



Business review JANUARY–MARCH 2025





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Remedy Entertainment Plc | Business Review January–March 2025

Remedy's first self-published game to be released in June 2025

Solid revenue growth and operating profit turned positive

The Business Review is unaudited. Figures in parentheses refer to the comparison period in the previous year, unless otherwise stated.

Highlights from January–March 2025

- Revenue increased by 24.1% to EUR 13.4 (10.8) million.
- EBITDA increased to EUR 2.6 (-1.2) million.
- Operating profit (EBIT) was EUR 1.3 (-2.1) million, and the operating profit margin was 9.7% (-19.3%) of revenue.
- Cash flow from operations was EUR -6.6 (3.3) million.
- In March, Remedy announced its first self-published game FBC: Firebreak will launch in summer 2025. In April, the release date was confirmed to be June 17th.
- During the first quarter of 2025 Remedy made the final instalment in acquiring full rights to the Control franchise from 505 Games.

Key Figures

MEUR, IFRS, Group, unaudited	1-3/2025	1-3/2024	1-12/2024
Revenue	13.4	10.8	50.7
Growth in revenue, %	24.1%	56.2%	49.3%
EBITDA	2.6	-1.2	2.5
EBITDA, % of revenue	19.3%	-10.9%	5.0%
Operating profit (EBIT)	1.3	-2.1	-4.3
Operating profit, % of revenue	9.7%	-19.3%	-8.4%
Result for review period	0.6	-2.0	-3.6
Result for review period, % of revenue	4.4%	-18.5%	-7.1%
Balance sheet total	97.4	90.4	99.3
Cash flow from operations	-6.6	3.3	11.0
Net cash	12.3	21.0	25.3
Cash and liquid investments	28.0	24.4	41.1
Net gearing, %	-17.6%	-31.5%	-36.9%
Equity ratio, %	73.9%	74.9%	70.9%
Capital expenditures	3.8	19.6*	26.6*
Average number of personnel during review period (FTE)	363	345	351
Headcount at the end of period	373	360	367
Earnings per share, €	0.04	-0.15	-0.27
Earnings per share, € (diluted)	0.04	-0,15	-0,27
Number of shares at the end of period	13,585,151	13,516,401	13,574,151

*Contains 16.9 million invested in publishing rights of Control franchise

Comments by CEO Tero Virtala

In the first quarter of 2025, Remedy's revenue increased by 24.1% from the comparison period and was EUR 13.4 (10.8) million. Development fees and royalties increased. Development fees were driven by higher fees from *Control 2* and *Max Payne 1 & 2 remake* while royalties increased with the sales of *Alan Wake 2*. After exceeding the 2 million units sold milestone at the end of Q4, *Alan Wake 2* has continued to sell steadily and accrue royalties. In the first quarter the operating profit

was EUR 1.3 million, improving by EUR 3.4 million from the comparison period. EBITDA was EUR 2.6 million, improving by EUR 3.8 million from the comparison period.

During Q1 2025, our game projects continued to develop at a good velocity.

In the first quarter, a new *FBC: Firebreak* gameplay trailer was released in the Future Games Show on March 20th to kick off the game's marketing campaign. The trailer was supported by previews of the game from members of the press as well as content creators.

Based on the previews, the early reception for the game has been positive. The game was characterized as interesting and positively distinctive in relation to other competitive titles on the market. We have carefully positioned *FBC: Firebreak* to differentiate it from other similar games, and to offer an interesting proposition to existing *Control* fans and to be relevant for a wider co-op audience.

Self-publishing

Marketing and publishing for *FBC: Firebreak* is being driven by Remedy's internal publishing team. With the publishing rights to *Control* fully returned to Remedy, our publishing team has expanded to include team members focused on supporting our existing portfolio — a group we call 'back catalog support'. Their work includes, for example, releasing limited updates for older titles and adapting them for new platforms, such as the *Control Ultimate Edition* for Mac, developed in collaboration with Apple. The importance of long-tail sales has kept on increasing for digital games. For that, we have a dedicated team to ensure our games' longevity in the digital storefronts and continue to also actively support and promote *Alan Wake 2* with our partner Epic Games.

Games in development Q1 2025

FBC: Firebreak is in full production. The development team has been primarily focused on balancing the metagame. Quality assurance support is being ramped up as the day 1 experience is being polished.

Control 2 moved to full production in February and is tracking well towards its next milestones. Team is working on expanding the content from Vertical and Horizontal Slices to the whole game.

Max Payne 1 & 2 remake project has made great progress and remains in full production. In Q1, the team has advanced steadily toward major development stages in several critical areas, working alongside the game's publisher, Rockstar Games.

As highlighted during our Capital Markets Day in November 2024, Remedy embarked on a new strategic chapter in Q1 2025. We are delivering on our core strategic pillars, with a particular emphasis on self-publishing all Remedy-owned titles. *FBC: Firebreak* will lead the way as the first in a series of regular game launches, signaling our commitment to a steady cadence of releases. This upcoming title is both exciting and distinctive. I'm eager to see it in the hands of players.

On the financial front, I'm delighted to report that Remedy returned to profitability in Q1 2025. This result aligns with our stated outlook for the year and supports our longer-term financial objectives, reinforcing the strength of our strategic direction.

Outlook 2025 (unchanged)

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

Long-term business prospects

We have two established own franchises, Control and Alan Wake, which are linked through the Remedy Connected Universe. Remedy will self-publish upcoming games, in which Remedy owns the IP. Growing and expanding the two franchises will be a key part of our future. In addition, we work with a partner franchise Max Payne, originally created by Remedy.

By 2030, we aim to be a highly regarded creative studio with sustainable, significant commercial success. We have set ourselves the following financial targets: 1) Double the 2024 revenue by 2027 with continued growth beyond this milestone and 2) EBITDA margin of 30% by 2027 and maintain that minimum level throughout the strategy period.

Events after the end of the reporting period

The Annual General Meeting was held on April 10, 2025, at the company's office at Luomanportti 3, 02200 Espoo, Finland. The Annual General Meeting adopted the Financial Statements for 2024, discharged the members of the Board of Directors and the CEO from liability, adopted the company's Remuneration Report and approved all proposals made to the Annual General Meeting in the form included in the notice to the Annual General Meeting. The Annual General Meeting resolved that no dividends shall be distributed for the financial period ended on December 31, 2024. Markus Mäki, Henri Österlund, Kaisa Salakka, Sonja Ängeslevä and Kai Tavakka were elected to the Board of Directors. At its organizing meeting held after the Annual General Meeting, the Board of Directors elected Markus Mäki to continue as the Chairman of the Board of Directors.

Further information about the resolutions made by the Annual General Meeting can be found in Remedy's Annual General Meeting resolutions release dated April 10, 2025, available on <https://investors.remedygames.com/annual-general-meeting-2025/>.

Between January 1 and March 31, 2025, a total of 2,000 new shares of Remedy were subscribed for with the company's stock options 2019. The shares subscribed for under the stock options were registered in the Trade Register on April 25, 2025, after which the total number of shares is 13,587,151.

Webcast

Remedy will host a webcast in English on its Q1 2025 financial results for investors, analysts and media on April 30, 2025, at 12:00 p.m. (EEST). Remedy's financial results will be presented by CEO Tero Virtala and CFO Santtu Kallionpää.

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

Webcast details:

Register in advance for the webcast:
<https://remedy.videosync.fi/2025-q1-review>

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

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

More information

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Remedy in brief

Remedy Entertainment Plc is a pioneering, globally renowned video game company founded in 1995 and headquartered in Finland with an office in Stockholm, Sweden. Known for its story-driven and visually stunning action games, Remedy has created multiple successful, critically acclaimed franchises such as Control, Alan Wake and Max Payne. Remedy also develops its own Northlight game engine and tools technology that powers many of its games. Remedy's shares are listed on Nasdaq Helsinki's main list.

www.remedygames.com

Result from business operations

January-March 2025

In January–March 2025, Remedy's revenue increased by 24.1% in relation to the comparison period, amounting to EUR 13.4 (10.8) million. Development fees were EUR 10.7 (9.0) million and royalties and Remedy game sales were EUR 2.6 (1.8) million. The main source of revenue was the development fees from *Max Payne 1 & 2 remake* and *Control 2*. In royalties and Remedy game sales the main source was *Alan Wake 2* related royalties.

In January–March 2025, Remedy's EBITDA was EUR 2.6 (-1.2) million and operating profit (EBIT) was EUR 1.3 (-2.1) million, 9.7% (-19.3%) of the revenue. The increase was mainly due to higher revenue level. Depreciation expenses were 42.2% higher than in the comparison period, which was mainly due to depreciation of capitalized development expenses related to *Alan Wake 2*. Materials and services expenses were 32.5% and personnel expenses 6.0% lower than in the comparison period while other operating expenses were 27.7% higher.

Cash flow and financial position

January-March 2025

Cash flow

In January–March 2025, Remedy's cash flow from business operations amounted to EUR -6.6 (3.3) million. Operating cash flow was impacted by a smaller amount of incoming payments from partners even though the outgoing payments for operating expenses were also smaller than in the comparison period. Royalty revenue cash flow is based on agreed payment terms with partners and can differ significantly during certain periods from accrual-based revenue recognized within a period. Cash flow from business operations is also affected by the timing of significant incoming project development fee payments, which vary according to invoicing milestones.

In January–March 2025, Remedy's cash flow from investing activities amounted to EUR -3.4 (-6.3) million and cash flow from financing activities amounted to EUR -0.3 (-0.1) million. Cash flow from investing activities contained the final instalment to 505 Games EUR 3.2 million as well as liquidation of cash management investments of EUR 3.0 million.

Financial position

Remedy's non-current assets on March 31, 2025, totalled EUR 53.9 (53.6) million. Remedy has several projects under development and their product development costs are capitalized according to IFRS standards as well as the publishing rights of *Control* franchise. The total amount of capitalized product development expenses was EUR

29.3 (21.1) million on March 31, 2025. The company does not have any goodwill on its balance sheet. On March 31, 2025, Remedy's cash position was EUR 10.7 (17.0) million and other current financial assets EUR 17.3 (7.4) million.

The company's liabilities on March 31, 2025, amounted to EUR 27.6 (23.8) million. The amount contains EUR 13.4 million convertible loan liabilities related the agreement Remedy entered with Tencent in September 2024. The final instalment of EUR 3,2 million Control franchise publishing rights was paid during Q1 2025. Remedy's balance sheet total on March 31, 2025, was EUR 97.4 (90.4) million and equity EUR 69.8 (66.6) million. The company's equity ratio was 73.9% (74.9%) and net gearing -17.6% (-31.5%).

Personnel, management and governance

The number of the company's personnel (headcount) was 373 (360) at the end of the period under review, with an annual growth of 3.6%.

At the end of the period under review, the company's Core Management Team comprised CEO Tero Virtala, CFO Santtu Kallionpää, Chief Product Officer Markus Mäki, Creative Director Sami Järvi, Creative Director Mikael Kasurinen, Chief Commercial Officer Johannes Paloheimo and Chief Technology Officer Mika Vehkala.

Shares, shareholders and share-based incentive schemes

Remedy's shares are traded in Nasdaq Helsinki with the trading code REMEDY. The closing price of Remedy's shares on the last trading day of the review period was 14.00 euros.

January–March 2025	Highest share price, €	Lowest share price, €	Closing share price, €	Volume-weighted average price, €
Remedy	14.66	12.88	14.00	13.72

	March 31, 2025	March 31, 2024	December 31, 2024
Market capitalization, €	190,192,114	220,857,992	190,852,563
Number of shareholders	17,251	17,640	17,107
Number of shares at the end of period	13,585,151	13,516,401	13,574,151
Number of shares at the end of period, diluted (IFRS)*	13,642,220	13,607,563	13,632,379
Number of shares at the end of period, diluted	13,752,650	13,721,400	13,743,650
Average number of shares within period	13,585,151	13,507,651	13,550,901
Average number of shares within period, diluted (IFRS)*	13,642,561	13,615,301	13,619,843

Average number of shares within period, diluted	13,753,650	13,742,900	13,761,275
Value of share turnover within period	6,714,398	16,005,339	40,425,084
Total number of traded shares within period	489,247	847,393	2,318,893

*Calculated according to International Financial Reporting Standards (IFRS)

The company has one series of shares (ISIN: FI4000251897). The number of shares in the company was 13,585,151 on March 31, 2025. The company held no treasury shares.

Between September 16 and December 31, 2024, a total of 11,000 new shares of Remedy were subscribed for with the company's stock options 2019. These shares were registered in the Trade Register on January 27, 2025. As an outcome, the number of the company's shares increased from 13,574,151 to 13,585,151.

On April 10, 2025, the Annual General Meeting granted the Board of Directors an authorisation to resolve on the issuance of new shares, treasury shares and option rights or other special rights to shares in one or several instalments either against payment or without payment so that the number of shares to be issued can be at maximum 1,000,000.

Major shareholders on March 31, 2025

	Name	Shares	Percentage
1.	Mäki Markus	3,197,000	23.5
2.	Järvi Sami	560,000	4.1
3.	Virtala Tero	300,000	2.2
4.	Lehtinen Saku	213,000	1.6
5.	Evli Finnish Small Cap Fund	198,390	1.5
6.	Sijoitusrahasto Aktia Capital	182,807	1.4
7.	Varma Mutual Pension Insurance Company	150,000	1.1
8.	Proprius Partners Micro Finland (non-ucits)	149,750	1.1
9.	Paloheimo Johannes	103,000	0.8
10.	Pulkkinen Janne	100,000	0.7
	10 largest shareholders total	5,153,947	37.9
	Accendo Capital SICAV RAIF (nominee registered)	2,063,162	15.2
	Other nominee registered	2,310,066	17.0
	Other shares	4,057,976	29.9
	Total	13,585,151	100.0%

Option plans

During the reporting period, Remedy has had six option plans directed to Remedy's key persons: Option Plan 2019, Option Plan 2020, Option Plan 2021, Option Plan 2022, Option Plan 2023 and Option Plan 2024. The table below illustrates the key information about the option plans. More information about the option plans can be found on Remedy's website at <https://investors.remedygames.com/remuneration/>.

Key information about the option plans as of March 31, 2025

Option Plan	Maximum number of option rights issued	Number of allocated option rights	Number of unexercised option rights	Share subscription period	Share subscription price, EUR
Option Plan 2019	371,000	371,000	167,499	June 1, 2022 – May 31, 2025	9.23
Option Plan 2020	179,500	179,500	170,500	June 1, 2023 – May 31, 2026	22.21
Option Plan 2021	270,000	270,000	270,000	June 1, 2024 – May 31, 2027	47.09
Option Plan 2022	350,000	292,000	292,000	June 1, 2025 – May 31, 2028	26.64
Option Plan 2023	350,000	279,000	279,000	June 1, 2026 – May 31, 2029	27.31
Option Plan 2024	350,000	322,000	322,000	June 1, 2027 – May 31, 2030	19.76

Remedy's option rights 2019 are listed on the Nasdaq Helsinki Ltd First North Growth Market marketplace.

Risks and uncertainties

The most substantial short-term risks and uncertainties are:

- Remedy's game development efforts may fail if the company is unable to develop its games within set mandates, such as release schedule, quality, and budget. Additionally, the company's games may not generate sufficient sales after their release, even if well received and of high quality, thus generating less than estimated game revenue for Remedy.
- Remedy has entered into long-term agreements with its partners related to game projects in development. If the company failed to satisfy key contract obligations, its partners could terminate their agreements with, or present claims to, the company.
- Remedy is planning to self-publish its games based on fully owned IPs and is this way taking more financing risk in game development. In case the self-published games are not successful and do not generate sufficient sales, Remedy carries the risk of the games not becoming profitable.
- Remedy's success depends significantly on its ability to hire, train, and retain skilled personnel. If the company fails in these areas, it will be unable to effectively conduct its business.
- Remedy's business is subject to economic, market, and geopolitical conditions, which are beyond its control. Possible significant fluctuations in currencies, especially USD exchange rate, could have effects on Remedy's profitability.

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

Tables

Consolidated statement of comprehensive income

EUR thousand	1–3/2025	1–3/2024	1–12/2024
REVENUE	13,398	10,795	50,661
Other operating income	0	0	2
Materials and services	-2,585	-3,830	-16,557
Personnel expenses	-6,036	-6,423	-24,672
Depreciation and impairment	-1,288	-905	-6,791
Other operating expenses	-2,195	-1,719	-6,922
OPERATING PROFIT (LOSS)	1,294	-2,082	-4,280
Financial income	266	125	879
Financial expenses	-461	-7	-420
PROFIT (LOSS) BEFORE INCOME TAXES	1,099	-1,965	-3,820
Income tax	-509	-27	224
PROFIT (LOSS) FOR THE FINANCIAL YEAR	590	-1,992	-3,596
OTHER COMPREHENSIVE INCOME (EXPENSE)			
Items that may be subsequently reclassified to profit or loss	0	0	0
Total other comprehensive income (expense) for the financial year	0	0	0
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE FINANCIAL YEAR	590	-1,992	-3,596
PROFIT (LOSS) FOR THE FINANCIAL YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	590	-1,992	-3,596
EARNINGS PER SHARE			
Basic earnings per share, euro	0.04	-0.15	-0.27
Diluted earnings per share, euro	0.04	-0.15	-0.27

Consolidated balance sheet

EUR thousand	March 31, 2025	March 31, 2024	December 31, 2024
NON-CURRENT ASSETS			
Intangible assets	42,682	38,075	39,815
Tangible assets	3,127	3,943	3,357
Right-of-use assets	2,298	2,523	2,471
Investments	0	3,000	0
Non-current receivables	794	1,006	987
Deferred tax assets	5,040	5,027	5,355
CURRENT ASSETS			
Inventory	0	5	0
Trade and other receivables	15,492	12,352	6,237
Other current financial assets	17,265	7,435	20,115
Cash and cash equivalents	10,704	16,992	20,996
TOTAL ASSETS	97,402	90,358	99,333
EQUITY			
Share capital	80	80	80
Share premium	38	38	38
Invested non-restricted equity reserve	58,363	57,815	58,344
Retained earnings (losses)	10,714	10,654	13,661
Profit (loss) for the financial year	590	-1,992	-3,596
LIABILITIES			
Non-current liabilities			
Convertible bonds	13,402	0	13,331
Lease liabilities	865	1,272	1,127
Accrued expenses	300	0	0
Current liabilities			
Government loan	0	918	0
Lease liabilities	1,440	1,259	1,376
Trade and other payables	11,467	20,205	14,844
Deferred tax liabilities	143	107	127
TOTAL EQUITY AND LIABILITIES	97,402	90,358	99,333

Condensed consolidated statement of cash flow

EUR thousand	1–3/2025	1–3/2024	1–12/2024
Cash flow from business operations	-6,624	3,292	11,001
Cash flow from investments	-3,396	-6,263	-22,939
Cash flow from financing	-272	-104	12,868
Liquid assets - opening balance	20,996	20,066	20,066
Change in liquid assets	-10,292	-3,074	930
Liquid assets - closing balance	10,704	16,992	20,996

Consolidated statement of changes in equity

Changes in shareholders' equity 1–3/2025	Share capital	Share premium account	Invested unrestricted equity fund	Retained earnings	SHARE-HOLDERS' EQUITY TOTAL
EUR thousand					
Balance January 1, 2025	80	38	58,344	10,065	68,527
Comprehensive income					
Profit (Loss) for the financial year				590	590
Other comprehensive income					
Total comprehensive income				590	590
Transactions with owners of the company					
Share options granted				649	649
Share issue and other share subscriptions			18		18
Total transactions with owners			18	649	667
BALANCE March 31, 2025	80	38	58,363	11,305	69,785

Changes in shareholders' equity 1–3/2024	Share capital	Share premium account	Invested unrestricted equity fund	Retained earnings	SHARE-HOLDERS' EQUITY TOTAL
EUR thousand					
Balance January 1, 2024	80	38	57,815	9,817	67,750
Comprehensive income					
Profit (Loss) for the financial year				-1,992	-1,992
Other comprehensive income					
Total comprehensive income				-1,992	-1,992
Transactions with owners of the company					
Share options granted				815	815
Share issue and other share subscriptions					
Prior period error correction				22	22
Total transactions with owners				837	837
BALANCE March 31, 2024	80	38	57,815	8,662	66,595

Notes to the Business review January–March 2025

Revenue breakdown per quarter

EUR thousand	1–3/2025	10–12/2024	7–9/2024	4–6/2024	1–3/2024
Development fees	10,749	10,184	17,028	9,436	8,961
Royalties	2,648	1,467	839	912	1,834
Total	13,398	11,651	17,866	10,349	10,795

Changes in property, plant and equipment

EUR thousand	Machinery and equipment		Other tangible assets		Total	
	2025	2024	2025	2024	2025	2024
Cost						
Balance January 1	9,550	8,504	1,988	1,988	11,538	10,492
Additions	150	518	0	0	150	518
Balance March 31	9,700	9,022	1,988	1,988	11,688	11,010
Accumulated depreciation and impairment						
Balance January 1	-6,233	-4,762	-1,947	-1,923	-8,180	-6,686
Depreciation	-375	-376	-6	-6	-381	-382
Balance March 31	-6,608	-5,138	-1,953	-1,929	-8,561	-7,068
Carrying amount on January 1	3,316	3,742	41	65	3,357	3,806
Carrying amount on March 31	3,092	3,884	35	59	3,127	3,943

Changes in intangible assets

EUR thousand	Capitalized development costs		Other intangible assets		Total	
	2025	2024	2025	2024	2025	2024
Cost						
Balance January 1	46,026	38,017	16,416	0	62,441	38,017
Additions	3,049	1,996	391	16,947	3,440	18,943
Balance March 31	49,075	40,014	16,807	16,947	65,881	56,961
Accumulated amortization and impairment						
Balance January 1	-19,197	-18,709	-3,430	0	-22,626	-18,709
Amortization	-573	-177	0	0	-573	-177
Balance March 31	-19,769	-18,886	-3,430	0	-23,199	-18,886
Carrying amount on January 1	26,829	19,308	12,986	0	39,815	19,308
Carrying amount on March 31	29,305	21,128	13,377	16,947	42,682	38,075

Calculation formulas used for the indicators

EBITDA: Operating profit (EBIT) + depreciation and amortization

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

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

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

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

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

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

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

Espoo, April 30, 2025
Remedy Entertainment Plc
Board of Directors

This is not an interim report as defined in IAS 34. Remedy follows the half-year reporting schedule according to Finnish Securities Market Act and publishes business reviews off the first three and nine months of the fiscal year. These business reviews will include the most essential information regarding the company's financial performance. The financial figures presented in this business review are unaudited.