



Financial Statements Release JANUARY–DECEMBER 2023





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EET

Remedy Entertainment Plc | Financial Statements Release 2023

Challenging year results in two established franchises after the successful Alan Wake 2 launch

After the review period, Remedy acquired full rights for the Control franchise

Figures in parentheses refer to the comparison period in the previous year, unless otherwise stated.

Highlights from October–December 2023

- Revenue decreased by 24.4% to EUR 10.3 (13.6) million.
- EBITDA decreased to EUR -3.9 (2.8) million.
- Operating profit (EBIT) was EUR -12.8 (2.1) million, and the operating profit margin was -123.9% (15.6%) of revenue.
- Cash flow from operations was EUR 0.1 (-3.8) million.
- In September, the Board of Directors decided on a new option plan 2023.
- *Alan Wake 2* launched October 27, 2023, with great critical and player reception.
- *Alan Wake 2* won several awards including Best Game Direction, Best Narrative and Best Art Direction at The Game Awards on December 7, 2023.
- In November, Remedy made changes to its core leadership team. Markus Mäki assumed the role of Chief Product Officer and Mika Vehkala was appointed as Chief Technology Officer.
- Remedy recognized an impairment charge of EUR 7.2 million for Q4 and fiscal year 2023 results, comprising the total capitalized development costs for codename Vanguard.

Highlights from January–December 2023

- Revenue decreased by 22.2% to EUR 33.9 (43.6) million.
- EBITDA was EUR -17.0 (1.9) million.
- Operating profit (EBIT) was EUR -28.6 (-0.6) million, and the operating profit margin was -84.4% (-1.3%) of revenue.
- Cash flow from operations was EUR -16.0 (11.1) million.
- In September, The Board of Directors decided on a new option plan 2023.
- In November, Remedy made changes to its core leadership team. Markus Mäki assumed the role of Chief Product Officer and Mika Vehkala was appointed as Chief Technology Officer.
- Remedy recognized an impairment charge of EUR 7.2 million for Q4 and fiscal year 2023 results, comprising the total capitalized development costs for codename Vanguard.
- The Board of Directors proposes that no dividend will be paid for the year 2023.
- After the review period, in February 2024, Remedy signed a contract amendment with Tencent for codename Kestrel, resulting in the Kestrel project starting fresh.
- After the review period, in February 2024, Remedy announced that Alan Wake 2 had sold 1 million units by the end of December 2023, and 1.3 million units as of the beginning of February 2024.
- After the review period, in February 2024, Remedy acquired full rights to the Control franchise from 505 Games. Upon the transaction, all publishing, distribution, marketing and other rights to Control, codename Condor, Control 2, and all future Control products revert to Remedy.

Key Figures

MEUR, IFRS, Group, unaudited	10–12/2023	10–12/2022	1–12/2023	1–12/2022
Revenue	10.3	13.6	33.9	43.6
Growth in revenue, %	-24.4%	-31.2%	-22.2%	-2.5%
EBITDA	-3.9	2.8	-17.0	1.9
Operating profit (EBIT)	-12.8	2.1	-28.6	-0.6
Operating profit, % of revenue	-123.9%	15.6%	-84.4%	-1.3%
Result for review period	-9.9	1.5	-22.7	-1.7
Result for review period, % of revenue	-96.5%	10.8%	-66.8%	-4.0%
Balance sheet total	79.0	99.6	79.0	99.6
Cash flow from operations	0.1	-3.8	-16.0	11.1

Net cash	23.8	49.9	23.8	49.9
Cash and cash equivalents	20.1	49.0	20.1	49.0
Net gearing, %	-35.1%	-56.4%	-35.1%	-56.4%
Equity ratio, %	85.5%	88.8%	85.5%	88.8%
Capital expenditures	1.5	2.5	10.0	10.6
Average number of personnel during review period (FTE)	337	323	334	307
Headcount at the end of period	352	334	352	334
Earnings per share, €	-0.74	0.11	-1.68	-0.13
Earnings per share, € (diluted)	-0.73	0.11	-1.66	-0.13
Number of shares at the end of period	13,490,151	13,448,600	13,490,151	13,448,600

Comments by CEO Tero Virtala

The last quarter of 2023 was a special and memorable one for Remedy. *Alan Wake* returned after 13 years with the launch of *Alan Wake 2* at the end of October 2023. *Alan Wake 2* is the largest and most ambitious project undertaken by Remedy. Finalizing the game with a high quality was a priority and required more personnel during the year than originally planned, which in turn delayed our other projects moving to the next development stages. The successful launch of *Alan Wake 2* freed up talents for other game projects, resulting in improved development velocity.

We at Remedy are grateful for *Alan Wake 2*'s positive reception from both critics and players. The game has a Metacritic score of 89 placing it among the very best game launches of 2023, and it has won several awards including Best Game Direction, Best Narrative, and Best Art Direction at The Game Awards. With *Alan Wake* and *Control* we now have two established franchises, and our ambition is to grow them into franchises that have high brand recognition, steadily growing user base, more regular cadence of sequels and an ability to generate revenues and profits at a high level.

The sales of *Alan Wake 2* started well despite a competitive launch window and an overall exceptional number of great game launches throughout the year. *Alan Wake 2*, as a digital only release, had sold over 1 million units by the end of the fourth quarter of 2023 making it the fastest selling Remedy game. I want to thank the development team for their incredible effort in getting *Alan Wake 2* done. As *Control* proved, a great quality game can have excellent longtail sales and we expect this to be the case with *Alan Wake 2* as well. *Alan Wake 2* has already recouped a significant part of the investments made by Epic Games Publishing, and we expect the game to be a meaningful revenue and profitability driver for the year.

In February 2024, we acquired full rights to the *Control* franchise from 505 Games. This is a significant positive step for us. While 505 Games was the right partner in 2017, the franchise and our ambitions have grown since. We see that the way to grow the *Control* franchise is with a different business model and a partner.

Our full year 2023 revenue and profitability were impacted by significantly increased investments in our own game projects, and the impairment charge related to *codename Vanguard*. Out of the five games we had in development during the year, we co-financed four that are based on Remedy-owned brands, whereas *Max Payne 1&2 remake* is fully funded by the IP owner and publishing partner Rockstar Games. In the fourth quarter of 2023, revenue and profitability declined from the comparable period.

In November we announced a reboot to *Codename Vanguard*, renamed *Codename Kestrel*. The requirements for a successful new free-to-play game have clearly increased during the past years. Despite the promising progress during the first half of the year, we decided with Tencent that the potential was not there. *Kestrel* returned to a concept stage. As a result, we wrote off all the capitalized *Vanguard* development costs, impacting the profitability of the fourth quarter and full year 2023 by EUR -7.2 million.

Control 2 continued in the proof-of-concept stage. In the fourth quarter, the team worked particularly on world building and combat. *Codename Condor* continued in the production readiness stage and the team focused on combat and game mechanics. Both games have proven fun and engaging game play.

Max Payne 1&2 Remake also continued in the production readiness stage. The team made considerable progress throughout the year. *Max Payne 1&2 remake* is going to be a major new game with great potential, enabled by a similar development budget as *Alan Wake 2*.

We expect *Condor*, *Control 2* and *Max Payne 1&2 remake* projects to advance to the next stages of development during the first half of 2024. With the refined multi-project model in place, increased focus on Remedy core strengths and the dedication of almost 400 Remedians, we are thrilled with a great lineup of upcoming game launches.

I want to thank all Remedians for their hard work and dedication throughout the year. 2023 was a challenging yet remarkable year for Remedy. Having acquired the full rights to *Control*, *Condor* and *Control 2*, we can now make the right product and business decisions focusing on long-term franchise growth for both *Alan Wake* and *Control*. We continue the year 2024 with great enthusiasm, more focus, and plenty of determination, and we expect this to be an exciting year of growth for Remedy.

Outlook 2024

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

The revenue growth rate and EBIT improvement are meaningfully dependent on the choice between self-publishing and/or choosing a new publishing partner for the games in the *Control* franchise (*Codename Condor* and *Control 2*).

We will specify the Outlook for 2024 when the decision for the business model and the potential agreements for *Control 2* and *Condor* have been made.

Long-term business prospects

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

Result from business operations

October–December 2023

In October–December 2023, Remedy's revenue decreased by 24.4% in relation to the comparison period, amounting to EUR 10.3 (13.6) million. Development fees were EUR 7.6 (12.8) million and royalties from publishing partners were EUR 2.7 (0.9) million. The main sources of revenue in October - December 2023 were the development fees from Max Payne 1&2 remake, codenames Kestrel and Vanguard, and royalties from Alan Wake Remastered. In the comparison period of 2022, the development fees for Control 2 included compensation for work that had already been done earlier.

In October–December 2023, Remedy's EBITDA decreased to EUR -3.9 (2.8) million and operating profit (EBIT) was EUR -12.8 (2.1) million, or -123.9% (15.6%) of the revenue. Materials and services expenses were 80.7%, personnel expenses 12.8%, and other operating expenses 8.9% higher than in the comparison period. Operating profit was affected by the EUR -7.2 million write-off of codename Vanguard.

January–December 2023

In January–December 2023, Remedy's revenue decreased by 22.2% to EUR 33.9 (43.6) million. Development fees were EUR 28.7 (39.1) million and royalties from publishing partners were EUR 5.2 (4.5) million. The main sources of revenue were development fees from Max Payne 1&2 remake, Alan Wake 2 and codenames Kestrel and Vanguard. Revenue from royalties grew from comparison period due to Alan Wake remastered starting to generate royalties in autumn 2023.

In January–December 2023, Remedy's EBITDA decreased to EUR -17.0 (1.9) million and operating profit (EBIT) to EUR -28.7 (-0.6) million, or -84.4% (-1.3%) of the revenue. Remedy's transition to a phase where it invests more in game projects during the development phase to ensure longer term upside potential, has continued still during 2023. Materials and services expenses were 43.3%, personnel expenses 12.5%, and other operating expenses 19.2% higher than in the comparison period.

Cash flow and financial position

Cash flow

October–December 2023

In October-December 2023, Remedy's cash flow from business operations amounted to EUR 0.1 (-3.8) million. Operating cash flow was impacted by a higher amount of incoming payments from partners.

In October-December 2023, Remedy's cash flow from investing activities amounted to EUR -0.5 (-2.5) million and cash flow from financing activities amounted to EUR -1.3 (-1.2) million.

January–December 2023

In January–December 2022, Remedy's cash flow from business operations amounted to EUR -16.0 (11.1) million. Compared to the comparison period, Remedy received a smaller amount of development fees from partners, especially related to *Alan Wake 2*. Also, the development fee receivables grew due to the agreement-based payment timings. At the same time outgoing payments related to outsourcing were significantly higher 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–December 2023, Remedy's cash flow from investing activities amounted to EUR -9.8 (-10.6) million and cash flow from financing activities amounted to EUR -3.1 (-2.8) million.

Financial position

Remedy's non-current assets on December 31, 2022, totaled EUR 34.9 (31.4) million. The increase in non-current assets is largely due to deferred tax assets. The total amount of capitalized product development expenses was EUR 19.3 (23.3) million on December 31, 2023. The decrease was due to the write-off of *codename Vanguard* and start of depreciations of development expenses related to *Alan Wake Remastered*. The company has several projects under development and their product development costs are capitalized according to IFRS standards. The company does not have any goodwill on its balance sheet. On December 31, 2023, Remedy's cash position was EUR 20.1 (49.0) million.

The company's liabilities on December 31, 2023, amounted to EUR 11.5 (11.2) million. Remedy's balance sheet total on December 31, 2022, was EUR 79.3 (99.6) million and equity EUR 67.8 (88.4) million. Equity was impacted by a dividend payment of EUR 1.3 million in April 2023. The company's equity ratio was 85.5% (88.8%) and net gearing -35.1% (-56.4%).

Personnel, management and governance

The number of the company's personnel (headcount) was 352 (334) at the end of the period under review, with an annual growth of 5%. 52% of the personnel represent 32 different nationalities, the rest (48 %) are Finns. The total headcount at the end of the period under review was 385, growing 5% from the same period in the previous year. The total headcount is defined as headcount added with people who work in Remedy's projects but are not employed by Remedy.

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

Annual General Meeting

The Annual General Meeting was held on April 13, 2023, in Espoo. Shareholders and their proxy representatives could only participate in the meeting and exercise shareholder rights by voting, submitting counterproposals and asking questions in advance.

The Annual General Meeting re-elected Markus Mäki (Chair), Jussi Laakkonen, Henri Österlund, Kaisa Salakka and Sonja Ängeslevä as members of the company's Board of Directors. The members of the Board of Directors were elected for the term lasting until the 2024 Annual General Meeting.

The Annual General Meeting decided on the matters belonging to the Annual General Meeting, and

- adopted the financial statements for the financial period ended December 31, 2022,
- discharged the members of the Board of Directors and the CEO from liability for the financial year 2022,
- adopted the company's Remuneration Policy and Remuneration Report,
- decided, based on the Board of Directors' proposal, on a dividend distribution of 0.10 euros per share and in the aggregate amount of 1,347,010.00 euros from the company's distributable funds,
- confirmed that the remuneration payable to the Chairman of the Board of Directors is EUR 4,500 per month and to each Board member EUR 3,000 per month, and
- re-elected KPMG Oy Ab as the auditor of the company with Petri Sammalisto, APA, acting as the auditor with the principal responsibility.

In addition, the Annual General Meeting resolved to authorize the Board of Directors to resolve on

- the directed repurchase of a maximum of 700,000 of the company's own shares in one or more instalments using the company's unrestricted equity, and

- the issuance of shares for a fee or without a fee or issuances of option rights or special rights so that the number of shares to be issued can be at maximum 700,000, and shares can be issued in deviation from the shareholders' pre-emptive rights.

The authorization for the directed repurchase of own shares is valid until the closing of the next Annual General Meeting, however, no longer than until October 13, 2024, and it replaces the previous authorizations. The authorization to decide on share issues or issuance of option rights or other special rights is valid until the close of the company's following Annual General Meeting, but no longer than 18 months from the date of the Annual General Meeting and it replaces the previous authorizations.

At its organizing meeting held after the Annual General Meeting, the Board elected Markus Mäki to continue as the Chairman of the Board of Directors.

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 25.40 euros.

January– December 2023	Highest share price, €	Lowest share price, €	Closing share price, €	Volume-weighted average price, €
REMEDY	30.15	20.00	25.40	24.54
			31.12.2023	31.12.2022
Market capitalization, €			342,649,835	293,851,910
Number of shareholders			17,745	16,766
Number of shares at the end of period			13,490,151	13,448,600
Number of shares at the end of period, diluted (IFRS)*			13,681,674	13,620,226
Number of shares at the end of period, diluted			14,819,650	14,574,150
Average number of shares within period			13,478,474	13,351,333
Average number of shares within period, diluted (IFRS)*			13,676,349	13,585,980
Average number of shares within period, diluted			14,585,817	14,287,775
Value of share turnover within period			41,933,882	133,738,900
Total number of traded shares within period			1,708,862	5,033,885

*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 13,490,151 on December 31, 2023. The company held no treasury shares.

A total of 2,500 new shares of Remedy were subscribed for with the company's stock options 2018 and a total of 18,000 new shares of Remedy were subscribed for with the company's stock options 2019 between September 16th and December 31st 2022. These shares were registered in the Trade Register on January 30, 2023. As an outcome, the number of the company's shares increased from 13,448,600 to 13,469,100.

A total of 1,000 new shares of Remedy were subscribed for with the company's stock options 2019 between January 1st and March 31st 2023. These shares were registered in the Trade Register on April 12th, 2023. As an outcome, the number of the company's shares increased from 13,469,100 to 13,470,100.

A total of 7,800 new shares of Remedy were subscribed for with the company's stock options 2019 between April 1st and May 31st 2023. These shares were registered in the Trade Register on June 30th, 2023. As an outcome, the number of the company's shares increased from 13,470,100 to 13,477,900.

A total of 3,250 new shares of Remedy were subscribed for with the company's stock options 2018, a total of 2,001 new shares of Remedy were subscribed for with the company's stock options 2019 and a total of 7,000 new shares of Remedy were subscribed for with the company's stock options 2020 between June 1st and September 15th 2023. These shares were registered in the Trade Register on September 28th, 2023. As an outcome, the number of the company's shares increased from 13,477,900 to 13,490,151.

On April 13, 2023, the Annual General Meeting resolved to authorize the Board of Directors to resolve on the issuance of shares for a fee or without a fee or issuances of option rights or special rights so that the number of shares to be issued can be at maximum 700,000. On 31 December 2023, 423,000 shares are left to be issued under the authorization of the Annual General Meeting on said date.

Major shareholders on December 31, 2023

	Name	Shares	Percentage
1.	Mäki Markus	3,197,000	23.7
2.	Järvi Sami Antero	560,000	4.2
3.	Virtala Tero Tapani	300,000	2.2
4.	Lehtinen Saku Hermann	227,000	1.7
5.	Evli Finnish Small Cap Fund	184,000	1.4
6.	Varma Mutual Pension Insurance Company	150,000	1.1
7.	Sijoitusrahasto Aktia Capital	129,807	1.0
8.	Erikoissijoitusrahasto Aktia Mikro Markka	114,368	0.9
9.	Proprius partners micro finland (non-ucits)	103,380	0.8
10.	Paloheimo Johannes Alfred Gustaf	103,000	0.8
	10 largest shareholders total	5,071,555	37.6
	Accendo Capital SICAV RAIF (nominee registered)	2,063,162	15.3
	Other nominee registered	2,386,381	17.7
	Other shares	3,969,053	29.4
	Total	13,490,151	100.0%

Option plans

Remedy has six option plans directed to Remedy’s key persons: Option Plan 2018, Option Plan 2019, Option Plan 2020, Option Plan 2021, Option Plan 2022 and Option Plan 2023. The table below illustrates the key information about the option plans. More information about the option plans can be found on Remedy’s website at

<https://investors.remedygames.com/remuneration/>.

Key information about the option plans as of December 31, 2023

Option Plan	Maximum number of option rights issued	Number of allocated option rights	Number of unexercised option rights	Share subscription period	Share subscription price, EUR
Option Plan 2018	302,500	302,500	55,000	June 1, 2021 – May 31, 2024	7.02
Option Plan 2019	371,000	371,000	207,499	June 1, 2022 – May 31, 2025	9.23
Option Plan 2020	400,000	179,500	172,500	June 1, 2023 – May 31, 2026	22.21
Option Plan 2021	350,000	287,500	287,500	June 1, 2024 – May 31, 2027	47.09
Option Plan 2022	350,000	318,000	318,000	June 1, 2025 – May 31, 2028	26.64
Option Plan 2023	350,000	277,000	277,000	June 1, 2026 – May 31, 2029	27.31

Remedy’s option rights 2018 and 2019 are listed on the Nasdaq Helsinki Ltd First North Growth marketplace. The share subscription period for option rights 2020 started on June 1st 2023. In May 31st, Remedy cancelled a total of 200,500 option rights 2020 held by the company. Originally, a total number of 400,000 option rights 2020 were issued. After the cancellation, the remaining 199,500 option rights 2020 entitle their holders to subscribe for 199,500 company shares.

On September 21st, 2023, The Board of Directors of Remedy decided to adopt a new option plan “Option Plan 2023” directed to the key persons. The maximum total number of option rights issued is 350,000, entitling their holders to subscribe for a maximum of 350,000 new shares of the company or existing shares held by the company. The number of the company’s shares may increase at maximum by 350,000 shares as a result of the share subscriptions with the option rights, equaling to 2.53 percent of all shares and votes in the company after the possible share subscription, if only new shares are issued in the subscription.

Dividend proposal

On December 31, 2023, Remedy Entertainment Plc’s non-restricted equity was 48 020 705,23 euros, and the profit for the financial year was -22 867 054,61 euros.

The Board of Directors proposes to the Annual General Meeting that no dividend be paid based on the balance sheet to be adopted for the financial year 2023.

Annual General Meeting 2024

Remedy's Annual General Meeting is planned to be held on April 12, 2024. The company will give notice to the Annual General Meeting separately in accordance with its Articles of Association.

Risks and uncertainties

The most substantial short-term risks and uncertainties are:

- Remedy's game development efforts may fail if the company is unable to develop its games within set mandates, such as release schedule, quality, and budget. Additionally, the company's games may not generate sufficient sales after their release, even if well received and of high quality, thus generating less than estimated game royalties for Remedy.
- Remedy has entered into long-term publishing agreements with its key partners. If the company failed to satisfy key contract obligations, its partners could terminate their agreements with, or present claims to, the company.
- Remedy purchased back publishing rights for Control, Condor and Control 2 and is this way taking more own risk in game development. This means that there is currently no partner to share the financing of the game development for Condor and Control 2 and this increases financing needs for Remedy. There is a risk that Remedy does not find financing solutions or that the terms of these solutions are unfavorable. The financial effects of financing solutions might pose higher financing expenses due to the current overall higher interest rate environment.
- Remedy's success depends significantly on its ability to hire, train, and retain skilled personnel. If the company fails in these areas, it will be unable to effectively conduct its business.
- Remedy's business is subject to economic, market, and geopolitical conditions, which are beyond its control. Recently, the company has seen that its costs have been subject to inflationary pressures. If the company is unable to shift its increased costs to its partners or if these are not reflected in the retail prices of its games, this could have a negative impact on the company's profitability.

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

Events after the end of the reporting period

On February 6, 2024, Remedy signed a contract amendment with Tencent for codename Kestrel, resulting in the Kestrel project starting fresh.

On February 16, 2024, Remedy announced that Alan Wake 2 had sold 1 million units by the end of December 2023, and 1.3 million units as of the beginning of February 2024.

On February 28, 2024, Remedy acquired full rights to the Control franchise from 505 Games. Upon the transaction, all publishing, distribution, marketing and other rights to Control, codename Condor, Control 2, and all future Control products will revert to Remedy.

Financial disclosures in 2024

March 20, 2024	Financial Statements Report 2023
April 29, 2024	Business Review for January-March 2024
August 9, 2024	Half-year Financial Report for January-June 2024
November 1, 2024	Business Review for January-September 2024

Remedy's Annual Report, Financial Statements and Board of Directors' Report for 2023 will be published on week 12 on company's investor website at <https://investors.remedygames.com/>.

Webcast and conference call

Remedy will host a webcast and conference call in English on its full year 2023 financial results for investors, analysts and media on March 20, 2024, at 4:00 p.m. (EET). Remedy's financial results will be presented by CEO Tero Virtala and CFO Terhi Kauppi.

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.zoom.us/j/89665290254?pwd=TjVNZmp6U0xtY3dXNnpLZFFPeHNnQT09>

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

Conference call details:

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

Finland: +358 9 7252 2471

Sweden: +46 850 539 728

United Kingdom: +44 330 088 5830

United States: +1 646 558 8656

Webinar ID: 896 6529 0254

Passcode: 487991

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

Tables

The annual financial statements figures presented in this release are based on the company's audited financial statements. The auditor's report was issued on 19 March 2024.

Consolidated statement of comprehensive income

EUR thousand	10-12/2023	10-12/2022	1-12/2023	1-12/2022
REVENUE	10,302	13,627	33,932	43,588
Other operating income	-	18	49	19
Materials and services	-5,261	-2,912	-16,841	-11,751
Personnel expenses	-6,943	-6,156	-26,938	-23,949
Depreciation and impairment	-8,913	-662	-11,676	-2,468
Other operating expenses	-1,954	-1,795	-7,153	-6,002
OPERATING PROFIT (LOSS)	-12,769	2,120	-28,627	-563
Financial income	849	16	1,766	316
Financial expenses	-300	-35	-681	-941
PROFIT (LOSS) BEFORE INCOME TAXES	-12,220	2,100	-27,541	-1,188
Income tax expense	2,274	-627	4,885	-538
PROFIT (LOSS) FOR THE FINANCIAL YEAR	-9,946	1,473	-22,657	-1,726
OTHER COMPREHENSIVE INCOME (EXPENSE)				
Items that may be subsequently reclassified to profit or loss	0	0	0	0
Total other comprehensive income (expense) for the financial year	0	0	0	0
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE FINANCIAL YEAR	-9,946	1,473	-22,657	-1,726
PROFIT (LOSS) FOR THE FINANCIAL YEAR ATTRIBUTABLE TO				
Owners of the company	-9,946	1,473	-22,657	-1,726
TOTAL COMPREHENSIVE INCOME (EXPENSE) ATTRIBUTABLE TO				
Owners of the company	-9,946	1,473	-22,657	-1,726
EARNINGS PER SHARE				
Basic earnings per share, euro	-0,74	0,11	-1,68	-0,13
Diluted earnings per share, euro	-0,73	0,11	-1,66	-0,13

Consolidated balance sheet

EUR thousand	December 31, 2023	December 31, 2022
NON-CURRENT ASSETS		
Intangible assets (development costs)	19,308	23,262
Tangible assets	3,806	3,142
Right-of-use assets	2,720	1,147
Investments	3,000	3,000
Non-current receivables	1,013	828
Deferred tax assets	5,027	-
CURRENT ASSETS		
Inventory	6	13
Trade and other receivables	16,957	15,307
Other current financial assets	7,357	3,818
Cash and cash equivalents	20,066	49,034
TOTAL ASSETS	79,260	99,552
EQUITY		
Share capital	80	80
Share premium	38	38
Invested non-restricted equity reserve	57,815	57,101
Retained earnings (losses)	32,474	32,863
Profit (loss) for the financial year	-22,657	-1,726
LIABILITIES		
Non-current liabilities		
Government loan	-	919
Lease liabilities	1,433	227
Current liabilities		
Government loan	918	919
Lease liabilities	1,309	928
Trade and other payables	7,751	8,204
Deferred tax liabilities	99	7
TOTAL EQUITY AND LIABILITIES	79,260	99,552

Condensed consolidated statement of cash flow

EUR thousand	1-12/2023	1-12/2022
Cash flow from business operations	-16,034	11,069
Cash flow from investments	-9,822	-10,623
Cash flow from financing	-3,112	-2,796
Liquid assets – opening balance	49,034	51,384
Change in liquid assets	-28,968	-2,350
Liquid assets – closing balance	20,066	49,034

Consolidated statement of changes in equity

Changes in shareholders' equity 1-12/2023	Share capital	Share premium account	Invested unrestricted equity fund	Retained earnings	SHARE-HOLDERS' EQUITY TOTAL
EUR thousand					
Balance January 1, 2023	80	38	57,101	31,137	88,356
Comprehensive income					
Profit (Loss) for the financial year				-22,657	-22,657
Other comprehensive income					
Total comprehensive income				-22,657	-22,657
Transactions with owners of the company					
Dividend distribution				-1,347	-1,347
Share options granted				2,684	2,684
Share issue and other share subscriptions			714		714
Total transactions with owners			714	1,337	2,051
BALANCE December 31, 2023	80	38	57,815	9,817	67,750

Changes in shareholders' equity 1-12/2022	Share capital	Share premium account	Invested unrestricted equity fund	Retained earnings	SHARE-HOLDERS' EQUITY TOTAL
EUR thousand					
Balance January 1, 2022	80	38	55,779	31,522	87,419
Comprehensive income					
Profit (Loss) for the financial year				-1,726	-1,726
Other comprehensive income					
Total comprehensive income				-1,726	-1,726
Transactions with owners of the company					
Dividend distribution				-2,261	-2,261
Share options granted				3,602	3,602
Share issue and other share subscriptions			1,322		1,322
Total transactions with owners			1,322	1,341	2,663
BALANCE December 31, 2022	80	38	57,101	31,137	88,356

Notes to Financial Statement January–December 2023

Accounting policies applied in the Financial Statement report

The Financial Statement report has been prepared in accordance with IAS 34 'Interim Financial Reporting' while adhering to related IFRS standards applicable within the EU on December 31, 2023. The accounting policies of the interim report are similar to the accounting policies applied in the financial statements according to IFRS for the period ended December 31, 2022. The disclosed figures have been rounded off from the accurate figures.

Revenue breakdown per quarter

EUR thousand	10–12/2023	7–9/2023	4–6/2023	1–3/2023	10–12/2022	7–9/2022
Development fees	7,648	6,714	7,948	6,440	12,756	7,500
Royalties	2,655	1,102	955	471	871	404
Total	10,302	7,816	8,903	6,911	13,627	7,904

Fair value measurement and hierarchy of financial instruments

Currently Remedy's financial assets measured at fair value comprise of investments to equity funds. Investments in equity funds are classified at fair value level 1 and valued at the publicly announced value of the end of the reporting period. Financial liabilities consist of unsecured government loan, which is classified at fair value level 3.

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

December 31, 2022	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
EUR thousand					
Financial assets measured at fair value					
Investments to equity funds	6,818	6,818	-	-	6,818
	6,818	6,818	-	-	6,818
Financial liabilities not measured at fair value					
Unsecured government loan	1,837	-	-	1,837	1,837
	1,837	-	-	1,837	1,837

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

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

Changes in property, plant and equipment

EUR thousand	Machinery and equipment		Other tangible assets		Total	
	2023	2022	2023	2022	2023	2022
Cost						
Balance January 1	6,233	4,734	1,918	1,918	8,151	6,652
Additions	2,271	1,499	70	-	2,341	1,499
Balance December 31	8,504	6,233	1,988	1,918	10,492	8,151
Accumulated depreciation and impairment						
Balance January 1	-3,215	-2,154	-1,793	-1,319	-5,009	-3,474
Depreciation	-1,547	-1,061	-130	-474	-1,677	-1,535
Balance December 31	-4,762	-3,215	-1,923	-1,793	-6,686	-5,009
Carrying amount on January 1	3,018	2,579	125	599	3,142	3,178
Carrying amount on December 31	3,742	3,018	65	125	3,806	3,142

Changes in intangible assets

Capitalized development costs

EUR thousand	December 31, 2023	December 31, 2022
Cost		
Balance January 1	33,237	25,085
Additions	4,780	8,152
Balance December 31	38,017	33,237

Accumulated amortization and impairment

Balance January 1	-9,975	-9,975
Depreciation	-1,556	-
Impairment losses	-7,178	-
Balance December 31	-18,709	-9,975
Carrying amount on January 1	23,262	15,110
Carrying amount on December 31	19,308	23,262

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 and cash equivalents + liquid investments* - interest-bearing liabilities

Net gearing, %: (Interest-bearing liabilities - cash and cash equivalents – 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.

Espoo, March 20, 2024
 Remedy Entertainment Plc
 Board of Directors



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