OF REVENUE



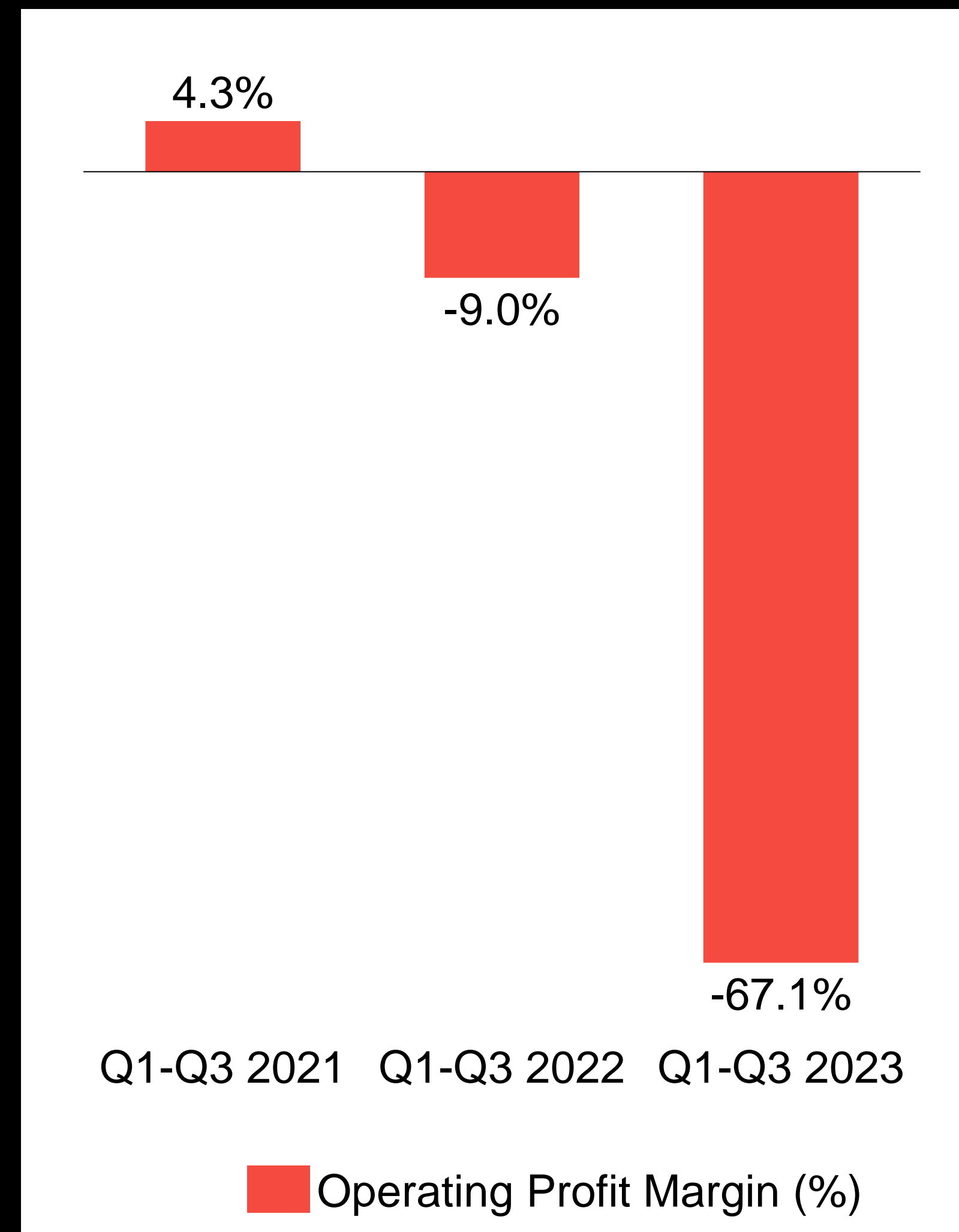
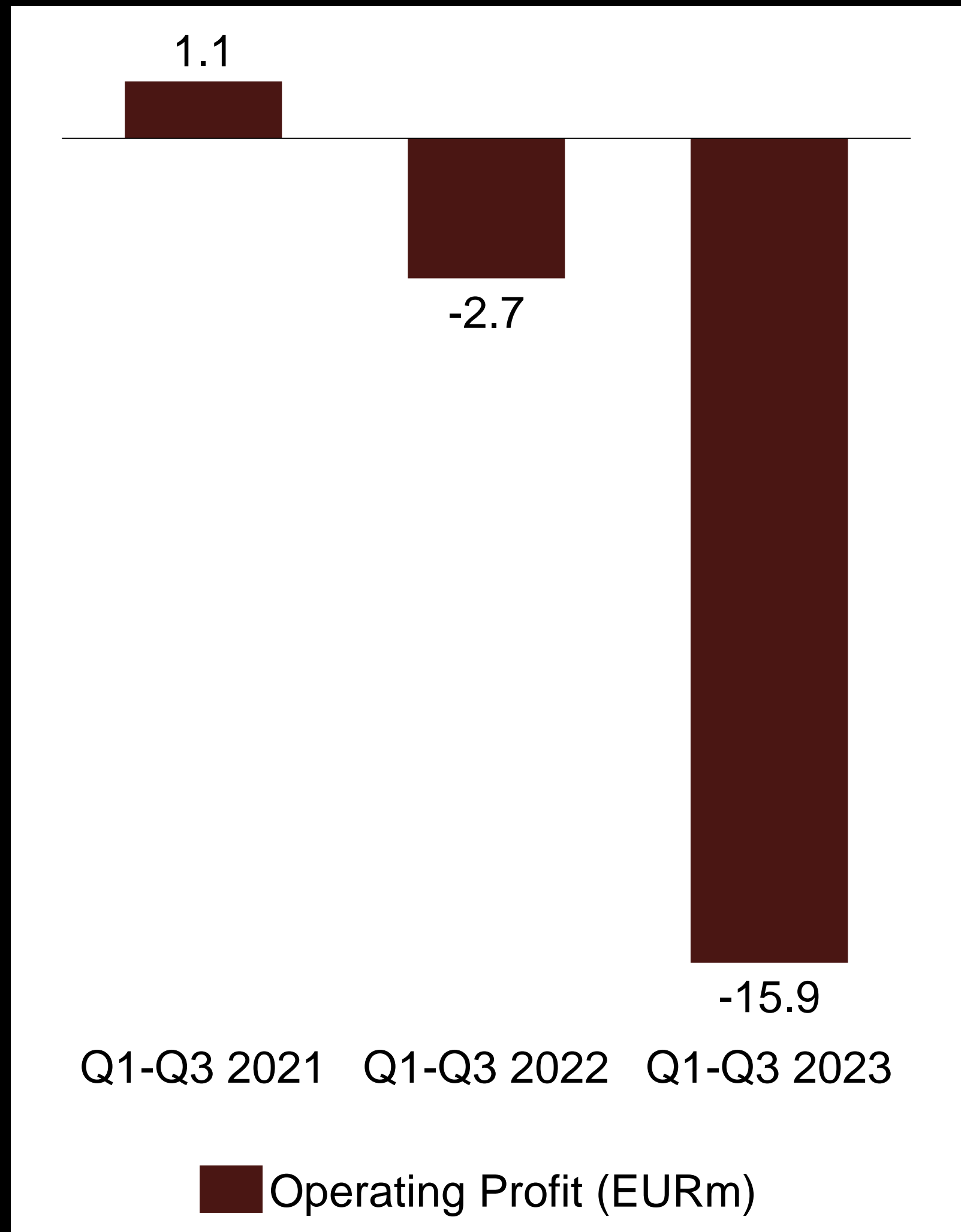
Q3 2023: PROFITABILITY DECLINED WITH OWN GAME INVESTMENTS AT A HIGHER LEVEL



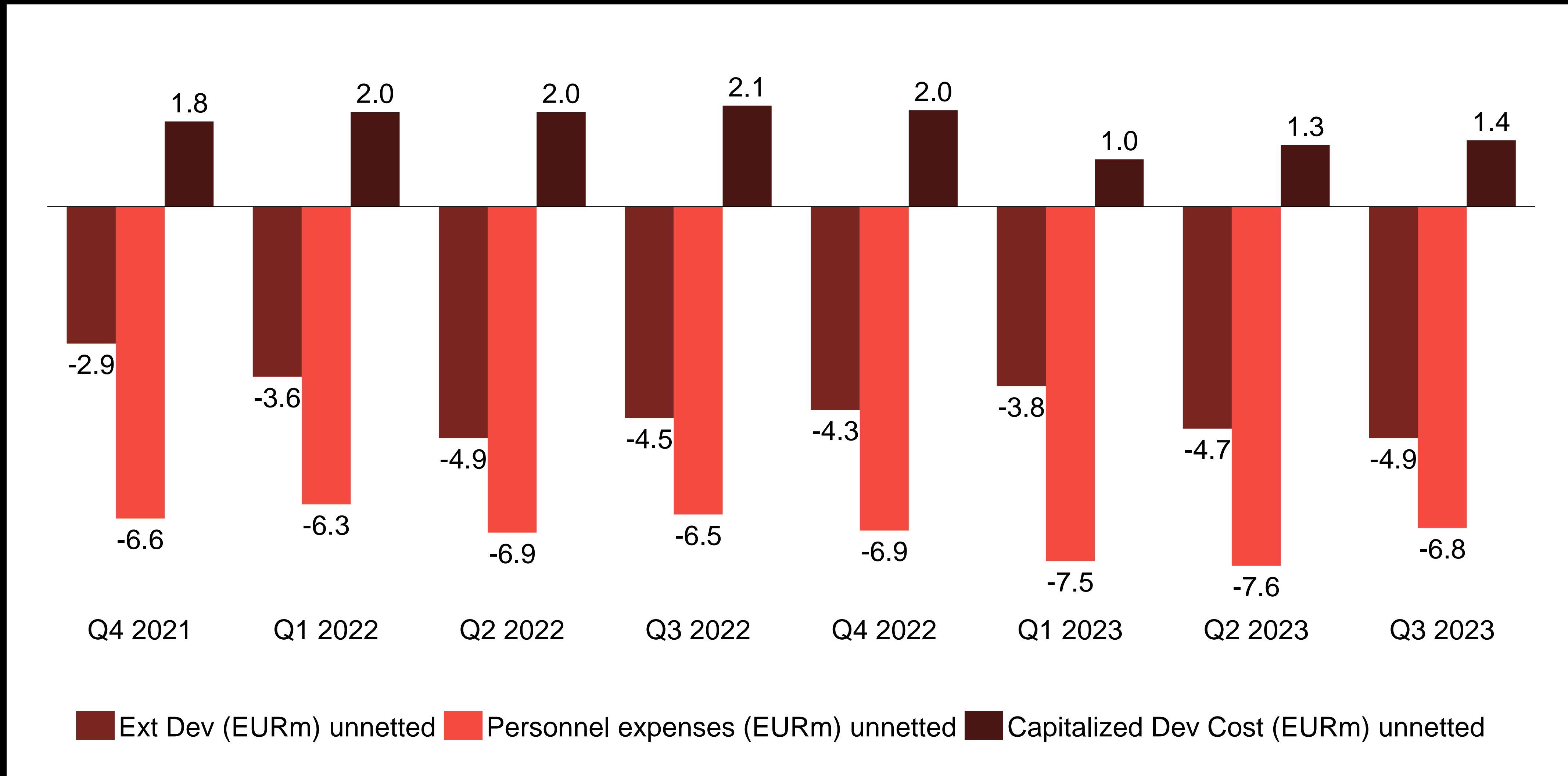
Q1-Q3 2023: REMEDY HAS BEEN INVESTING MORE TO FINANCE PROJECTS RESULTING IN LESS DEVELOPMENT FEES



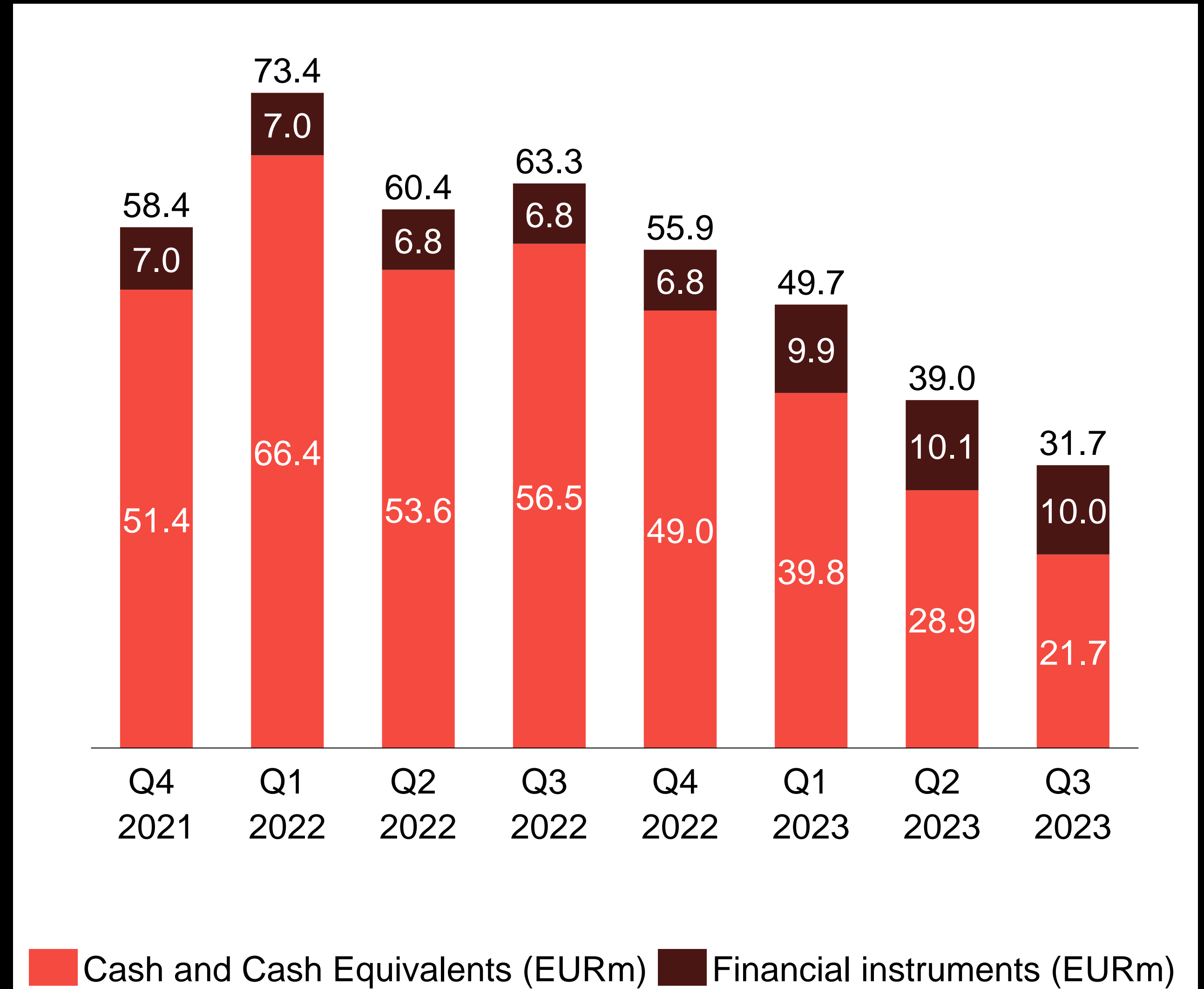
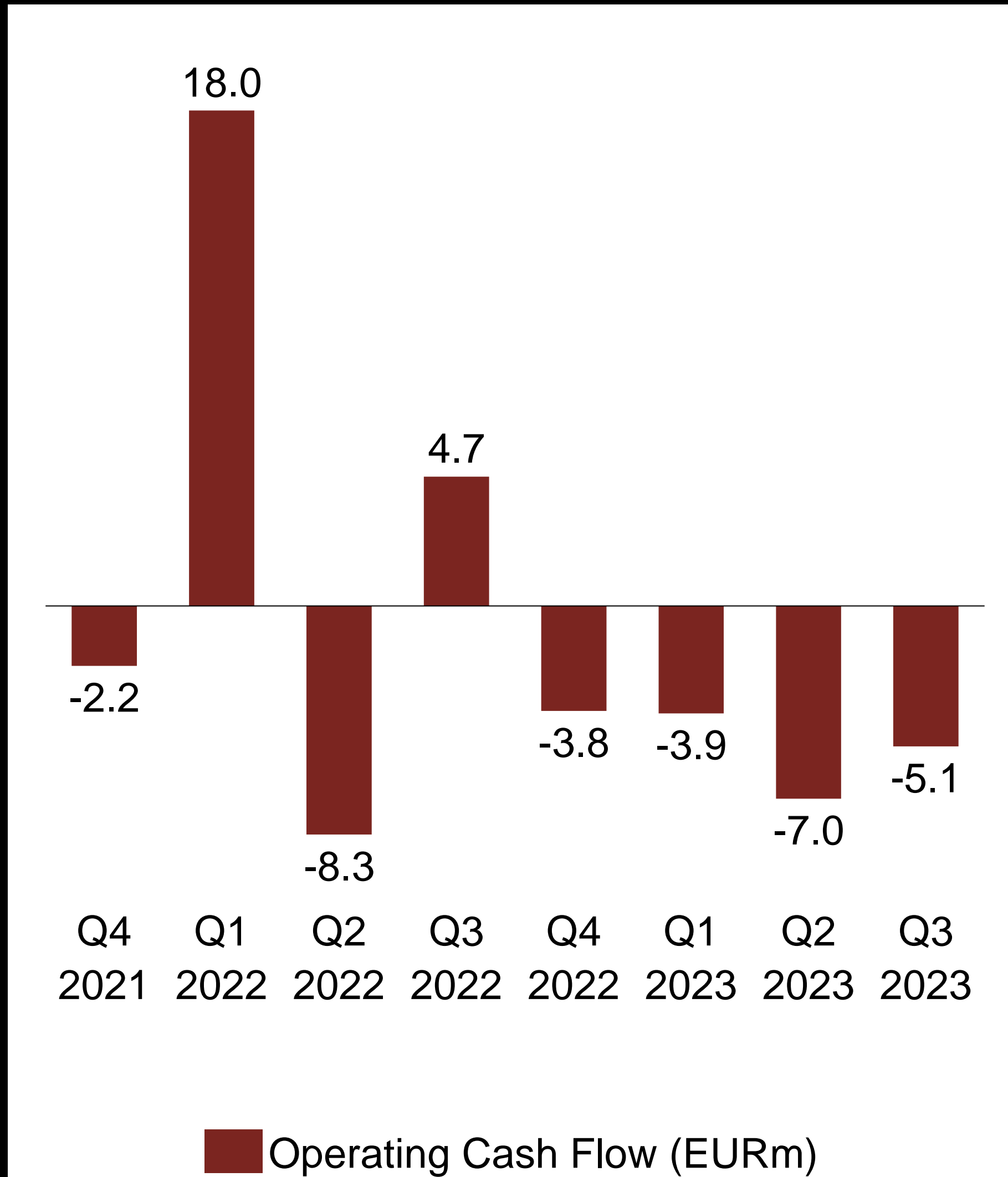
Q1-Q3 2023: INVESTMENT PHASE REFLECTED ON PROFITABILITY: LESS DEVELOPMENT FEES TO COVER DEVELOPMENT EXPENSES



Q3 2023: MARGINAL Y-O-Y INCREASE IN PERSONNEL COST AND EXTERNAL DEVELOPMENT



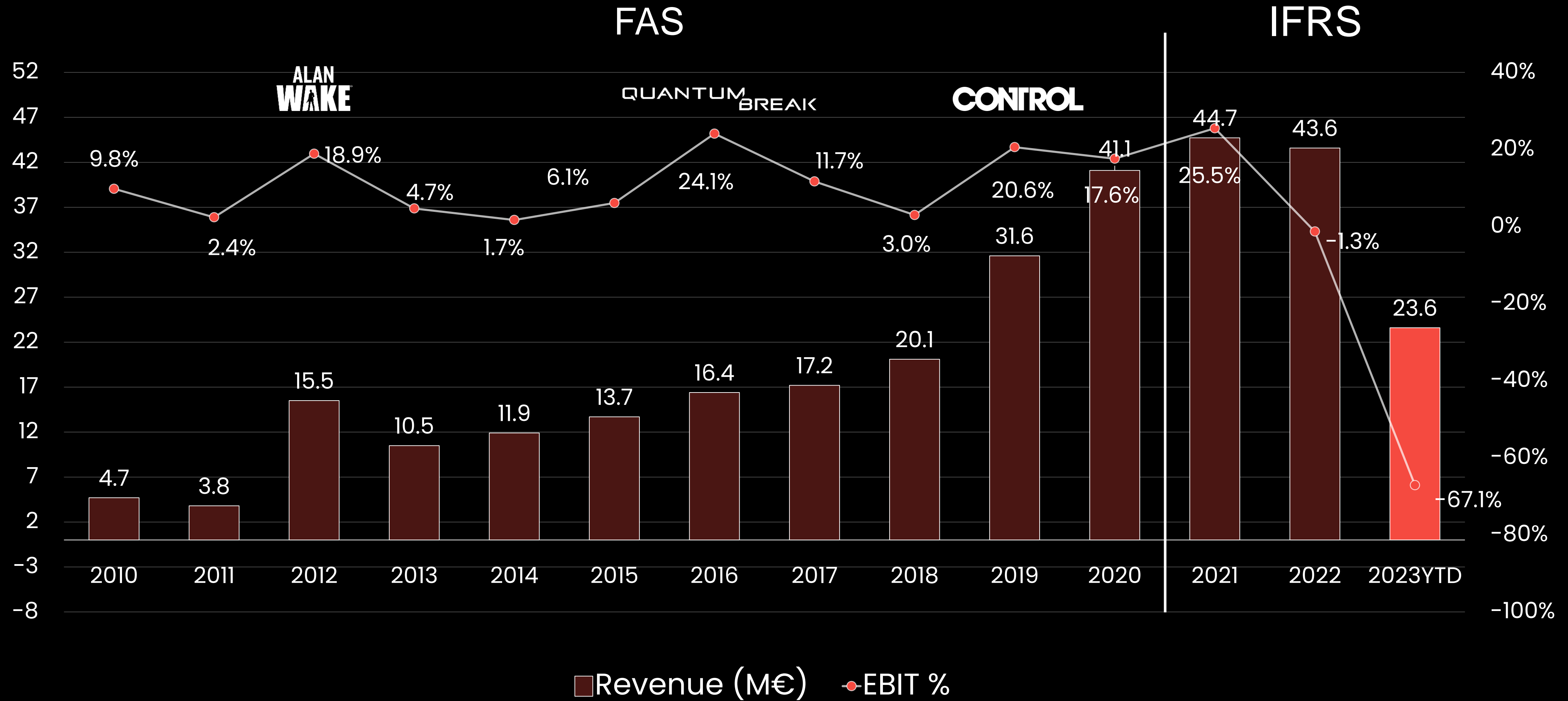
Q3 2023: STRONG CASH POSITION GIVES THE BACKBONE FOR THE CURRENT INVESTMENT PHASE WITH MORE CO-FINANCED PROJECTS



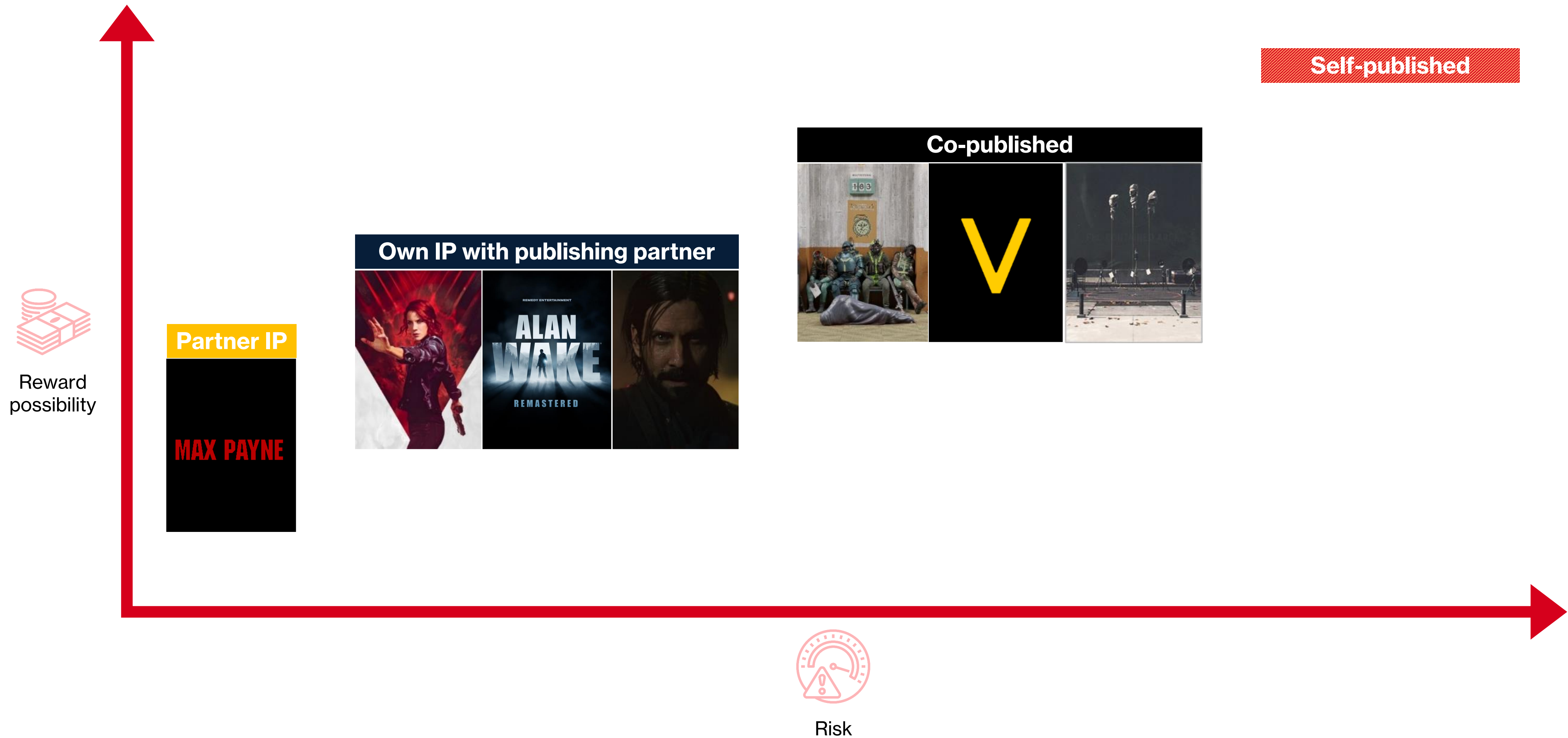
HISTORICAL REVENUE AND PROFITABILITY PROFILE



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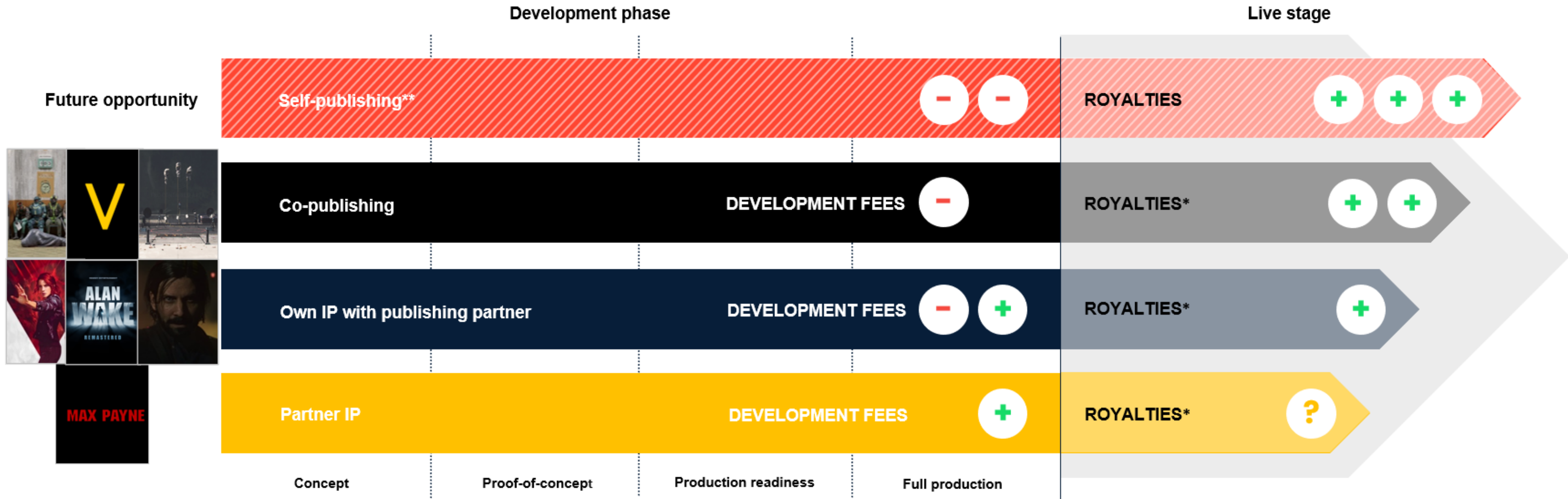
MULTI-PROJECT FUTURE WITH MORE GAMES: BALANCING RISK AND REWARD



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



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Impact on EBIT: - Negative + Positive ? Positive through royalty opportunity

* Possible recoupment has an impact on the timing of royalties

** At the end of June 2023, Remedy did not yet have self-publishing projects in development.

Outlook

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.



LONG-TERM OBJECTIVES (UNCHANGED)



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1 To create several successful games and at least one major hit game

2 To own at least three expanding game brands, all with long-term hit potential

3 To have capabilities to select the right commercial model for each game

4 To be the most attractive gaming industry employer in Europe

5 To reach these objectives while having a profitable and growing business with well managed risks



Questions & Answers



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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     [RemedyGames](#)