



REMEDY
ENTERTAINMENT PLC

ANNUAL REPORT
2023

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Financial Statement and Board of Directors' Report 2023



Corporate Governance Statement 2023



Remuneration Report 2023

Welcome
to our world

REMEDY IN BRIEF

Creator of category-defining games with immersive worlds, unique characters, memorable stories, and polished action gameplay.

Remedy Entertainment is a pioneering, globally renowned video game company. Known for its story-driven and visually stunning action games, Remedy has created multiple successful, critically acclaimed franchises such as Alan Wake, Control and Max Payne. Remedy develops its own Northlight game engine and tools technology that powers many of its games.

The company was founded in 1995 and is headquartered in Espoo, Finland, with an office in Stockholm, Sweden. At the end of 2023, Remedy employed 352 game industry professionals from 33 different countries. Remedy’s shares are listed on Nasdaq Helsinki’s official list with the trading code REMEDY.

Headcount

352

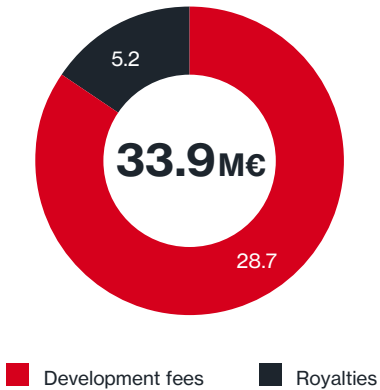
(334 in 2022)

Revenue

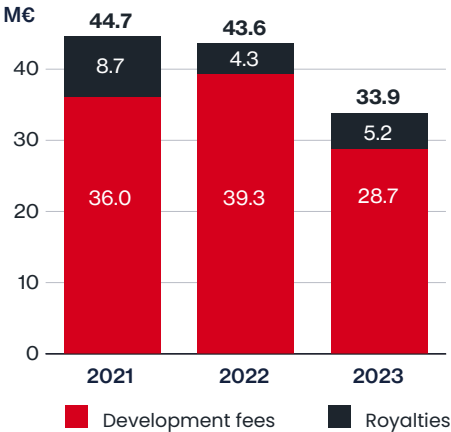
33.9M€

(43.6 M€ in 2022)

Revenue breakdown 2023



Historical revenue breakdown 2021–2023



Men | Women | Other

76% | 23% | 1%

HIGHLIGHTS 2023

Building a well-functioning multi-project model has been one of Remedy’s key goals for years. In 2023, Remedy had the capability to develop five major games simultaneously, and the year culminated with the successful release of Alan Wake 2.

Alan Wake 2 was completed and launched on October 27.

Alan Wake 2 received amazing critic and player reviews and won a number of awards, providing the game with a strong basis for long-term sales. By the end of the year, Alan Wake 2 had sold 1 million units.

Control 2, Condor and Max Payne 1&2 remake made steady, good progress throughout the year.

Codename Vanguard (renamed codename Kestrel) was restarted to give the project a fresh start.

The core teams of our game projects were successfully strengthened during the year, and meaningful improvements were made in how we plan and manage our game roadmap, development personnel and its interdependencies.

Several new developments were made and taken into use by our Northlight technology, tools and services team.

We continued our investment phase to reach our strategic objectives and get towards long-term profitable growth.

Remedy continued its investment phase to advance its long-term strategic objectives.



CEO REVIEW 2023

The year 2023 was a very special one for Remedy. Alan Wake returned after 13 years as we launched Alan Wake 2 at the end of October 2023. This is the first new game launch based on our original intellectual property from the multi-project model that we have systematically been building since the launch of Control back in 2019. The critical reception of the game was phenomenal. A Metacritic score of 89 is an amazing accomplishment. Alan Wake 2 won the Best Direction, Best Narrative and Best Art Direction at The Game Awards along with numerous awards and accolades across the industry. This is a true testimony to Remedy's dedication and ability to create unique games that stand out in the market and are based on creative, artistic, and technical excellence. Despite an extremely competitive launch window and an overall exceptional amount of great game launches throughout the year, Alan Wake 2 sold over 1 million units by the end of 2023, making it the fastest-selling Remedy game. Alan Wake has had an enthusiastic fan base thrilled to see how the story continues.

A year of investments

In 2023, our investment phase continued to enable sustainable and profitable long-term growth. Higher own investments in game projects and a relatively low amount of royalty revenue took a toll on our profitability and cash flow in 2023. However, we expect these investments to materialize through steady high-quality game launches over the next years. This is the right strategic direction for Remedy, and we have just scraped the surface of the possibilities that lay ahead. We have made several updates and improvements to the Northlight game engine technology and tool set. Our multi-project model is running better than before, and the games roadmap is a promising one. On top of that, we have exceptionally talented and passionate personnel who are devoted to making amazing games for an expanding fan base of Remedy games.



Steady progress across the game portfolio

2023 has been an eventful year for our game projects. Control 2 progressed from the concept stage to the proof-of-concept stage. The game team is experienced and dedicated to making Control 2 a worthy sequel to the original award-winning game. The plans are ambitious, and fans have every reason to be excited to see what the future holds for this beloved franchise. Codename Condor, a co-operative multiplayer spin-off game of Control, is our first step towards service-based games. During the year, we learned a great deal about developing such games, and the game team envisioned and successfully proved a strong game concept. The project moved into the production readiness stage, and we are looking forward to moving on with full production in 2024.

The development team behind Max Payne 1&2 remake performed at a high level throughout the year. The project quickly advanced first from the concept to the proof-of-concept stage and then to the production readiness stage. Developing a remake of this cult classic is a fantastic opportunity for Remedy, and we are dedicated to bringing Max Payne back in a high-quality form for new and existing fans alike.

In late 2023, we made the decision to reboot codename Vanguard, now renamed codename Kestrel, and the project was returned to the concept stage. In early 2024, we decided to give codename Kestrel a fresh start to better align the project with our core strengths and the creative vision of the Remedy Connected Universe.

Beginning of the next chapter

We start the year 2024 with great enthusiasm and determination. In addition to continuing to serve Alan Wake 2’s fan base and develop two DLCs for the game, we focus on advancing the other four game projects we have in our games roadmap. The successful launch of Alan Wake 2 highlights our capability to create remarkable games. We now have two established 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, making world-class games at this level requires excellent people, teams, technology, ways of working and partners, and most of these we have in place. However, there is still room to improve, and we will continue to work hard to be better and enable even bigger successes in the years to come. It is very fair to say that this year has been merely the beginning of the next chapter in our story.

TERO VIRTALA

Chief Executive Officer

WHY INVEST IN REMEDY

- 1** Operating in a massive and steadily growing gaming market with a total market size of almost USD 200 billion. Remedy's target market PC & console games is approximately half of that.
- 2** One of the most highly regarded independent game studios, capable of creating the highest production value AAA games. In this segment the barriers to entry are high and out of the approx. 150 AAA capable game studios only approx. 30 are independent and able to freely decide what to create and with whom to partner.
- 3** A consistent track record and a rare capability to create new game IPs, and to develop excellent games that stand out in the market and that players engage with for years.
- 4** Two established 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. Additionally, Remedy has a strong foundation to work with partner IPs.
- 5** Proprietary Northlight game engine technology and tool set, development team and ways of working. All this has been systematically built for over two decades for the specific needs of Remedy games, with synergetic benefits across the games roadmap.
- 6** Multi-project model as a backbone for steady future game launches and a games roadmap with a balanced risk-reward profile combining different business models and types of games, all based on Remedy's proven core strengths.
- 7** Well-established and connected player in the games industry with a network of high-quality publishing partners supporting in developing masterpiece games.
- 8** Games made by world-class passionate and talented individuals operating in well-functioning teams. Remedy is seen as an exceptionally attractive employer in the recruitment market.



STRATEGY & OPERATING ENVIRONMENT

Creating distinctive, long-engaging games, while evolving towards a higher-margin, more scalable consumer business with the right partners and a diversified basis for revenues.

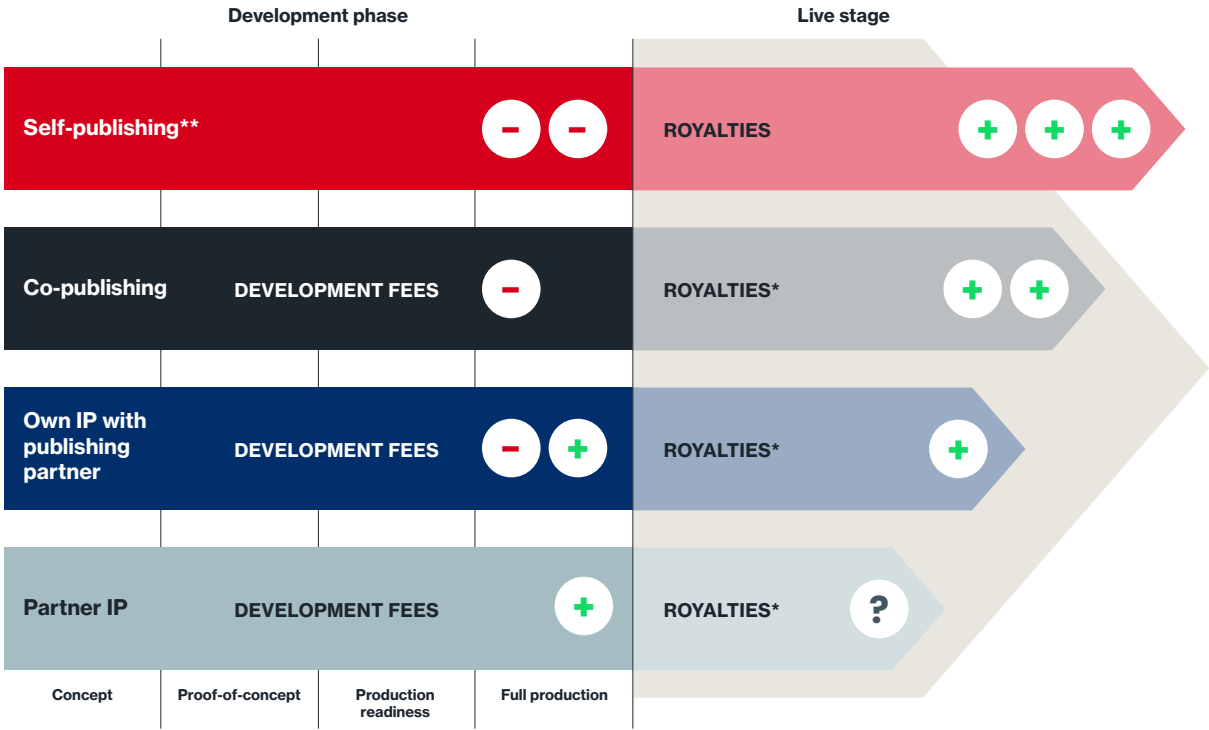
BUSINESS MODEL

In partner IP projects, Remedy's partner funds the development of the game and Remedy develops it according to agreed specifications. Remedy receives development fees, typically with a margin, as the game development reaches the jointly agreed milestones. Remedy or the partner originates the game concept. In this model, the partner retains control of the intellectual property rights to the game and publishes, distributes, and markets the game. The project can include a royalty opportunity, typically after recouping development and marketing investments, for Remedy that is tied to the game's success. Partner IP projects carry a lower financial risk for Remedy, but participation in the game's success is also limited.

In own IP projects with a publishing partner, Remedy's partner typically funds the game development, partially or in full. Remedy creates and retains the intellectual property rights of the game and is responsible for the development of the game. The partner publishes, distributes, and markets the game. As the game development progresses, Remedy receives development fees upon reaching the agreed milestones. Unlike in partner IP projects, these development fees are typically without margin, as they are intended to only cover Remedy's development expenses to the level agreed with the publisher. Once the game is launched, these development expenses, the partner's marketing costs, and other costs may be recouped against game sales. After the development, marketing, and other agreed costs are covered, Remedy starts receiving royalties from game sales. Own IP projects carry a higher financial risk but also a greater royalty potential for Remedy.

In co-publishing projects, Remedy and its partner co-fund the development of the game. Remedy carries the main responsibility for the development, while publishing, distributing, and marketing responsibilities are distributed between the two companies as per agreed terms. For Remedy, co-publishing projects carry a relatively high financial risk but also a greater royalty potential. In these projects Remedy is also more involved in the commercialization of the game. Typically, the royalty potential reflects the split in the project financing.

Self-publishing is a potential future publishing model for Remedy. It has the highest financial risk but also the greatest revenue potential through game royalties. In self-publishing projects, Remedy fully funds the game development and marketing. As Remedy also acts as the game publisher, all royalties are directly realized as revenues after deducting fees related to, e.g., store fees, value added taxes, quality assurance, and localization. At the end of 2023, Remedy did not yet have self-publishing projects in development.



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

* Possible recoupment has an impact on the timing of royalties.
** At the end of 2023, Remedy did not yet have self-publishing projects in development.

TWO COMMERCIAL MODELS AS A SOURCE OF POTENTIAL GAME ROYALTIES

Remedy has two commercial models for its games in development:

- 1) **Premium fixed price games with additional payable downloadable content (DLC)** and
- 2) **service-based fixed price games with additional payable downloadable content with live operations.**

Revenue generated by selling games to consumers is shared between Remedy's publishing partner and Remedy. The share received by Remedy is referred to as royalties.

1 Premium fixed price games

Premium fixed price games with additional payable downloadable content is the model used in all of Remedy's existing games. Games such as Control and Alan Wake 2, as well as some of the games in the development pipeline, such as Control 2, are in this category. These games are AAA titles, and they are either published and distributed by a publishing partner or, in a co-publishing model, co-published and distributed by Remedy and a publishing partner.



2 Service-based fixed price games

Service-based fixed price games with additional payable downloadable content can become an increasingly important commercial model for Remedy in the future. These are premium games that may have a lower initial price point but a long tail of revenue through updates, game expansions and potentially microtransactions. For these games, a key differentiator is the post-launch live operations phase meant to keep players engaged for years. This model will be used for example in codename Condor, a multiplayer spin-off game of Control.

STRATEGY

Creating several successful games and at least one major hit game

Remedy's games are built on top of our core creative strengths. Going forward, we aim to further expand our capabilities to enable new, even more scalable games. At the same time, we continue to develop our efficient multi-project model, production processes, and strong execution capabilities. We also increase scalability by expanding co-development with partner studios.

Expanding game brands

We aim to own at least three expanding game brands, all with long-term hit potential. We have the rare skill of creating world-class, expanding gaming brands that we own ourselves. Out of these brands, we create distinctive, benchmark-setting games. We provide memorable experiences, which are built on top of our world-building, storytelling, and gameplay capabilities. We also leverage synergies across games and create new ways to engage our players for longer periods. Each game and game world creates opportunities for expansions, sequels, and spin-offs.

Selecting the right business model

To create more value in the future, we are developing our capabilities and the way of working with world-class publishing partners. In a deepening co-operation with our partners, we co-publish and co-finance selected games. At the same time, we keep on developing our own product management and publishing capabilities. In the future, we also have the option to self-publish selected games.

Becoming the most attractive gaming industry employer in Europe

We continue to invest in our creative, world-class people and support them with best-in-class HR processes. We systematically build our employer brand to attract top talent. We enable people and teams to work efficiently by providing them with sufficient autonomy and support to fully utilize and develop their special skills.

Having a profitable and growing business

We have a balanced portfolio of game projects, ranging from partner IP projects to co-publishing and even potentially self-publishing some games in the future. These different types of projects have different risk vs. reward profiles as well as financing and business models. We are gradually evolving from the current development fee-focused business towards a higher-margin, more scalable consumer business while maintaining a close relationship with our development partnerships. This supports us in our next growth leap during the coming years.



REMEDY'S LONG-TERM STRATEGIC OBJECTIVES BY 2025

Objective	How to achieve it?	Progress in 2023		
1 To create several successful games and at least one major hit game	We build games on top of our core creative strengths. Going forward, we aim to further expand our capabilities to enable new, even more scalable games. We attract, develop, and retain world-class people. With these people, we systematically create high-performing teams and help them to realize our game visions and succeed. We continue to develop our multi-project model, production processes, and strong execution capabilities.	We have made several updates and improvements to the Northlight game engine technology and tool set. Our multi-project model is running better than before, and our game teams are in great shape to advance the projects with success. We had four games in development at the end of 2023 together with world-class business partners and an experienced core development team assigned to each game.		
2 To own at least three expanding game brands, all with long-term hit potential	We have the rare skill of creating world-class, expanding gaming brands that we own ourselves. Out of these brands, we create distinctive, benchmark-setting games. We provide memorable experiences, which are built on top of our world-building, storytelling, and gameplay capabilities. We leverage synergies across games and create new ways to engage our players for longer periods. Each game and game world create opportunities for expansions, sequels, and spin-offs.	Out of the four games in development at the end of 2023, three are based on Remedy-owned brands and one on an external brand with a great strategic fit for us. Alan Wake 2 was launched on October 27, 2023, with great critical reception, winning the Best Direction, Best Narrative, and Best Art Direction categories at The Game Awards along with numerous other awards and accolades across the industry.		
3 To select the right business model for each game: partner IP, own IP with a publishing partner, co-publishing, or self-publishing	To create more value in the future, we are developing our capabilities and way of working with world-class publishing partners. In a deepening co-operation with our partners, we co-publish and co-finance selected games. At the same time, we keep on developing our own product management and publishing capabilities. In the future, we also have the option to self-publish selected games.	Own IP with a publishing partner Control, Alan Wake Remastered and Alan Wake 2	Co-publishing Codename Kestrel	Under consideration* Control 2 Codename Condor * On February 28, 2024, Remedy acquired full rights to the Control franchise from 505 Games and at the time of the publication of Annual Report 2023 had initiated the process to weigh up the options between self-publishing and a new publishing partner for Codename Condor and Control 2.
		Self-publishing No self-published games as of yet	Partner IP Max Payne 1&2 remake	
4 To become the most attractive gaming industry employer in Europe	We continue to invest in our creative, world-class people and support them with best-in-class HR processes. We systematically build our employer brand to attract top talent. We enable people and teams to work efficiently by providing them with sufficient autonomy and support to fully utilize and develop their special skills.	Number of personnel at the end of 2023 352 (334 at the end of 2022), growth +5%	Nationalities Our people represent 33 nationalities.	
5 To have a profitable and growing business with well-managed risks	We have a balanced portfolio of game projects, ranging from partner IP projects to co-publishing and even potentially self-publishing some games in the future. These different types of projects have different risk vs. reward profiles as well as financing and business models. As a more experienced company, we can now develop five games simultaneously and evolve from the current development fee-focused business towards a higher-margin, more scalable consumer business while maintaining a close relationship with our development partnerships. This supports us in our next growth leap during the coming years.	Net sales in 2023 EUR 33.9 million (EUR 43.6 million in 2022)	Operating profit in 2023 EUR -28.6 million (EUR -0.6 million in 2022)	

OPERATING ENVIRONMENT

The year 2023 was characterized by several major game launches.

According to Newzoo, a games market research firm, the global games market in 2023 totaled USD 184.0 billion, with +0.6% year-on-year growth. Even if the market growth was modest in 2023, a step up in market growth is expected in the upcoming years with a CAGR (2023 to 2026) of 3.7% to reach USD 205.4 billion by 2026.

In 2023, the PC segment portrayed the strongest year-on-year growth with +5.3%, while the console segment grew by +1.7%. The mobile segment decreased by -1.4%. The size of the PC and console game markets were USD 38.4 billion and USD 53.1 billion, with market shares of 21% and 29% respectively. Mobile games continue to be the largest segment, representing 49% of the market with revenues of USD 90.5 billion.

On a regional level, each but the largest games market, Asia-Pacific -0.8%, grew year-on-year. The strongest revenue growth was seen in the mobile-first markets of the Middle East and Africa, where the growth rate reached +4.7%, and Latin America, which grew by +3.8%. North American and European games markets returned to growth albeit at slower growth rates of +1.7% and +0.8% respectively.

In 2023, there were 3.3 billion players globally, up by 4.3% from 2022. The number of players is expected to increase to 3.7 billion by 2026, representing a five-year CAGR of +3.7%.



TRENDS IN GAMING

Trusted brands continue to dominate the charts

The games market growth in 2023 was predominantly driven by PC games followed by console games. The PC segment had several successful new game launches, and PC exclusive live service games continued to perform well. Similarly, in the console segment there were a number of new games that were praised by critics and fans alike throughout the year. Multiple games that were initially planned to be launched in 2022 got postponed to 2023, contributing to the growth of the PC and console segments. There has been a shift towards live services, although the more traditional games also have a place in the market. Established IPs continue to dominate the top-grossing charts. Companies keep exploring new ways to better monetize current players, diversify revenue streams, and increase the size of the total addressable market. The role of live services is important to support long-term player engagement.

Gaming is becoming a mainstream hobby

The number of global players grew by 4.3% year-on-year, driven by all segments and led by mobile. Mobile game revenues were down year-on-year due to tightened privacy policies and regulations, but the number of players kept increasing due to improved mobile internet infrastructure, affordable access to the internet, the availability of affordable gaming, and the growing number of smartphone users in the emerging markets. It is safe to say that gaming has become a mainstream hobby. A good number of the players that started playing during the COVID-19 lockdowns have continued to consume gaming even after the economy has

normalized. The year saw several successful transmedia releases exposing players and non-players alike to gaming IPs. Transmedia allows companies to expand their audience beyond those who are attracted to just one of the consumption methods previously available.

Games-as-a-service business model is growing in popularity

Games are increasingly becoming services that players want to consume more regularly and over a longer period of time. Players desire new content and need to be re-engaged on an ongoing basis. A lot of game studios have made the transition towards the games-as-a-service business model with an emphasis on live operations, and this trend, while not a problem free one, is expected to continue. As a part of this transition, game companies are adopting hybrid monetization strategies, blending up-front payments, in-game purchases, in-game ads, and subscriptions to maximize revenue.

The rise of social media platforms and influencer marketers

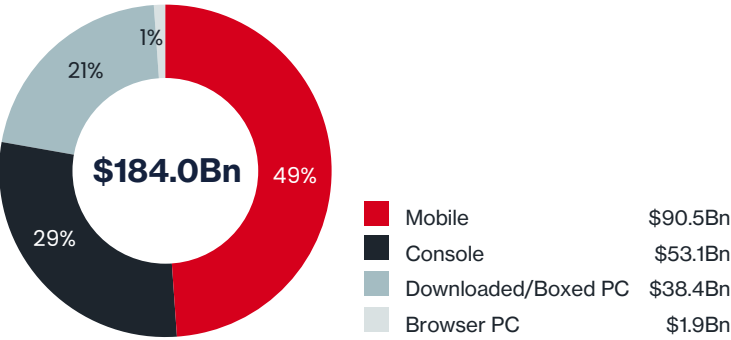
New social media platforms have transformed the way games are marketed. Influencer marketers and content creators have established their position as an important and trustworthy source of information, which they have turned into entertainment. For some players, their impact is becoming greater than that of the traditional gaming media, and hence game companies need to find ways to best incorporate content creators into their marketing mix. User-generated content is an important tool to increase engagement, and typically, it is also closely tied to influencers and content creators.



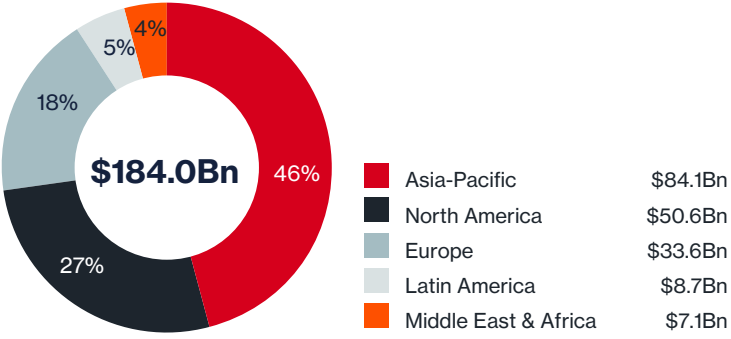
High-quality games with well-recognized IPs is the way to stand out in the market

Year 2023 had an exceptional series of high-quality game launches. Among the top launches were several high-profile franchises with well recognized iconic brands. Players' game libraries have grown driven by great launches and game subscription services as well as the popularity of mobile gaming. This has resulted in stiff competition for players' time and attention. Mediocre games will find it difficult to succeed, meaning that having the right people, great teams and the ability to deliver games that stand out will be ever more important. The role of sequels has become increasingly important because games that are built on an established franchise benefit from the success of their predecessors and an existing fan base eagerly waiting for the next chapter in their beloved story.

Global Games Market 2023*
Per Segment

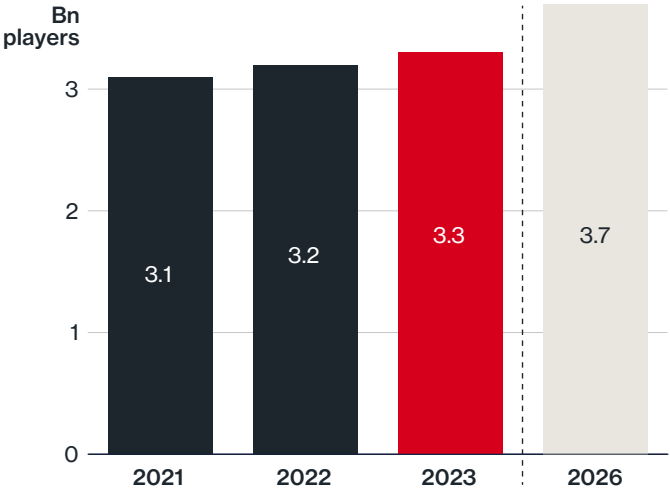


Global Games Market 2023*
Per Region

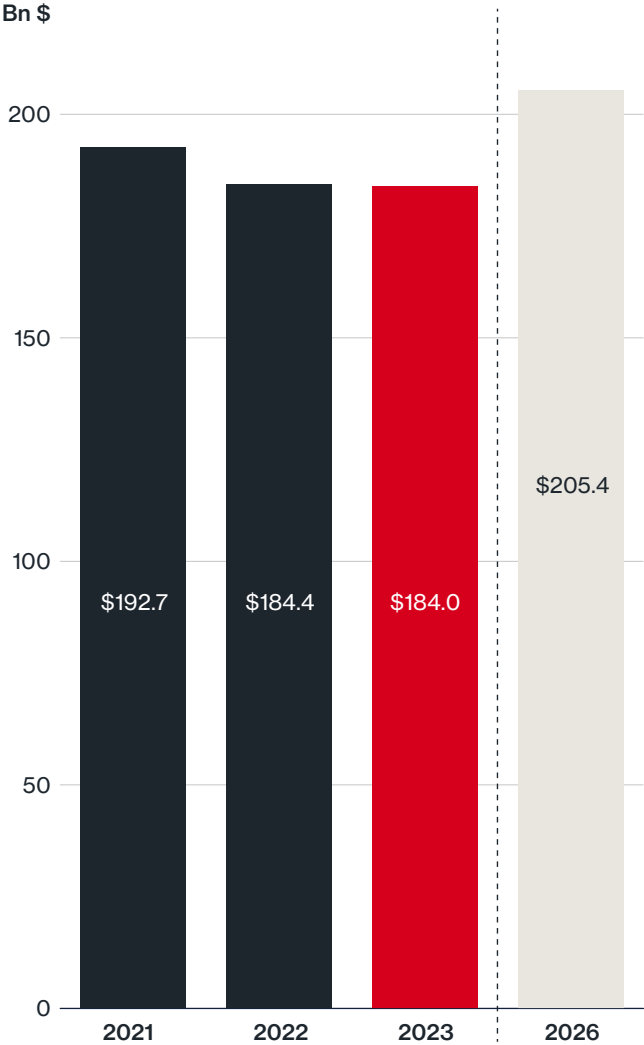


“Market expected to
return to the growth path
after 2023.”

Global player forecast*
2021-2026








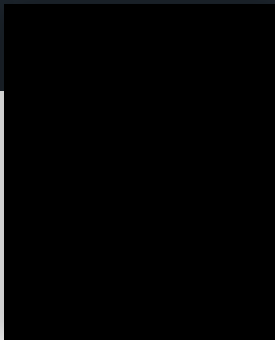




Global Games Market Forecast*
2021-2026



GAMES

Remedy's games are known for immersive worlds, iconic characters and memorable stories, combined with polished action gameplay. We strive for games that stand out in the market and offer players a unique experience.

REMEDY'S GAME PORTFOLIO 2023

						
Control	Condor*	Control 2	Alan Wake Remastered	Alan Wake 2	Kestrel**	Max Payne 1&2 remake
Launched	Production readiness	Proof-of-concept	Launched	Launched	Concept	Production readiness
			with		with	with
						

* Project codename
** Project codename, previously codename Vanguard

STAGE GATE PROCESS

A disciplined way to turn a vision into reality.

Our stage gate process describes Remedy's way of taking a game from an idea into reality. The process is divided into five development stages and the live stage. The model described below applies to AAA games with budgets ranging from EUR 30 million to EUR 60 million, in which Remedy owns the IP. The process for games based on partner IPs may differ from this description. Also, the development of service-based games such as Codename Condor may deviate from this process.

Remedy's stage gate process*

MANDATE	CONCEPT	PROOF-OF-CONCEPT	PRODUCTION READINESS	FULL PRODUCTION	LIVE STAGE
INDICATIVE TEAM SIZE Studio and Project Management	INDICATIVE TEAM SIZE Less than 20	INDICATIVE TEAM SIZE Less than 50	INDICATIVE TEAM SIZE Less than 75	INDICATIVE TEAM SIZE 75+ and with external staff can total up to 200	INDICATIVE TEAM SIZE 10–20 working on updates, 20–30 working on DLCs
TARGET DURATION 1–2 months	TARGET DURATION 3–6 months	TARGET DURATION 4–12 months	TARGET DURATION 3–6 months	TARGET DURATION 15–26 months	TARGET DURATION 1–2 years with 1–3 DLCs

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* This stage gate process applies to traditional AAA games in which Remedy owns the IP. The process and its duration for service-based games or games based on partner IPs may differ from this description.



MANDATE	CONCEPT	PROOF-OF-CONCEPT	PRODUCTION READINESS	FULL PRODUCTION	LIVE STAGE
<p>The mandate stage is the start of the game project. Here, we set the high-level goals of the game, as well as its constraints. This phase typically involves the Executive Producer of the game and selected members of the future core leadership team, sharing the vision with the studio management. We strive to align what we are aspiring to create, what is the target audience, why do we want to make the game and how will we execute the project. In addition, we define the initial project budget, timeline, motive, and the required resources.</p>	<p>In the concept stage, we define the precise and comprehensive creative vision. We define what the game is all about, including a more detailed description of the narrative, the theme, and the key characters. We go further into determining the artistic style, game design and core gameplay elements. Following these decisions, we make a simplified game prototype that allows us to test and iterate the concept further. On top of this, we build understanding of the project's business and technical requirements to assess the feasibility of the project and to determine the project budget in more detail. Typically, the first concrete partner discussions are initiated in the concept stage.</p>	<p>In the proof-of-concept stage, it is all about producing a piece of the game to prove the core experience. This is our way of validating the game concept and determining how the game will be developed. We map out the biggest risks and potential bottlenecks to the game project. In addition, we define the components and the capabilities that are needed to complete the project. We outline a detailed project management plan and create a playable demo of the game to further iterate the idea. These are presented to our potential partners in publishing negotiations, which are typically concluded in this stage.</p>	<p>In the production readiness stage, we define the crafts needed for the project and set up the game team accordingly. We optimize staffing both internally and externally. We finalize the production plan and finish designing and implementing the production pipelines to fully understand the requirements for scaling up the project into full production.</p>	<p>The full production stage is divided into the Alpha and the Beta stage. In the Alpha stage we execute the production plan and focus on passing the development gates at a high-quality timely manner. The goal is to create the full game with complete content, matching the creative vision of the team. In the Beta stage, we carry out the final quality assurance and clear up bugs, resulting in a finetuned and polished gameplay experience.</p>	<p>Once the game is launched, we analyze player behavior and review the learnings so that we can further update and develop the game. We optimize player engagement to keep the players within the game for as long as possible to maximize the lifetime value per player. Our AAA games typically warrant at least 1–3 expansions, whereas games based on the Games-as-a-Service business model will be operated live on an ongoing basis for years.</p>



CONTROL™

Fair warning: this is going to be weirder than usual.

The Federal Bureau of Control has been usurped by an otherworldly presence. Containment has been breached. Is this the end of humanity? Jesse Faden must combat supernatural forces and navigate an ominous and unpredictable world to find her missing brother – and a hidden truth.

Control is a third-person action-adventure game that challenges the player to master a combination of supernatural abilities, modifiable loadouts and reactive environments. It blends open-ended environments with Remedy's signature world-building and storytelling, creating an impressively immersive gameplay experience.

Leaning on its creative independence, Remedy is not afraid of taking risks, pushing their games to stand out in the marketplace through unique stylistic choices. Control introduces a world filled with mind-bending events, iconic characters, and unforgettable stories. Unexpected, unsettling, yet compelling and approachable, the experiences in Control stay with you.

It feels sane, or just the right kind of insane.

The game is available on PlayStation 5, Xbox Series S/X, PlayStation 4, Xbox One, PC, Nintendo Switch (Cloud Version) as well as the streaming platforms Amazon Luna and discontinued Google Stadia. Control received numerous free updates, and in 2020 Remedy released two paid expansions and an Ultimate Edition of the game.

Control has received high praise from critics and players alike, and its extensive fanbase continues to grow. Since its publishing, Control was nominated for 11 BAFTA® Games Awards and received over 20 "Game of the Year" awards. By the end of 2023, Control has sold over 4 million units, generating net revenue (shareable revenue between Remedy and a publishing partner, excluding taxes and platform fees) of approximately EUR 100 million.

The ominous world of Control continues to inspire new games. In June 2021, Remedy announced the plans to develop a new cooperative PvE (player vs. environment) spinoff game of Control, codename Condor. Remedy also confirmed that a Control game with a larger budget, codename Heron, was in the plans. In November 2022, Remedy confirmed that this larger budget Control game is indeed Control 2, a full-blown sequel to the award-winning Control.

Control 2



With the sequel, Remedy will again push the boundaries of creativity and storytelling, creating an unparalleled journey within a world that defies expectations.

Control has proven to be a long-lasting and beloved game among the gaming community. Control 2 will be a full-blown sequel to the award-winning game Control.

Control 2's initial development budget amounts to EUR 50 million, and Remedy has the ownership of the game's intellectual property. Control 2 will be available on PC, PlayStation 5, and Xbox Series X|S, and it will be built on Remedy's proprietary Northlight technology and tool set.

The game was in the proof-of-concept stage at the end of 2023.

Condor



The Hiss reminded us that we're dealing with shocking, violent and incomprehensible forces.

After the Hiss Invasion, the Oldest House is under lockdown: a boiling pot of volatile and dangerous supernatural forces. Trapped within is the last vestige of the Federal Bureau of Control who will need to take a stand and push back to regain control. Desperate times require desperate measures. And everyone's needed.

The Control franchise is larger than one story, or one character. With codename Condor, we invite players on a collective journey into the depths of the Oldest House. Within, they'll face overwhelming enemies and obstacles, but by relying on their gear and each other, they will have a chance for survival.

Codename Condor is a spin-off game of Control. The game's initial development budget amounts to EUR 25 million and Remedy has the ownership of the game's intellectual property. Codename Condor will be available on PC, PlayStation 5, and Xbox Series X|S. Codename Condor will be built on Remedy's proprietary Northlight technology and tool set.

At the end of 2023, the game was in the production readiness stage. The development team has discovered smart ways to utilize the world of Control as well as designs that ensure a cooperative player experience that fits into the world of codename Condor.

Survival demands improvisation. We're overhauling our tactics, developing new gear, and harnessing paranatural forces where we dare. We're fighting fire with fire.

Kestrel

Remedy signed a contract amendment with Tencent in February 2024 for codename Kestrel, resulting in the Kestrel project starting fresh. The project was at the concept stage at the end of the year.

Kestrel will be aligned with Remedy's core strengths and the creative vision of the Remedy Connected Universe.

The game's development budget is co-financed by Remedy and Tencent.



Max Payne

1&2 remake

I've lost everything. With everyone after me,
I can't win. But I can't stop either.

Max Payne is a cop whose life has been overturned. Family murdered, Max himself framed for his partner's murder, he is hunted by the police and the mob while looking for answers in the cold and dangerous New York night.

Two years later, Max is back in the force. A routine murder investigation leads him to discover yet another far-reaching conspiracy, which he fights to unravel with the aid of an old acquaintance. Max Payne and Max Payne 2: The Fall of Max Payne are famous for their neo-noir atmosphere, groundbreaking storytelling and "bullet-time" gunplay, with the world and gameplay drawing inspiration from classic Hong Kong action movies. The iconic third-person shooter games hold a special place in the hearts of millions of fans around the world. They are now being remade in a way that honors the originals while offering compelling gaming experiences to modern audiences.

Remedy Entertainment is remaking Max Payne and Max Payne 2: The Fall of Max Payne video games with Rockstar Games. The relationship between Remedy and Rockstar Games dates

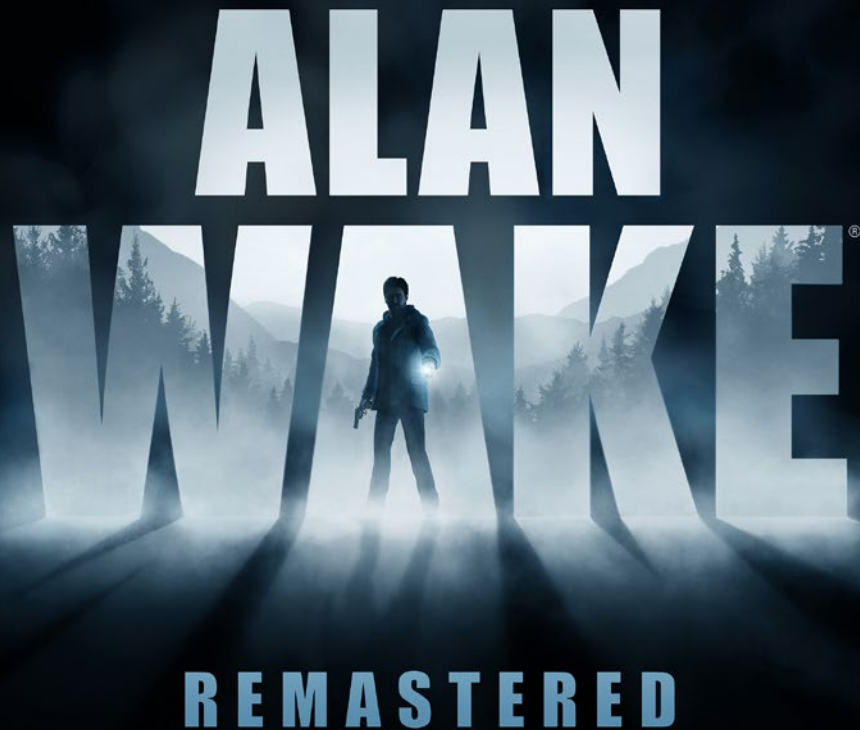
back to the original release of the critically acclaimed Max Payne and Max Payne 2: The Fall of Max Payne games, developed by Remedy and published by Rockstar Games.

As per the development agreement, Remedy develops the games as a single title for PC, PlayStation 5 and Xbox Series X|S using its proprietary Northlight technology and tool set. The game's development budget is financed by Rockstar Games, the size of which is in line with a typical Remedy AAA-game production. Remedy has a royalty opportunity after Rockstar Games has recouped its development, marketing, and other costs for distributing and publishing the game.

At the end of 2023, the game was in the production readiness stage.

I don't know about angels,
but it's fear that gives men
wings.

REMEDY ENTERTAINMENT

The image is a promotional graphic for the video game Alan Wake Remastered. It features the title 'ALAN WAKE' in large, white, blocky letters. The letters 'WAKE' are filled with a misty, forest landscape. A small figure of a man, presumably Alan Wake, stands in the center of the 'WAKE' letters, holding a flashlight. Below the main title, the word 'REMASTERED' is written in a smaller, blue, blocky font. The background is dark and atmospheric, with light rays emanating from the bottom of the title.

ALAN WAKE

REMASTERED

In a horror story the victim keeps asking why – but there can be no explanation, and there shouldn't be one, the unanswered mystery is what stays with us the longest, and it's what we remember in the end.

Alan Wake, a bestselling writer, comes to in a crashed car outside the small town of Bright Falls, Washington. His wife, Alice, is missing, and he can't remember the past week. Now Wake finds pages of a novel he seems to have written, even though he can't remember writing it. In the story, which features Wake as its main character, Bright Falls is taken over by a Dark Presence – and the story is coming true. As his journey spirals deeper into the darkness of the night, Wake tries to hold on to the tattered remnants of his sanity, to find answers to the nightmarish mystery he faces.

Alan Wake, published in 2010, is a critically acclaimed cinematic thriller inspired by classic works of horror, with a deep mystery at its core. Alan Wake Remastered offers the complete experience of the original with the main game and its two story-expansions – The Signal and The Writer. For fans of the original, it's a new, refreshed experience of the game they love. For newcomers, it's a great way to experience the classic Alan Wake on new platforms taking advantage of next-generation technology.

The tense, episodic story is packed with unexpected twists, heart-stopping cliffhangers, and intense bursts of combat where it takes more than bullets to banish the darkness. The game's cutscenes, quirky cast of characters, and majestic Pacific Northwest vistas have been enhanced for an experience that delivers as much on its visual impact as its unnerving atmosphere. The world of Alan Wake is a more beautiful and immersive experience than ever, including refined cinematics and textures, improved character models, and support for up to 4K/60fps graphics.

Alan Wake Remastered was published in October 2021 for PC on the Epic Games Store, PlayStation 5, PlayStation 4/Pro, Xbox Series X|S, Xbox One, Xbox One S, Xbox One X, and in October 2022 for Nintendo Switch.

A writer is a light that reveals the world of his story from darkness, shapes it from nothingness.

A promotional image for the video game Alan Wake 2. It features a large, pale, bearded man with long hair (Alan Wake) in the background, looking intensely at the viewer. In the foreground, a smaller figure of a woman in a dark jacket with 'FBI' on the back is walking away from the viewer into a dark, dense forest. The scene is lit with a strong red glow, and the title 'ALAN WAKE II' is overlaid in large, white, blocky letters.

ALAN WAKE II

In a horror story, there are only victims and monsters, and the trick is not to end up as either. But, trapped by the genre, we are all ripped to pieces along the way.

Alan Wake 2 is the sequel to the award-winning 2010 psychological thriller Alan Wake, marking Remedy Entertainment's first foray into the survival horror genre. Players can expect a more twisted, layered, deeper dive into the world introduced in the first game. In the story of Alan Wake 2, nothing is quite what it seems.

The third-person horror experience pushes forward Remedy's tradition of creating intense atmospheres and emotionally evocative stories while delivering compelling gameplay. We believe that survival horror is the genre that allows us to knit the story and the gameplay together even tighter than in our previous games, creating an even more intense mood and atmosphere.

Alan Wake 2 was the larger of the two multi-platform publishing deals Remedy and Epic Games Publishing announced in March 2020. Epic Games Publishing funded the majority of the game's development and marketing costs. Remedy is entitled to a 50% share of the net revenue from the games' sales after Epic Games Publishing has entirely recouped the development and marketing expenses.

Alan Wake 2 was published on October 27, 2023, by Epic Games Publishing for PC via the Epic Games Store, PlayStation 5 and Xbox Series X|S. Remedy Entertainment holds full IP ownership for the game.

*This story will eat us alive.
This story is a monster. And monsters wear many faces.*

SOLVING THE CASE OF ALAN WAKE 2

Thirteen years is a long time. Some said the case was too cold. Too cold to be solved. They were wrong. We knew better. We had to be patient. We wanted to get it right. We HAD to get it right. To find all the pieces in the puzzle. To make it perfect. And we did. This is how.



Alan Wake 2 – the largest entertainment product ever made in Finland. We did it. Nice. Let's put the sauna on.

MARKETING – WE DID IT OUR WAY

When planning a marketing campaign for a major AAA game like Alan Wake 2, but with a limited marketing budget in a very competitive environment, creating awareness is hugely important. To do that, we had to carefully select the geographical focus markets and a suitable marketing mix to ensure maximal impact. We also performed all the traditional PR and marketing activities such as being present at the digital PlayStation and Xbox Showcases, showing the game to key global media at events such as Summer Games Fest Play Days and Gamescom, and organizing exclusive media events for key general and game media.

Even though the marketing budget for Alan Wake 2 was the biggest Remedy has had for any of its games, it still paled in comparison with the marketing budgets of the most popular game franchises. So, we had to be clever and spend our money responsibly to maximize awareness.

Harnessing the power of influencers

One key aspect was our cooperation with hugely popular YouTubers such as JackSepticEye (over 30 million YouTube followers) and 8-BitRyan (almost 4 million followers). We locked them in an escape room from where they had to escape by solving Alan Wake 2-style puzzles. These escape room videos have already got in total over 1 million views on YouTube. Another tool in our influencer toolbox was Mystery Boxes. We mailed to over 20 social media influencers across the world three mysterious Alan Wake boxes filled with case files, photographs, news clippings, maps, etc. The influencers had to take on the role of a rookie FBI agent, and it was up to them to unpack the details of each murder, review evidence and solve puzzles to build a

case that connected together three seemingly separate murders – exactly like FBI agent Saga Anderson does in the actual game.

Building brand awareness

For years, we have been building a vibrant and engaged community excited to dive deeper into the world of Alan Wake and the wider Remedy universe. With the Alan Wake 2 marketing campaign, we wanted to go a step further and collaborate with popular franchises outside our ecosystem and showcase the uniqueness of the Alan Wake brand to millions of consumers. The result was bespoke activations within Fortnite, PUBG Mobile, Rocket League and Dead by Daylight, featuring iconic elements from the Alan Wake franchise.

Proud to be a Finn

We at Remedy have always been very proud of our Finnish heritage. Alan Wake 2 takes full advantage of Finnish nostalgia and dry Finnish humor. So, when it comes to marketing, we wanted to cooperate with great Finnish brands and artists. Some excellent examples include the Cult Collection streetwear by Makia, the Oh Deer Diner Thermos by Airam, and Old Gods of Asgard, the alter ego band by Poets of the Fall. We also joined creative forces with Finland's biggest music phenomenon, Fried Music, to produce the Alan Wake 2: Chapter Songs, a compilation of seven unique tracks specially crafted for Alan Wake 2. The collection featured several of Finland's most popular artists, composers, and producers. Artists like SANNI, costee, Teemu Brunila, ROOS+BERG, Paleface, Jurek, and RZY appeared alongside international talents RAKEL, Jean Castel, and Mougleta.

Being authentic and genuine

Remedy has its own way of doing things. This applies both to our games and the way we communicate with our player community and other key stakeholders. We wanted to stay true to this principle throughout the whole project. And we did. We showed the global press significant parts of Alan Wake 2 exactly as it would be in the final product.

When we present our games or talk about them to the media or fans, we try to be genuine and ourselves. We are very professional about what we do, and our attention to detail is second to none. That doesn't mean our spokespeople should robotically repeat the same marketing message or that we should be too controlling over what is being written about our games. We believe that giving proper access to our games and spokespeople in a trusting and genuine way is what gives us a lot of positive visibility and makes Remedy, well, Remedy.

Raising the bar high

We are extremely proud of everything we achieved with such a small team. When we started planning the PR and marketing for Alan Wake 2 back in 2020, we knew our plans were crazy ambitious. But we made them happen! We did everything we had planned, and a bit more. When it comes to marketing our next game, the bar has now been raised very, very high.

A close-up portrait of actor Ilkka Villi, who plays Alan Wake. He has dark, wavy hair and a beard, looking directly at the camera with a serious expression. The background is dark and textured, with faint, stylized text like "Late Night" visible.

ILKKA VILLI – ACTING IN VIDEO GAMES

The original Alan Wake launched in 2010 and became a cult classic. Its sequel, Alan Wake 2, was launched on October 27, 2023, and had an amazing reception from media, critics, and players alike. But what is it like to act in a video game and what makes it special?

For many Remedy fans, Ilkka Villi is Alan Wake and Alan Wake is Ilkka Villi with Matthew Poretta's voice. Alan Wake is the longest-standing role Ilkka Villi has held to date, as it has been part of his career since 2005. "This has been a very special project for me, and there is nothing like it in my career. A timespan of 18 years is unique for a role, although I naturally was not aware of the scope of the role when I joined the original Alan Wake project back in 2005," Ilkka Villi states.

Living in the moment

The making of Alan Wake 2 started back in 2019, and it took three years to get all the material for the main character. "The process of video game acting is different from most acting jobs because it is really fragmented. There could be a couple of shooting days, a break of a few months, then the filming of another scene from a different part of the game. Rather than knowing every detail beforehand, acting in Alan Wake 2 was about living in the moment, trying new things, and leaning on the directors. This kind of an acting process comes with its own challenges, including physical appearance. For example, facial motion capture requires a shaven face, whereas filming live-action scenes of Alan Wake requires a full beard, so the two cannot be done back-to-back," Ilkka describes.

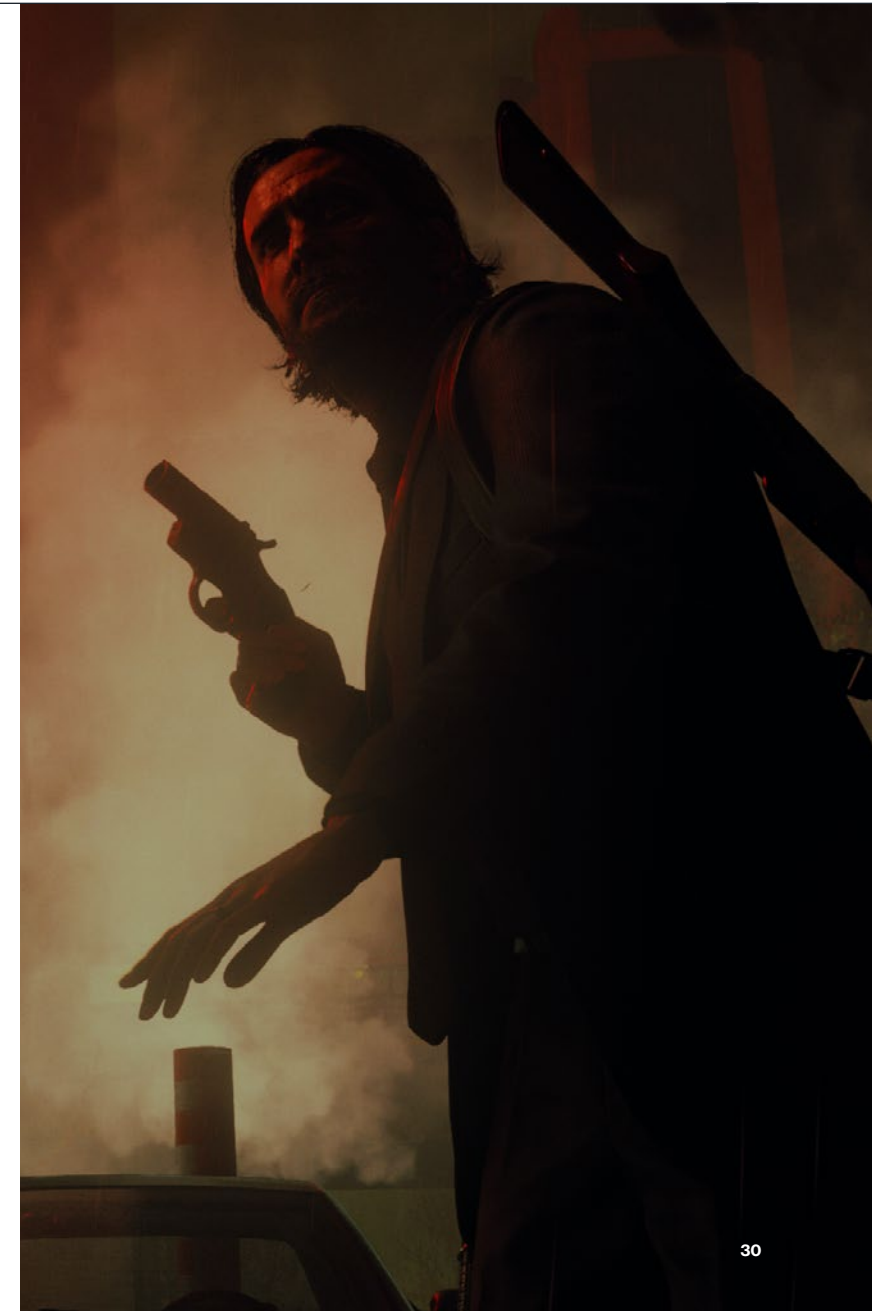
These days, developing games with live-action and cut scenes shares many similarities with the movie industry. However, from the actor's perspective, the process is much different. Since game projects last for many years, the filming schedule is discontinuous, and the full story line does not exist when filming starts. There is also an unusually high level of freedom to explore the character, as the vision may not be locked when filming begins. Ilkka Villi draws a comparison to other forms of acting: "In theater, the audience sees everything you do. In television and film, editing always takes place after filming. But in video games, actors first and foremost offer material to games with no control over the final product due to the amount of animation and editing – even lighting is applied afterwards." Plenty of editing is required to bring the game to life, but the process calls for a relationship of trust and respect between the actor and director. "I fully trust that Sam Lake and the team respect me and the material throughout the process, which makes it possible to give a full effort and daringly try out ideas," adds Ilkka.

Stunning realism with motion capture technology

One key part of bringing a real-life actor into life in a video game is motion capture technology. Remedy has its own motion capture studio, with 94 cameras as well as face capture technology. Remedy uses it to record and replicate human movement to make digital characters move as realistically as possible. Imagine an actor in an underground studio with nearly a hundred cameras, in a motion capture suit, mostly without a co-actor and with very little of the environment present that will be seen in the final game product. This demands a lot of imagination and differs drastically from traditional theater, television or film acting.

Rarely can an actor's body movements be recorded separately from facial movements with the voice coming from another actor like in Alan Wake 2. In Ilkka Villi's view, "face capture is one of the most challenging aspects in video game acting. Your face is recorded separately, and it has to match the body movements recorded a few months earlier. At the same time, the lines spoken must go with Matthew Poretta's pre-recorded voice acting. I worked hard to learn the exact way to match the two, while staying completely still, looking relaxed and keeping the acting authentic. But when it all came together, it was very rewarding."

In addition to motion capture, Alan Wake 2 uses live-action scenes. This means there are sections of real-life footage seamlessly blended into the gameplay. "Acting in the live-action sections was closer to the core of acting, and the sets were amazing. For example, the writer's room was first only something on a computer screen. As the project progressed, I was actually able to enter the world as I opened a door to the set – what an incredible moment. Also, after acting alone for most of the time, doing a live-action scene together with Melanie Liburd, the actress of Saga, was great," comments Ilkka Villi. Motion capture and live acting performed by talented actors are indeed core parts of what makes Remedy games stand out in the market.



NORTHLIGHT – MAKING THE VISION BECOME A REALITY

Northlight is Remedy's own comprehensive game engine technology and tool set. It has modern rendering technology, a unique take on workflows and data pipelines customized to empower our game teams, and customizable and extensible tooling to fit our style of game development. Having our own game engine means we can tailor it to our game teams' needs and together define the best practices so that the teams and individuals can make the most of the available technology.

Northlight was born many, many hardware generations ago. When we started with our own tech, games and teams were much smaller, times were in many aspects simpler, and commercial game engines were not available in the same way as they are today. Northlight is the symbiosis of growing development teams and continuous building of things that defines what kinds of roles we have in our teams, which in turn determines the games that we are able to produce.

Making Remedy's games stand out from the crowd

As Remedy has in recent years shifted from working on a single game to making multiple games simultaneously, our technology and teams have gone through a transformation. The one constant is that we are committed to using our in-house Northlight technology in our games. We strongly believe in the freedom of developing our in-house technology together with selected partners, ensuring we control our entire tech stack.

For many of us at Remedy, it's highly motivating to work on the tech that enables us to try and do unique features and decide where to focus our efforts. For future games we have been reworking our tools and content creation pipelines to fully support Universal Scene Description, a new approach to defining and piecing together our proprietary scene (world) composition methods and interfaces for third-party digital content creation tools. Adopting USD helps us streamline our content pipelines and have something that performs well with large amounts of data and can be easily extended as our teams and game design needs grow.

Our creative and technology teams closely collaborate to create features that get players excited and make Remedy's games stand out from the crowd. Having full control of our technology of course means it must be maintained systematically while striking a balance between smaller iterative changes and larger technology leaps. We have a team of 60 talented Remedians working on Northlight to ensure everything runs smoothly and the technology is always up to date.

Alan Wake 2 – showcasing the power of Northlight

For the past few years, we have created and polished a lot of new technology so that Alan Wake 2 looks and plays great. On the core engine side, Northlight switched to a completely new data-oriented game object framework to enable more detailed game worlds that

can support and be scaled to a variety of different hardware. We switched our scripting language from a proprietary language to Luau, which allows us to better support live-editing so that game teams can do rapid prototyping and iteration without support from Northlight engine programmers.

Alan Wake 2 also showcases Northlight's brand-new GPU-driven rendering pipeline, which enables us to create more detailed game worlds without sacrificing performance. The new rendering pipeline comes with new technology like mesh shaders enabling occlusion culling down to a single-pixel precision, transparency rendering based on Moment-Based Order-Independent Transparency (MBOIT) on which the pervasive fog scenes in Alan Wake 2 are built, and large-scale procedural GPU animation that made it possible to animate trees and other vegetation "like characters", truly bringing to life the expansive primordial forest environments of Alan Wake 2. The Northlight team couldn't be more excited to have Alan Wake 2 out there!

"The best part is combining the human element with our own engine – we can talk to experts face-to-face, which is incredibly useful when planning or implementing game features, and overall, just an enjoyable way of working."

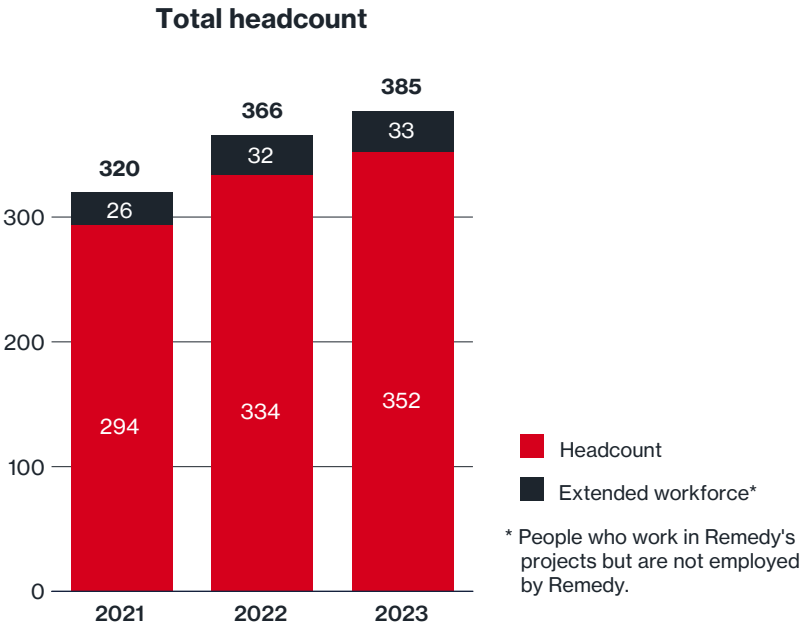
PEOPLE

Remedy is a safe and welcoming place to work for people with diverse backgrounds. We help people to grow as professionals in a culture based on camaraderie, a pioneering spirit and smart creativity.

PEOPLE AND CULTURE

REMEDY PEOPLE

We strive to ensure our people’s wellbeing and believe that having our employees working in well-functioning teams is essential to our success. We have been able to attract world-class talent from all over the world. In 2023, our headcount grew by 5%, reaching 352 employees by the end of the year. Our talents represent 33 nationalities. Of our people, 76% identify as a man, 32% as a woman and 1% use another term or choose not to disclose. The average age of Remedy employees was 35.9 at the end of 2023.



33

Nationalities

35.9

Average age of Remedians

76% | 23% | 1%

Men | Women | Other

REMEDY CULTURE

Top talent chooses us for our games and culture. In 2023, we continued a long-term project to define the Remedy culture and ways of working. As part of this, we established the first iteration of the Remedy culture in writing and have worked together to make sure it matches our daily reality. We have grown quite a bit since Remedy was founded in 1995 and as we continue to grow and welcome new Remedians, we wanted to secure a common language and a framework for our culture.

Three core pillars steer decision making

Our culture consists of three core pillars. They describe who we are and how we cooperate and interact with each other. Camaraderie, a pioneering spirit and smart creativity are the core values on which all our decisions and actions are based. Together, our three core pillars make us One Remedy.

1

Camaraderie

- We trust each other and we are excited to collaborate – together, we create things that deserve celebration. We have passion to work as One Remedy team, but we also value life outside of work.
- We embrace what makes everyone unique. We create a safe environment where everyone is respected and can have their voice heard. We communicate in a direct and honest manner and always assume good intent.
- We are One Remedy and when our community of Remedians needs help, we act. Through camaraderie, we create extraordinary worlds together.

2

Pioneering spirit

- We are a group of passionate developers, pioneers in our field. To create amazing and unexpected experiences, we strive to learn and grow continuously, as individuals and as One Remedy.
- We explore opportunities, experiment new things and take conscious risks to make games that stand out. We take our best experiments and ideas and make them come alive in our games.
- We honor our legacy and value our history but do not let them hold us back. At our core, we bring a pioneering spirit to our pursuit of great entertainment.

3

Smart creativity

- Our creativity and freedom are fueled by our commercial success. We are passionate about making games loved by millions and millions of players everywhere. As One Remedy, we are proud of the work we do and the games we make.
- We use our valuable time and resources smartly, matching our creativity with our capabilities. We believe in an iterative mindset taking us further step by step. We utilize what we have already built to unleash our creativity for even greater games.
- We balance our freedom with responsibility, making sure we keep our commitments. With smart creativity, we get things done.

TALENT GROWTH

Our steady headcount growth continued in Finland and Sweden. We onboarded 53 new Remedians throughout the year, while our employee turnover was 8.1%. In total, our headcount increased by 18 in 2023.

We provide our people with opportunities for professional development and support them in their desired internal career paths. We also boost the development of new competencies and knowledge sharing while seeking to improve our talents’ leadership skills.

We systematically measure our people’s engagement to know where we are as a company and what we can do to become better. In 2023, our Employee Engagement Score was 7.3 on a 0–10 scale. According to the survey, our talent gives high scores for a sense of autonomy and freedom of opinion, their peer relationships and a feeling of their work being meaningful, all of which received scores above 8. Based on the results, we will focus on providing more continuous feedback and recognition and supporting our talent in leveraging internal career opportunities.



A REMEDY STUDIO AT THE HEART OF STOCKHOLM

In 2021, we kicked off the Swedish studio pilot project and by the end of the year had a handful of employees working remotely in Sweden. In early 2022, Remedy Entertainment Sweden AB was registered as a business entity. We looked for a perfect location in Stockholm, and the plans to build a studio slowly began. With months of hard work and preparations, the process of transforming a big empty construction area into a warm and welcoming place for all Remedians to enjoy started to take place. In 2022, a temporary office was opened in Stockholm, enabling people to come together next door from the soon-to-be studio, and in April 2023, we finally got to move into the new studio in Södermalm. Once firmly settled in, we started to spread the word that Remedy is in town. In September 2023, we hosted a housewarming party with employees from Finland and Sweden and were welcomed with open arms by the game development scene in Stockholm.

Within the game industry, Sweden is among the five largest countries in Europe in terms of the number of employees, number of companies and turnover. Game development in Sweden is a growing industry with new records in turnover and employees every year. The emphasis on education and research in game development ensures

a steady flow of skilled professionals into the market. Government support, including tax incentives and grants, attracts both domestic and international talent, solidifying Sweden's position in the industry.

Today, Remedy has over 30 employees in Sweden with the majority of them working in the Stockholm office. They work in selected crafts for various Remedy projects together with colleagues from Finland. We have proudly built the Stockholm studio on our Finnish roots and the existing Remedy culture. To keep our culture and legacy in the spotlight, we frequently organize Remedy Flashbacks, our internal events that showcase Remedy's history and highlights from diverse corners of the realm of making games. This way, long-time Remedians get to share their knowledge with both our studios and remote employees.

By the end of 2024, we aim to have around 40 world-class talents working at our Stockholm studio. We are continuously seeking new exceptional talents from Sweden to join our new Stockholm office to make amazing games with us. We are devoted to making Remedy's Stockholm studio a great place to work – full of passionate and creative game industry professionals.



GAMEPLAY DESIGN TEAM

At Remedy, we pride ourselves on not only developing rich narrative experiences but also games that have a fun and well-thought-out gameplay. The gameplay design department at Remedy is responsible for making that happen!

Using a combination of creativity and technical skills, our gameplay designers develop systems and game mechanics that drive our stories forward, exhilarate our players and keep them coming back to the game for more. We are generally split into a few different teams based on our focus areas. The player team is responsible for all the actions the player can execute in the game, whereas the NPC team sees to all the AI and non-player characters (NPCs), whether that be enemies or friends. The progression team is responsible for any gameplay mechanics related to economy or how the player gains power in the game.

Working with programmers, visual effects (VFX) artists, animators, sound effects artists and gameplay designers have been the vision holders and drivers of key features in Remedy's games throughout the years. Some of their achievements include the bullet time in Max Payne, fight with light in Alan Wake, time powers in Quantum Break and the telekinetic powers of Jesse in Control. Working as a gameplay designer allows developers to showcase both their creativity and technical skillsets while also contributing to key elements of the final game.

“Working as a gameplay designer allows developers to showcase both their creativity and technical skillsets while also contributing to key elements of the final game.”

SUSTAINABILITY

Building and managing diverse and inclusive development teams, having a sustainable approach to the environment, and maintaining high standards for ethical business practices is the only way forward.

SUSTAINABILITY IN BRIEF

When making games, people are at the heart of everything we do. Our culture consists of three core pillars that describe who we are and how we interact with each other. Camaraderie, a pioneering spirit and smart creativity are the core values on which all our decisions and actions are based. We want to be a safe and welcoming place to work for people with diverse mindsets and backgrounds. We believe that diversity, equity, inclusion and wellbeing are the cornerstones of creativity and success.

Our games are played by millions of players globally. We want to build diverse and safe online communities to enable players to engage with one another in a positive way.

We actively work to mitigate our impact on the environment. Together with our peers, we seek to positively impact the development and standards of the whole game industry.



People at the heart of everything we do

We are a safe and welcoming place to work for people with diverse backgrounds. We help people to grow as professionals in a culture based on creative freedom, teamwork, trust and responsibility and caring for one another.

Memorable experiences for fans across the globe

Our aim is to make great games that all players around the world love to play. We build diverse and safe online communities where fans can interact and share their excitement whatever their background.

Responsible member of the society

We actively work to mitigate our impact on the environment. Together without peers, we seek to positively impact the development and standards of the whole game industry.

SUSTAINABILITY HIGHLIGHTS 2023

Sustainability strategy was created

We set up a sustainability strategy to become an even more attractive place to work, to create better games for an even greater fan base and to drive a positive change in the games industry.

Culture was recorded

In 2023, we concluded our project to study and record Remedy's company culture. The work culminated in naming the three key pillars we work by: camaraderie, a pioneering spirit and smart creativity.

Guidelines were updated

We redefined, reformulated and made many of our internal guidelines more approachable. This includes topics such as equality, data protection, anti-harassment, and cyber security.

DEI group was formed

In 2023, we formed a Remedy DEI group to drive diversity, equity and inclusion practices across the company.

Carbon footprint was measured

We began to measure Remedy's carbon footprint in 2023.



OUR SUSTAINABILITY WORK IS DRIVEN BY A CONSTANT FLOW OF IMPROVEMENTS

Being a great place to work, making unique games that stand out in the market, and acting as a responsible member of society are some of the key sustainability components for Remedy. In 2023 we took several meaningful steps in advancing on all of these fronts. The year started with us defining our sustainability strategy that guides our efforts. It is formed of three pillars that capture the most material sustainability focus points for the company.

The three strategic pillars, ***People at the heart of everything we do***, ***Memorable experiences for fans across the globe*** and ***Responsible member of the society***, encompass the essence of what we will focus on and want to achieve in sustainability over the coming years. Among key successes of 2023 were setting up a formal DEI working group to structurally make improvements to safeguard diversity of thought in the company and make sure people with different backgrounds and from different walks of life feel good and safe working for Remedy. This year we officially kickstarted the craft organization, with the goal of enabling continuous professional

development throughout the organization and optimizing staffing for all game projects throughout their life cycles. In addition, we put great effort into updating our sustainability and governance related internal guidelines and making them more accessible for new and veteran Remedians. Together with Neogames we initiated calculating our carbon footprint to better comprehend where our emissions come from. To ensure we do our part, we have begun mapping out the potential local and global organizations with whom we can work together to drive the games industry in a more sustainable and responsible direction.

While we made good progress in 2023, the journey is still beginning and there is a lot of work that remains. We will be keeping a close eye to the ever-evolving sustainability landscape and consider the best ways to incorporate emerging themes and trends. We have a solid road map for 2024. We can be proud of the work we have done so far and are confident that we will be able to make further progress at an increasing velocity.



SUSTAINABILITY STRATEGY

Sustainability strategy is an important tool that we use to set sustainability guidelines and steer our work. It is aligned with our overall strategy and helps us to focus on the most material topics. Our sustainability strategy is based on three pillars: **People at the heart of everything we do**, **Memorable experiences for fans across the globe**, and **Responsible member of society**. The pillars were defined based on our company strategy, as well as a sustainability materiality analysis, which was conducted in 2022.

In 2023, we took major steps forward in the sustainability front. We created a sustainability strategy and recorded our culture, redefined many internal guidelines, and formed a DEI group to take initiatives forward. We also started calculating our carbon footprint in 2023 for the first time.

People at the heart of everything we do

We are a safe and welcoming place to work for people with diverse backgrounds. We help people to grow as professionals in a culture based on creative freedom, teamwork, trust and responsibility and caring for one another.



- Professional development, mentoring and wellbeing at work
- Diversity, equity and inclusion

Memorable experiences for fans across the globe

Our aim is to make great games that all players around the world love to play. We build diverse and safe online communities where fans can interact and share their excitement whatever their background.



- Safety of the gaming community
- Responsible gaming

Responsible member of the society

We actively work to mitigate our impact on the environment. Together without peers, we seek to positively impact the development and standards of the whole game industry.

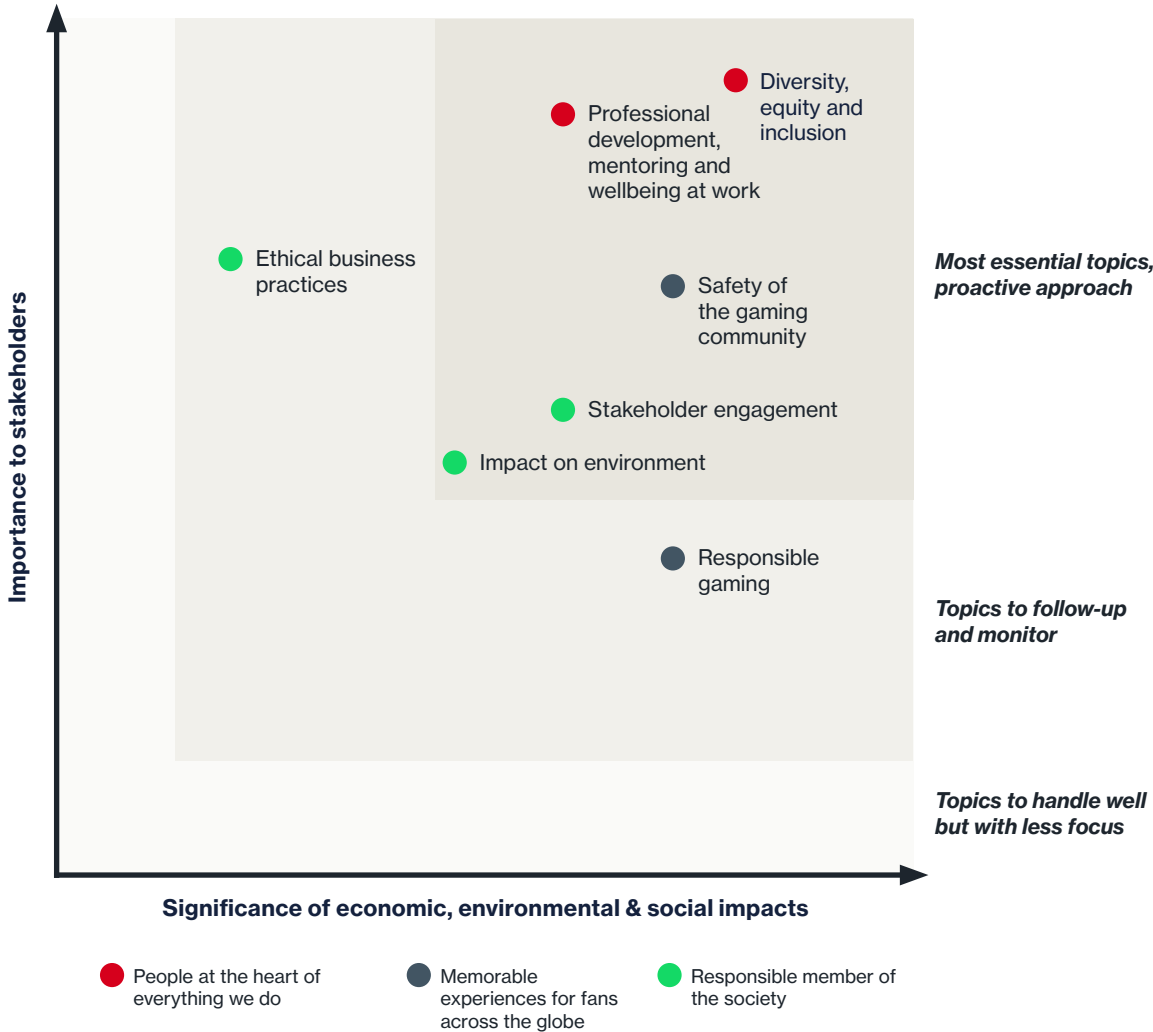


- Ethical business practices
- Stakeholder engagement
- Impact on environment

Remedy's sustainability pillars

As a result of the materiality analysis carried out in 2022, Remedy has seven key topics on which it focuses in sustainability work. These can be placed in a materiality matrix, which illustrates Remedy's most material and impactful sustainability topics. In the matrix, the y-axis shows the level of importance of a topic to our stakeholders based on the materiality analysis. The x-axis shows the potential impact caused by making the right choices regarding a topic.

Remedy's materiality matrix





People at the heart of everything we do

Professional development, mentoring and wellbeing at work

We mentor people to grow as professionals within a culture that is based on camaraderie, a pioneering spirit and smart creativity. We provide opportunities for professional growth and internal career development.

We want to ensure the mental and physical well-being of our employees. We value a healthy work-life balance and ongoing development of good leadership practices.

Diversity, equity and inclusion

We offer a safe and welcoming place to work for people with diverse backgrounds.



Memorable experiences for fans across the globe

Safety of the gaming community

Our games can create fond, lifelong memories. We want to build diverse and safe online communities that foster creativity and encourage people to enjoy our games and express themselves. We have zero tolerance for harassment in our community.

Responsible gaming

The reason we exist is to make great games that players love to play. These games comply with the applicable legislation and industry norms and provide safe environments for everyone.

Through education, recruitment and participating in industry initiatives, we strive to increase the ways in which diversity and cultural inclusivity are taken into account in game development.

We want to employ transparent pricing models while adhering to and promoting best practices and fair and ethical game operations.



Responsible member of the society

Ethical business practices

Our goal is to maintain a value chain that lives up to our standards, which includes conducting business in an ethical manner and complying with relevant laws and regulations. Remedy's Code of Conduct reflects Remedy's core values. Its purpose is to help us live by our values and do business the right way for all Remedy stakeholders. We do not tolerate corruption, bribery, money laundering or human rights abuses in our workplace and require that our business partners uphold the same values and standards that we set for ourselves. Remedy has a whistleblowing channel in place for certain type of violations or suspected violations.

We are committed to respecting human rights and promoting their fulfillment and protection in our operations. Remedy's Code of Conduct reflects Remedy's core values and forms a guide to ethical conduct. The Code of Conduct and related guidelines are applicable to all Remedy employees, as well as the suppliers and business partners. Every person to whom the Code of Conduct applies has an obligation to ensure that they understand the contents and comply with them.

Remedy provides an official whistleblower email for the employees and stakeholders to report suspected illegal activities of unethical and unacceptable behavior. To ensure proper documentation and to confirm

the date and time of the incident, the reports are submitted by sending an email to whistleblowing@remedygames.com (which is managed by the HR department of Remedy). Reports cannot be submitted orally or anonymously. No reports were filed via the official whistleblower email in 2023.

We proactively manage cybersecurity risks and promote transparency in the collection and use of personal information.

Stakeholder engagement

Having an open dialogue with our stakeholders in different parts of society is important to us. We co-operate with schools and universities and are an active member in game industry associations such as Neogames. Together with our peers, we seek to positively impact the development and standards of the whole game industry.

Impact on environment

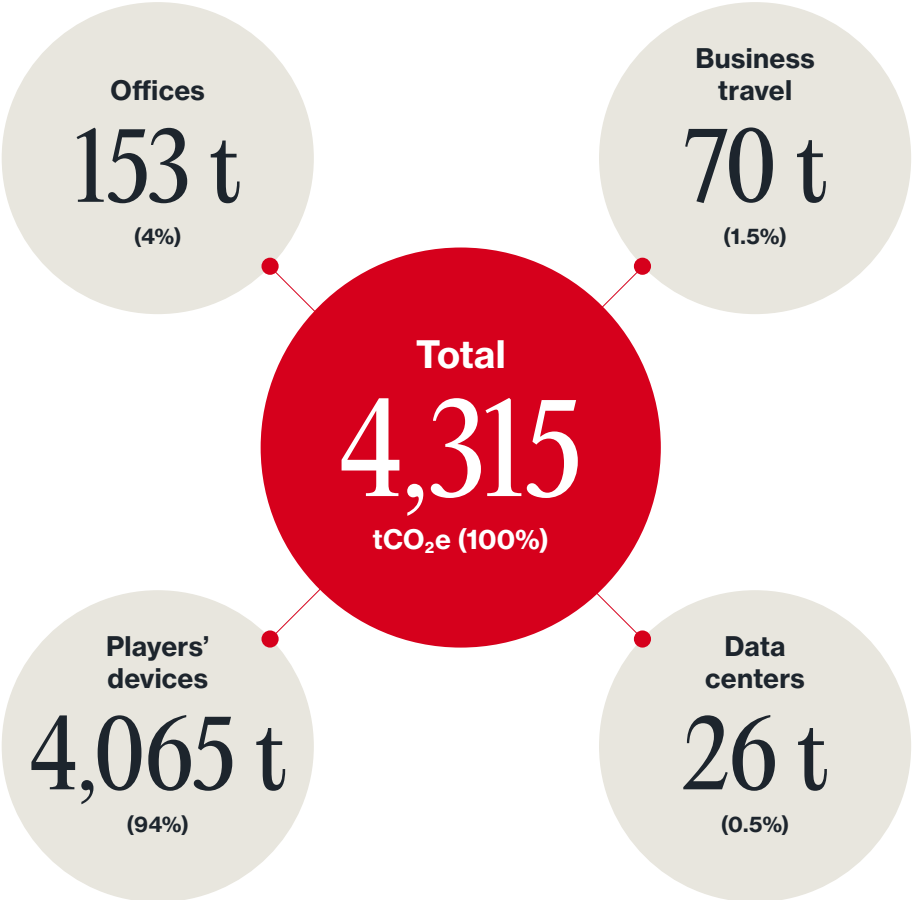
We actively work to mitigate our carbon footprint and overall impact on the environment through energy efficient offices, sensible traveling, the use of renewable energy and recycling. We actively participate in forums that promote sustainable and responsible use of natural resources and preservation of biodiversity.

CARBON FOOTPRINT

Carbon footprint is our key environmental metric. Based on our calculations, our total carbon footprint for 2023 was 4,315 CO₂e tons. 97.8% / 4,220 t were categorized as Scope 3 and 2.2% / 95 t were categorized as Scope 2 emissions. Remedy did not have any direct Scope 1 emissions as all our offices are leased, we do not manufacture any physical products and we do not own any company vehicles.

The slight increase in our carbon footprint from 2022 (4,085 t CO₂) is mainly due to the Alan Wake 2 launch in October 2023. We include the players' carbon footprint in our Scope 3 emissions for games with our own IPs.

In 2024, we will critically assess our emissions. Although most of our climate emissions are considered indirect use-phase emissions (customer device energy use), we recognize the importance of reducing our own and value chain emissions as much as we feasibly can.



GOVERNANCE

Remedy's governance and management is divided between the company's shareholders who exercise their decision-making power at general meetings, the Board of Directors and the Chief Executive Officer who is assisted by Remedy's Core Management Team.

BOARD OF DIRECTORS

**Markus Mäki**

Born 1974
BSc (Computer Engineering), Metropolia University of Applied Sciences
Member of the Board of Directors since 1998
Chairman of the Board of Directors since 1998
Chief Product Officer at Remedy
Remedy shares owned 3,197,000 (23.7%)

**Jussi Laakkonen**

Born 1975
MSc (Computer Science), Helsinki University of Technology
Member of the Board of Directors since 2017
Chief Executive Officer and founder at Noice
Remedy shares owned: 0

**Kaisa Salakka**

Born 1979
MSc (Economics), Helsinki School of Economics
Member of the Board of Directors since 2022
Vice President, Product at Wolt
Remedy shares owned: 1,900 (<1%)

**Sonja Ängeslevä**

Born 1974
MA (Digital Media), University of Lapland
Member of the Board of Directors since 2022
Chief Executive Officer and co-founder, Phantom Gamelabs
Remedy shares owned: 1,482 (<1%)

**Henri Österlund**

Born 1971
MSc (Economics), Helsinki School of Economics
Member of the Board of Directors since 2017
Founder, Accendo Capital SICAV-RAIF
Remedy shares owned: 46,139 (<1%)

CORE MANAGEMENT TEAM



Tero Virtala

Born 1974
MSc (Technology), Helsinki University of Technology
Chief Executive Officer
Joined Remedy in 2016, member of the core management team since 2016
Remedy shares owned: 300,000 (2.2%)



Markus Mäki

Born 1974
BSc (Computer Engineering), Metropolia University of Applied Sciences
Member of the Board of Directors since 1998
Chairman of the Board of Directors since 1998
Chief Product Officer at Remedy
Remedy shares owned 3,197,000 (23.7%)



Sami Järvi

Born 1970
Creative Director
Joined Remedy in 1996, member of the core management team since 1996
Remedy shares owned: 560,000 (4.2%)



Terhi Kauppi

Born 1971
MSc (Economics), University of Vaasa, LL. B., University of Helsinki
Chief Financial Officer
Joined Remedy in 2018, member of the core management team since 2018
Remedy shares owned: 8,000 (<1%)



Mika Vehkala

Born 1978
Computer Science studies at the University of Helsinki
Chief Technology Officer
Joined Remedy in 2016, member of the core management team since 2023
Remedy shares owned: 0



Johannes Paloheimo

Born 1984
MSc (International Project Management), Chalmers University of Technology, BSc (Industrial Management), Arcada University of Applied Sciences
Chief Commercial Officer
Joined Remedy in 2012, member of the core management team since 2017
Remedy shares owned: 103,000 (<1%)



Christopher Schmitz

Born 1972
MBA (International Management), Liverpool John Moores University, Master's Degree (Business Management), CCI
Chief Operations Officer
Joined Remedy in 2019, member of the core management team since 2019
Remedy shares owned: 0

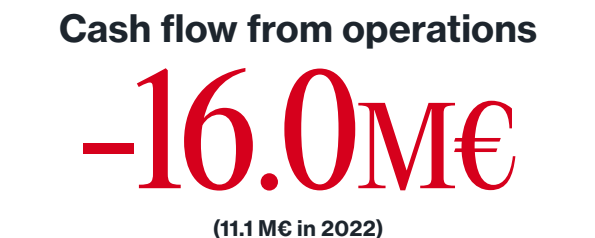
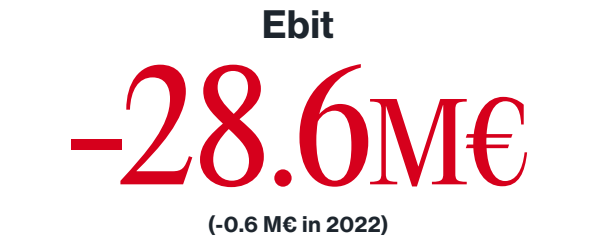
FINANCIALS

In 2023, we continued investing in Remedy's future, which is evident in the financial figures of the fiscal year.

FINANCIALS

Our full-year 2023 revenue and profitability were impacted by increased own investments in the game projects.

The investments in our game projects continued growing during 2023. The 2023 profitability was also affected by a EUR 7.2 million one-time write-off of Codename Vanguard as the project was renamed Codename Kestrel and started fresh. Out of the five games we had in development during the year, we co-financed four that are based on Remedy-owned brands. Co-financing decreases the amount of development fee revenue but increases the future royalty revenue potential of the games. In February 2024, we acquired full rights to the Control franchise from 505 Games, and we have started the process of mapping out the right partners, business models and commercial deals for Control games that would enable reaching the largest possible success while mitigating the financial risks.

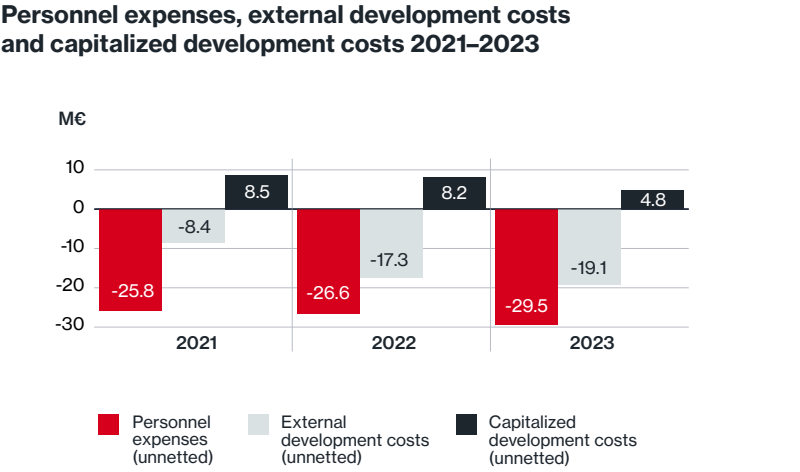
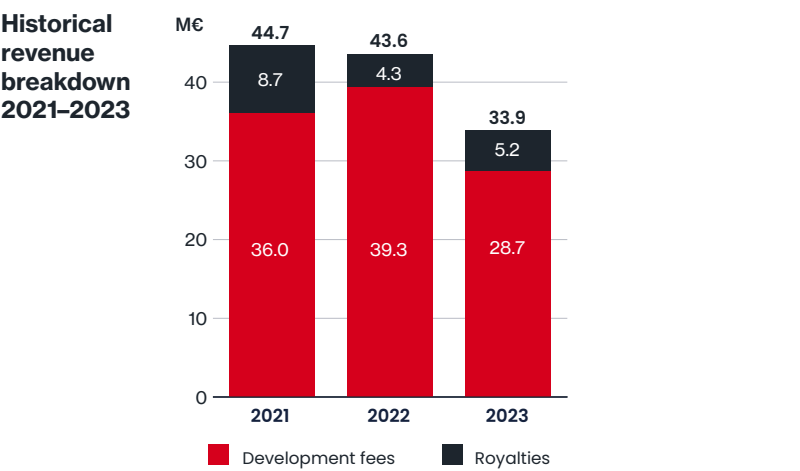
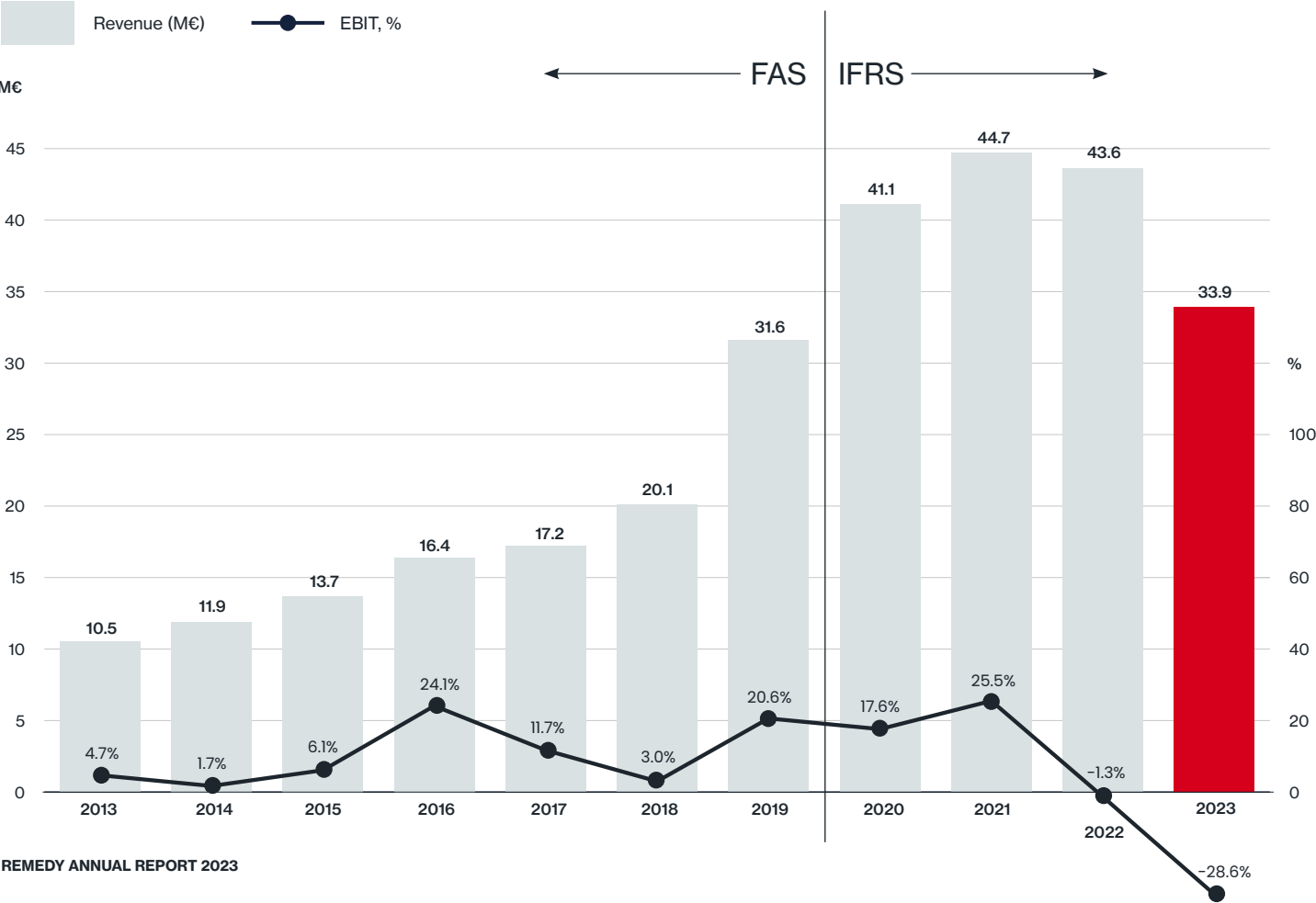


Key figures 2023

M€	2023	2022
Revenue	33.9	43.6
Revenue growth, %	-22.2%	-2.5%
EBITDA	-17.0	1.9
Operating profit (EBIT)	-28.6	-0.6
Operating profit, % of revenue	-84.4%	-1.3%
Result for review period	-22.7	-1.7
Result for review period, % of revenue	-66.8%	-4.0%
Balance sheet total	79.3	99.6
Cash flow from operations	-16.0	11.1
Net cash	23.8	49.9
Cash position	20.1	49.0
Net gearing, %	-35.1%	-56.4%
Equity ratio, %	85.5%	88.8%
Capital expenditures	10.0	10.7
Average number of personnel during review period (FTE)	334	307
Headcount at the end of the period	352	334
Earnings per share, €	-1.68	-0.13
Earnings per share, € (diluted)	-1.66	-0.13
Number of shares at the end of period	13,490,151	13,448,600

FINANCIAL DEVELOPMENT

Revenue and profitability between 2013–2023



TOP 20 SHAREHOLDERS

	Number of shares	% of shares
Mäki Markus	3,197,000	23.70
Järvi Sami Antero	560,000	4.15
Virtala Tero Tapani	300,000	2.22
Lehtinen Saku Hermann	227,000	1.68
Evli Finnish Small Cap Fund	184,000	1.36
Varma Mutual Pension Insurance Company	150,000	1.11
Sijoitusrahasto Aktia Capital	129,807	0.96
Erikoissijoitusrahasto Aktia Mikro Markka	114,368	0.85
Proprius Partners Micro Finland (non-UCITS)	106,380	0.79
Paloheimo Johannes Alfred Gustaf	103,000	0.76
Fredrikson Karl Christian	101,500	0.75
Pulkkinen Janne Petteri	100,000	0.74
Anssi Hyytiäinen	87,334	0.65
Sihvo Timo Matti	85,000	0.63
Tolsa Tero Sakari Anttoni	80,000	0.59
Ilmarinen Mutual Pension Insurance Company	78,250	0.58
Säästöpankki Pienyhtiöt	67,398	0.50
OP-Finland Small Firms Fund	65,529	0.49
Lehtinen Jaakko Tapani	60,000	0.44
Blåfield Henri Erik	58,900	0.44
20 largest in total	5,855,466	43.41
Nominee registered	4,463,835	33.09
Other shareholders	3,170,850	23.50
Total	13,490,151	100.00



MORE INFORMATION FOR INVESTORS



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