

REMEDY

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This is a translated version of "Vahva Q1 esinäytöksenä Control Resonantille" report, published on 5/6/2026



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INDERES CORPORATE CUSTOMER
COMPANY REPORT



Strong Q1 as a prelude to Control Resonant

We reiterate our Buy recommendation and EUR 19.0 target price for Remedy. Q1 figures were clearly better than we expected, as both development fees and game sales surprised positively. However, in the big picture, the Q1 figures are a side note, as the most important game release in Remedy's history is just around the corner. We still believe that Control Resonant will sell well and that the game's release will boost Remedy's stock. We also believe the stock's valuation is at an attractive level relative to the company's long-term potential.

Q1 result clearly better than our expectations

Remedy's Q1 revenue decreased by 2% to 13.1 MEUR, significantly exceeding our 9.5 MEUR estimate. Development fees were recognized as expected from Max Payne Remake and Control Resonant, but their level (Q1'26: 8.2 MEUR) was higher than our expectations (6.0 MEUR). Royalties and own game sales for the quarter (Q1'26: 5.0 MEUR) also grew more strongly than our expectations (3.5 MEUR). We estimate that royalties from Alan Wake 2 and Alan Wake Remastered, in particular, exceeded our expectations. The games were available on Amazon Luna during the quarter, which appears to have generated a reasonably significant royalty. The significantly higher-than-expected revenue was also reflected in the earnings lines, and Q1 EBITDA (2.9 MEUR) significantly exceeded our forecast (-4.1 MEUR). Based on the cost structure, Control Resonant's marketing investments were still lower than we expected, which led to an even stronger earnings beat.

We shifted our assumption for the release of Control Resonant to Q3

As expected, Remedy reiterated its guidance, which anticipates revenue and EBITDA growth for 2026. The wording of the guidance is cautious, as, with the successful launch of Control Resonant, both revenue and EBITDA should, according to our calculations, grow significantly. The game's wishlist ranking (52) has continued to develop favorably since the Q4 report in

February (67). According to Remedy, key predictive metrics are also on the right track for the game to become a "must-buy on day one." As the largest marketing investments have not yet begun, we shifted our previous assumption for the game's release from late Q2 to Q3. However, this only had a minor (~0.1 million copies) downward impact on our full-year 2026 sales forecast. We forecast Control Resonant to sell roughly 1.7 million copies in 2026 and about 2.2 million copies in 2027. As a result, we estimate Remedy's revenue to exceed 120 MEUR in 2026-2027, with EBITDA reaching ~24-26 MEUR. The starting points for strong game sales are good, as the original Control has sold over 6 million copies, and over 20 million players have played the game across various platforms.

We expect the release of Control Resonant to bring momentum to the stock

We believe in Remedy's ability to create multiple high-quality and successful games in the long term, and considering the growth and profitability potential this offers, the company's current valuation is attractive. The long-term potential is indicated by the value of the baseline scenario of the DCF model (EUR 23.5). For Remedy's share value creation, it is essential for the company to succeed with the release of Control Resonant. A successful release would essentially enable the company to finance and publish its next projects itself. It would also further strengthen the value of the Control game brand. Remedy's valuation multiples will also remain very modest in the near-term years (2026e–2027e EV/S 1.3x–1.2x and EV/EBITDA 7x–6x), although the multiples will continue to fluctuate with the timing of game releases. With Control Resonant, Remedy's news flow will be on an upward trajectory towards the end of the year, and the release of the Max Payne Remake is also drawing closer. We believe Remedy's stock will receive support from these major game releases, and in a favorable scenario the potential is significant.

Recommendation

Buy

(was Buy)

Target price:

19.00 EUR

(was EUR 19.00)

Share price:

13.22 EUR

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	59.5	123.5	121.7	68.2
growth-%	17%	108%	-1%	-44%
EBIT adj.	-14.9	4.2	12.5	-11.3
EBIT-% adj.	-25.0 %	3.4 %	10.3 %	-16.6 %
Net income	-13.0	2.7	9.9	-9.7
EPS (adj.)	-0.96	0.20	0.72	-0.70
P/E (adj.)	neg.	67.5	18.5	neg.
P/B	3.7	3.1	2.6	3.1
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	38.7	12.0	neg.
EV/EBITDA	17.2	6.6	5.9	neg.
EV/S	3.3	1.3	1.2	2.4

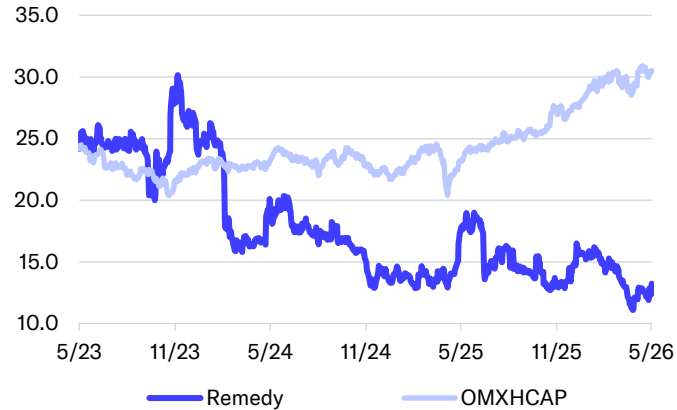
Source: Inderes

Guidance

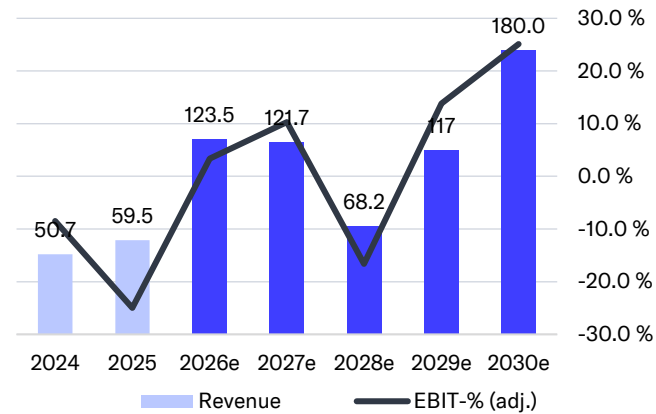
(Unchanged)

"Remedy expects its full-year revenue (2025: 59.5 MEUR) and EBITDA (2025: 11.3 MEUR) to increase from the previous year.

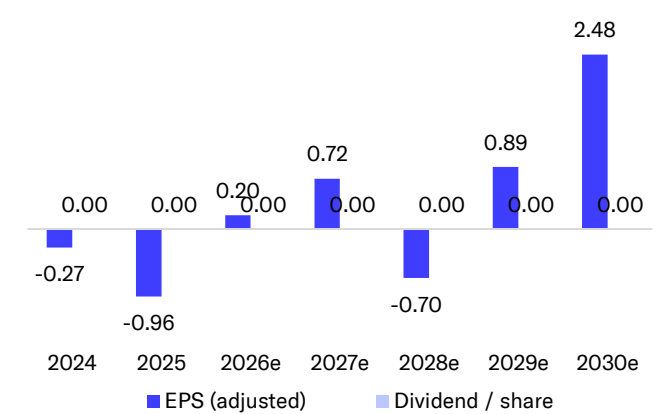
Share price



Revenue and EBIT-%



EPS and dividend



Value drivers

- Self-owned game brands (Alan Wake and Control)
- Multi-project model creates continuity and diversifies risks
- Strong track record of developing high-quality games
- Own game engine and game development tools create scalability and a competitive advantage
- Attractive position in the value chain considering industry trends and consolidation

Risk factors

- Commercial failure of future games
- Delays in game projects
- Dependency on publishing partners
- Fierce competition for top talent and players' time and money in the games industry
- Technology and market trends
- Changes in expectations for future games can cause significant volatility in the stock

Valuation	2026e	2027e	2028e
Share price	13.2	13.2	13.2
Number of shares, millions	13.7	13.8	13.9
Market cap	181	182	184
EV	161	151	160
P/E (adj.)	67.5	18.5	neg.
P/E	67.5	18.5	neg.
P/B	3.1	2.6	3.1
P/S	1.5	1.5	2.7
EV/Sales	1.3	1.2	2.4
EV/EBITDA	6.6	5.9	neg.
EV/EBIT (adj.)	38.7	12.0	neg.
Payout ratio (%)	0.0 %	0%	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Q1 result clearly better than our expectations

Revenue significantly exceeded our forecast

Remedy's Q1 revenue decreased by 2% to 13.1 MEUR, significantly exceeding our 9.5 MEUR estimate. Development fees were recognized as expected from Max Payne Remake and Control Resonant, but their level (Q1'26: 8.2 MEUR) was higher than our expectations (6.0 MEUR).

Royalties and own game sales for the quarter (Q1'26: 5.0 MEUR) also grew more strongly than our expectations (3.5 MEUR). We estimate that royalties from Alan Wake 2 and Alan Wake Remastered, in particular, exceeded our expectations. The games were available on Amazon Luna during the quarter, which appears to have generated a reasonably significant royalty.

Control's game sales also grew from the comparison period, reflecting the campaigns carried out and the increased interest following Control Resonant. According to Remedy, the original Control has now sold over 6 million copies, compared to the previously reported figure of 5

million. The continued sales of Control also create an even stronger foundation for the upcoming Control Resonant.

FBC: Firebreak did not generate significant sales income during the quarter, and player numbers have remained low. However, B2B payments for the game were still recognized in the early part of the year, in line with our expectations. Following the last major update in March, the game has now been moved into maintenance mode. We had previously assumed that the game's future sales would be close to zero.

Earnings clearly above our estimate

The significantly higher-than-expected revenue was also reflected in the earnings lines, and Q1 EBITDA (2.9 MEUR) significantly exceeded our forecast (-4.1 MEUR). Based on the cost structure, Control Resonant's marketing investments were still lower than we expected, which led to an even stronger earnings beat. Otherwise, there were no material surprises in the cost structure compared to our expectations.

Cash flow from operating activities (8.3 MEUR) was also strong in the early part of the year due to payments received during that period. We would like to remind that fluctuations in cash flow from one quarter to the next are very typical for Remedy due to the timing of when royalties, game sales, and development fees are received.

With the strong cash flow, Remedy's cash and liquid assets (Q1'26: 34.0 MEUR) increased from the previous quarter (29.4 MEUR). Overall, the company's financial position is on solid footing for implementing its strategy.

Strategy with an even stronger focus on core operations

The Q1 report also marked the debut of Remedy's new CEO. In the earnings call, the message was clear: Remedy is focusing even more strongly on its own strengths. In practice, this means new story-driven single-player games centered around existing game brands (Control and Alan Wake). Future games will also be self-published, which has been our assumption.

Estimates	Q1'25	Q1'26	Q1'26e	Q1'26e	Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Act. vs. inderes	Inderes
Revenue	13.4	13.1	9.5		39%	124
EBITDA	2.6	2.9	-4.1		172%	24.3
EBIT (adj.)	1.3	1.0	-5.2		120%	4.2
EPS (reported)	0.04	0.04	-0.31		113%	0.20
Revenue growth-%	24.1 %	-1.9 %	-29.3 %		27.4 pp	107.5 %
EBIT-% (adj.)	9.7 %	7.8 %	-55.1 %		63 pp	3.4 %

Source: Inderes



The current year's forecast rose due to the Q1 beat

We shifted our assumption for the release of Control Resonant to Q3

As expected, Remedy reiterated its guidance, which anticipates revenue and EBITDA growth for 2026. The wording of the guidance is cautious, as, with the successful launch of Control Resonant, both revenue and EBITDA should, according to our calculations, grow significantly. The game's wishlist ranking (52) has continued to develop favorably since the Q4 report in February (67). According to Remedy, key predictive metrics are also on the right track for the game to become a "must-buy on day one."

Remedy is conducting a significant marketing campaign for Control Resonant, which will impact the company's profitability in the short term. In addition to the traditional large gaming markets of North America and Europe, the company aims to reach players in, for example, China and Brazil. The company has already been active in the latter two recently.

Regarding the release window, it is clear that Control Resonant will be released before GTA 6, which is coming in November. Thus, publication will in practice take place during Q2/Q3. We previously expected the release at the end of Q2, but have now shifted our assumption to Q3. However, this only had a minor (~0.1 million copies) downward impact on our full-year 2026 sales forecast. Now, we forecast Control Resonant to sell roughly 1.7 million copies in 2026 and about 2.2 million copies in 2027. Otherwise, we did not make material changes to our estimates, and the increased earnings estimate for 2026 is explained by the strong Q1 performance.

We would like to point out that Control Resonant's self-publishing will significantly impact Remedy's income statement compared to historical figures. As the publisher, Remedy will report all game sales in its revenue, but on the expense side, this will be reduced by the platforms' distribution costs (~25% of sales) and Annapurna's share of

net sales. Therefore, the gross margin on revenue from self-published games is significantly lower than the royalty income historically generated by Alan Wake 2, for example (effectively a 100% margin). In absolute figures, however, self-publishing offers Remedy significantly greater earnings potential if Control Resonant sells well.

Further information on other projects not obtained

The Q1 report did not provide further details on Max Payne Remake and the as-yet-unnamed new project. Regarding Max Payne, Rockstar, the publisher, is responsible for communications. With a bit of luck, news may be heard soon. The project has been in full production for 8 quarters now, so the product should be in a fairly complete state. Remedy will still receive development fees from this project this year, which we estimate to be relatively significant. Remedy's unnamed new project moved to the proof-of-concept stage in Q3'25. We believe this project will likely be Alan Wake 3.

Estimate revisions MEUR / EUR	2026e			2027e			2028e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
Revenue	123	124	1%	121	122	0%	68	68	1%
EBITDA	19.1	24.3	27%	25.5	25.6	0%	-1.0	-0.5	43%
EBIT (excl. NRIs)	-0.5	4.2	869%	12.2	12.5	2%	-11.8	-11.3	4%
EBIT	-0.5	4.2	869%	12.2	12.5	2%	-11.8	-11.3	4%
PTP	-1.0	3.5	437%	11.7	12.0	3%	-12.3	-11.8	4%
EPS (excl. NRIs)	-0.06	0.20	422%	0.70	0.72	3%	-0.73	-0.70	4%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Strategy in light of game projects

	2023	2024	2025	2026	2027	2028	2029	2030	2031
Control	Royalties \$	\$	\$	\$	\$	\$			
Alan Wake Remastered	Royalties \$	\$	\$	\$	\$	\$			
Alan Wake 2	Development fees \$\$\$	Royalties \$	Royalties \$\$\$	\$\$/\$\$\$	\$\$	\$\$	\$	\$	\$
FBC: Firebreak	Development fees \$/\$\$		Release in Q2 \$\$	\$					
Control Resonant	Development fees \$\$	Development fees \$\$\$	Development fees \$\$\$	Release in Q3 \$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$	/\$\$
Max Payne	Development fees \$\$	Development fees \$\$\$	Development fees \$\$\$	Release in Q4'26-Q1'27 \$\$\$		\$\$/\$\$\$	\$\$/\$\$\$	/\$\$	\$
Next game projects*		New project in preliminary conception	New project in conceptualization				"Alan Wake 3" publication \$\$\$	\$\$\$	\$\$\$
				New project in conceptualization				"Control 3" publication \$\$\$	\$\$\$
					New project in conceptualization				"Game X" publication \$\$\$

Source: Inderes, *Inderes' estimates of future projects

Underlying assumptions for revenue estimates 1/2

Control Resonant	Q2'26	Q3'26	Q4'26	Q1'27	Q2'27	Q3'27	Q4'27	2028	2029	2030
Sales volume		1.1	0.6	0.6	0.5	0.5	0.6	1.1	0.5	0.3
Average price		60	60	50	50	45	45	40	30	30
Remedy's gross revenue		55	30	25	21	18.8	22.5	36.7	12.5	7.5
Distribution costs		13.8	7.5	6.3	5.2	4.7	5.6	9.2	3.1	1.9
Annapurna's share		17.4	8.4	5.2	4.2	3.9	4.5	8.3	2.8	1.7
Cumulative copies sold		1.1	1.7	2.3	2.8	3.3	3.9	5.0	5.5	5.8

- The project's gross revenue is included in Remedy's income statement. Annapurna's share, on the other hand, is shown in expenses.
- According to our estimates, Annapurna's share of the production budget will be paid off by the end of 2026. After this, we assume Annapurna's share to be 30% of net revenue (gross revenue – distribution and marketing costs).
- We assume Remedy will spend ~9 MEUR on game marketing in 2026 and 6 MEUR in 2027

Alan Wake 2 assumptions	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26	Q4'26	2027	2028
Average price (€)	40	40	40	40	40	35	35	35	30	25
Sales volume (millions of copies)	0.16	0.14	0.17	0.13	0.13	0.12	0.12	0.15	0.60	0.50
Project income (MEUR)	4.0	3.6	4.3	3.3	3.3	2.6	2.6	3.3	11.3	7.9
B2B contracts (MEUR)				2.5	1					
Remedy's royalties (MEUR)	2.0	1.8	2.1	4.1	2.6	1.3	1.3	1.6	5.7	3.9
Cumulative copies sold (million)	2.3	2.4	2.6	2.7	2.8	3.0	3.1	3.2	3.8	4.3

Assumptions of future game projects

Max Payne 1&2 (subcontracting)

	2027	2028	2029
Marketing budget 25 MEUR			
Production budget 60 MEUR			
Remedy's share of royalties 15%			
Sales volume (millions of copies)	3.2	1.5	1.2
Average price (€)	60	50	45

"Alan Wake 3" (self-publication)

	2029	2030	2031
Marketing budget 20 MEUR			
Sales volume (millions of copies)	1.5	1.8	1.2
Average price (€)	60	55	50

"Control 3" (self-publication)

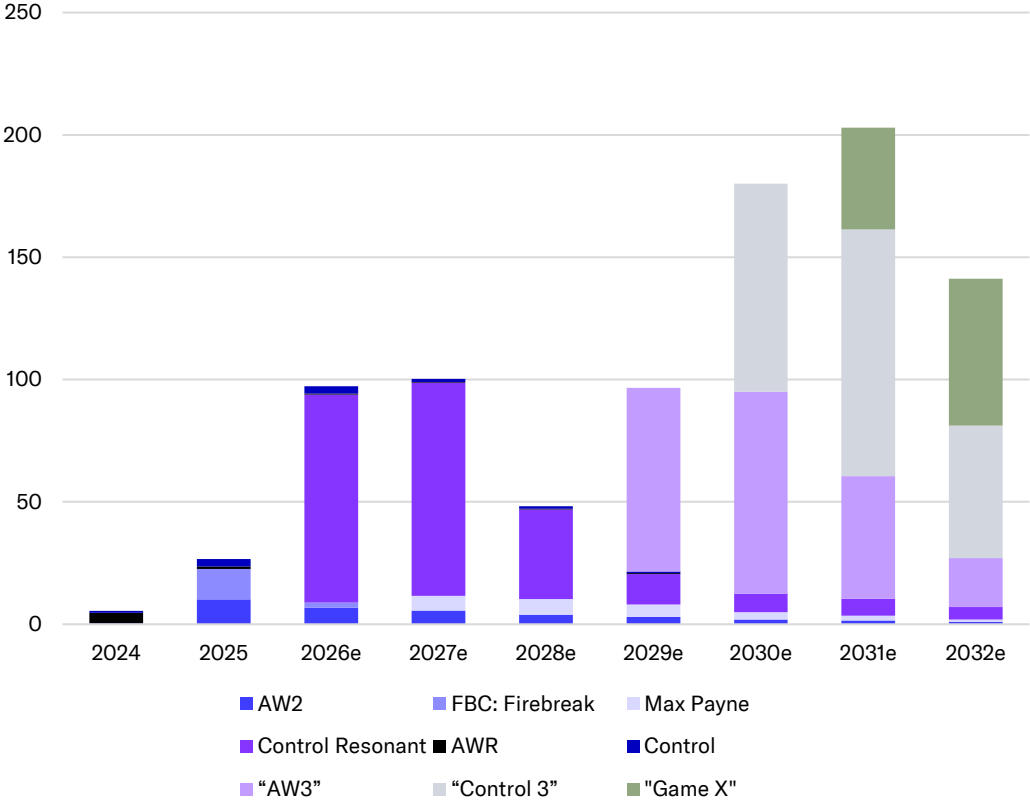
	2030	2031	2032
Marketing budget 20 MEUR			
Sales volume (millions of copies)	1.7	2.2	1.3
Average price (€)	60	55	50

Underlying assumptions for the calculations:

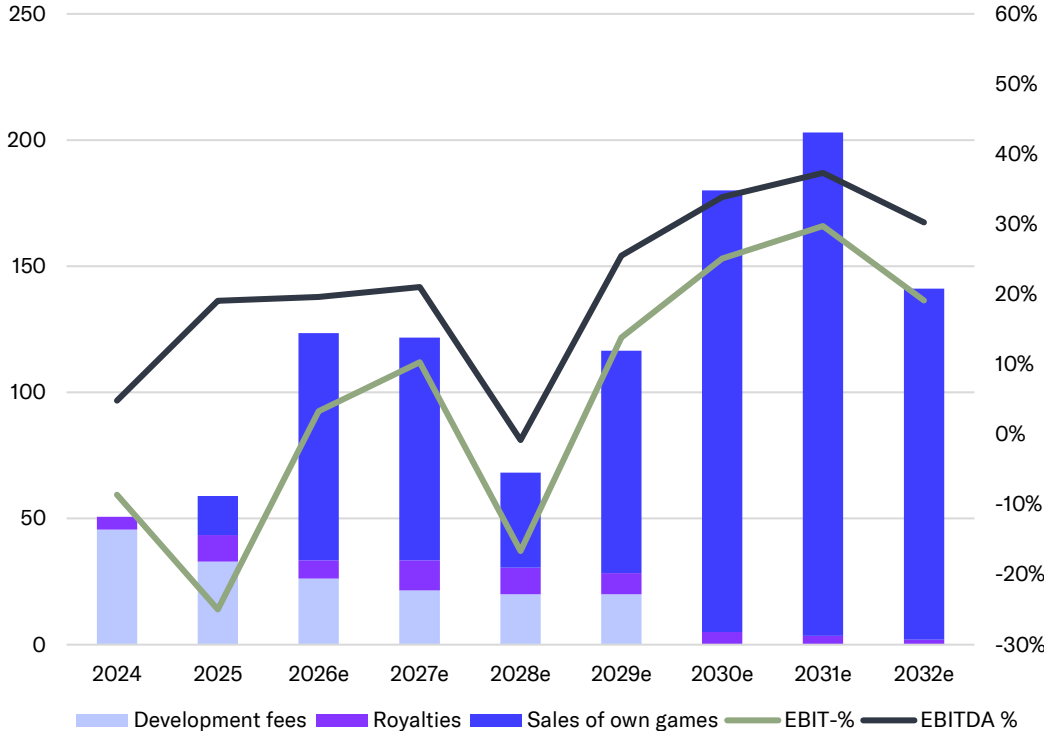
- Value added tax 20%
- Distribution cost 25%
- We expect Remedy to be able with its current organization (with assumed increase in costs) to start and self-publish the next game projects

Underlying assumptions for revenue estimates 2/2

Assumptions on royalties and own game sales (MEUR)



Revenue and profitability



Remedy's game projects and partners



Control

Released
Q3'19

Budget
~30 MEUR

Remedy's share of
the production budget:

45%⁴

Remedy's share
of revenue:

100%⁴

Recoup² before
the royalties to
Remedy?



FBC: Firebreak

Released
Q2'25

Budget
~30 MEUR

100%

100%



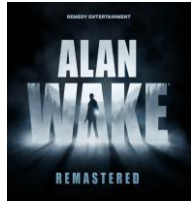
**Control
Resonant**

Production

Budget
~50 MEUR

50%

60-75%⁵



**Alan Wake
Remastered**

Released
Q4'21

Budget
~8 MEUR¹

0%³

50%



Alan Wake 2

Released
Q3'23

Budget
~60 MEUR¹

0%³

50%



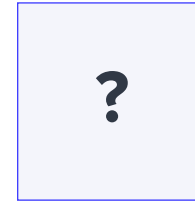
**Max Payne
1&2 remake**

Production

Budget
~60 MEUR¹

0%

10-30%¹



New project

Proof-of-
concept



Source: Inderes, ¹Inderes' rough estimates of the production budgets and profit splits.

²The production and marketing budget financed by the distributor must be recouped in whole or in part before royalties accrue to Remedy.

³Remedy also provided some funding for Alan Wake 2 towards the end of production to ensure the game's high quality.

⁴Old publishing agreement with 505 Games, as of 2025 Remedy's share of net sales 100%

⁵Remedy will be the publisher of the game and will be responsible for marketing costs, thus getting a bigger share of the game sales. The game's revenue will be split equally until the game's production budget is recouped.

Valuation

Remedy's long-term potential is attractive

In the long term, the ability of Remedy's team to launch high-quality games and the capabilities built in recent years offer the company good preconditions to grow into a significantly larger game developer than currently. A multi-project model that has been built with controlled risks also brings attractive optionality from the viewpoint of the risk/reward ratio of the company's business model. Looking at the current game projects, we believe the likelihood of a completely failed release is low but a future project can become an actual hit game. The revenue potential of a single game from Remedy's perspective ranges from tens of millions to hundreds of millions of euros, depending on the publishing or self-publication, so the range of possible outcomes is wide. With the successful ramp-up of the multi-project model, the pace of game releases will quicken and the number of "success options" will rise in the future. We estimate that even with only relatively well succeeding games, Remedy's growth outlook is good far into the future.

Valuation multiples fluctuate with game releases

Strategically, Remedy is transitioning from an investment phase to a phase of profitable growth this year and, with the earnings growth brought by new game releases, the valuation is also supported by earnings-based valuation multiples. The 2026-2027 EV/EBITDA multiples (7x-6x) are already very moderate. However, due to the timing of game releases, Remedy's earnings performance, and therefore valuation multiples, will fluctuate in our forecasts for years to come. The amortization of capitalized development costs at the EBIT level is likely to continue to affect the figures for the rest of the decade.

A pivotal year for the investment story at hand

Control Resonant is a critical game for Remedy's investment story, and its success will largely determine the company's cash flow and ability to finance future projects independently in the coming years. In light of the stock's current valuation, we believe the equity market is skeptical about the game's potential, with the previous failed release of FBC: Firebreak possibly being one contributing factor. Otherwise, fears of AI-driven disruption for software and gaming companies have weakened sentiment this year. For game companies like Remedy, we consider these fears to be exaggerated at this stage. We believe there will continue to be demand for quality game brands, and their role may even be emphasized in the age of AI.

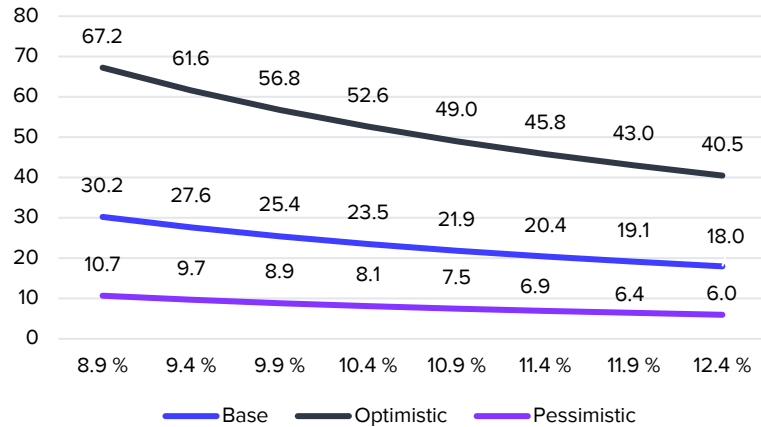
We also still believe in Remedy's ability to create more quality and successful games in the long term, which makes the current valuation of the stock very attractive. In the DCF scenarios and multiple-based scenario analysis on the following pages, we have assessed the company's potential. We believe that at some point in the next few years, Remedy's stock will begin to more accurately reflect the company's long-term potential as game projects move forward. The key driver this year is, of course, the release of Control Resonant, for which we believe the foundation for good commercial success is in place. We remind investors that they must continue to be prepared to tolerate the high price volatility that changes in expectations for future games can cause. From current levels, we see the risks in this regard leaning more toward the positive, as upcoming news and trailers for the next games dominate the news flow in the coming years.

Valuation	2026e	2027e	2028e
Share price	13.2	13.2	13.2
Number of shares, millions	13.7	13.8	13.9
Market cap	181	182	184
EV	161	151	160
P/E (adj.)	67.5	18.5	neg.
P/E	67.5	18.5	neg.
P/B	3.1	2.6	3.1
P/S	1.5	1.5	2.7
EV/Sales	1.3	1.2	2.4
EV/EBITDA	6.6	5.9	neg.
EV/EBIT (adj.)	38.7	12.0	neg.
Payout ratio (%)	0.0 %	0%	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

DCF scenarios

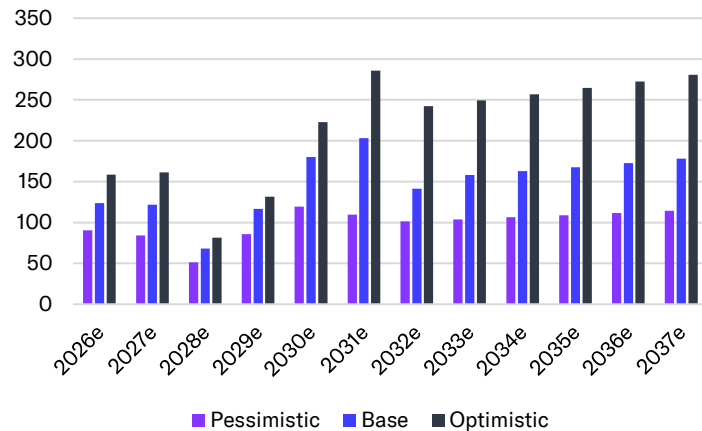
DCF value in different scenarios



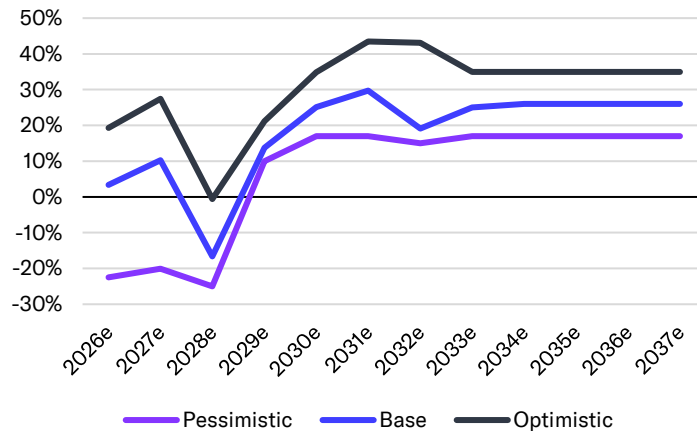
Underlying assumptions for the calculations:

- In the baseline scenario, we assume that the major AAA games will sell an average of around 5 million copies in the first three years.
- In the optimistic scenario, we expect the major AAA projects to sell around 7 million copies on average over three years, and we expect Max Payne to outperform the baseline.
- In the pessimistic scenario, we expect the major AAA game projects to sell an average of about 3 million copies in three years, and Max Payne to be significantly below the baseline. In this case, we estimate that Remedy would need to reduce its cost structure below the baseline to achieve reasonable profitability.

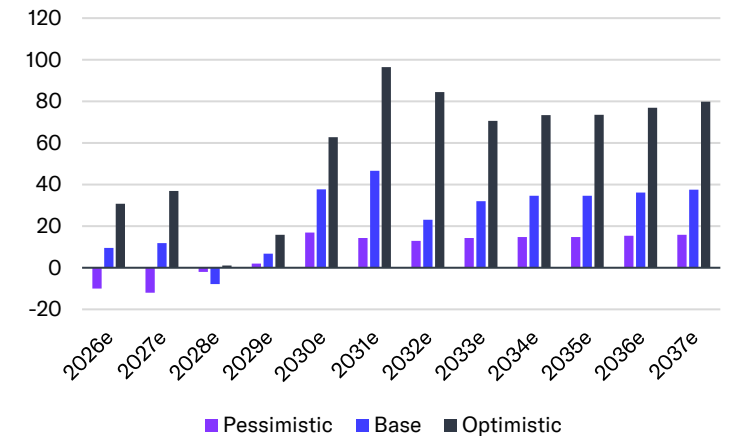
Revenue in different scenarios (MEUR)



EBIT % in different scenarios



Free cash flow in different scenarios (MEUR)



Gauging long-term potential

Share price in different scenarios

		EV/EBIT 12x Revenue (MEUR)				
EBIT-%	100	125	150	175	200	
25%	21.3	26.3	31.3	36.3	41.3	
30%	25.3	31.3	37.3	43.3	49.3	
35%	29.3	36.3	43.3	50.3	57.3	
40%	33.3	41.3	49.3	57.3	65.3	

		EV/EBIT 16x Revenue (MEUR)				
EBIT-%	100	125	150	175	200	
25%	28.0	34.7	41.3	48.0	54.7	
30%	33.3	41.3	49.3	57.3	65.3	
35%	38.7	48.0	57.3	66.7	76.0	
40%	44.0	54.7	65.3	76.0	86.7	

		EV/EBIT 20x Revenue (MEUR)				
EBIT-%	100	125	150	175	200	
25%	34.7	43.0	51.3	59.7	68.0	
30%	41.3	51.3	61.3	71.3	81.3	
35%	48.0	59.7	71.3	83.0	94.7	
40%	54.7	68.0	81.3	94.7	108.0	

Annual expected return 2030

		EV/EBIT 12x Revenue (MEUR)				
EBIT-%	100	125	150	175	200	
25%	11%	16%	20%	24%	28%	
30%	15%	20%	25%	29%	33%	
35%	19%	24%	29%	33%	37%	
40%	22%	28%	33%	37%	41%	

		EV/EBIT 16x Revenue (MEUR)				
EBIT-%	100	125	150	175	200	
25%	17%	23%	28%	32%	36%	
30%	22%	28%	33%	37%	41%	
35%	26%	32%	37%	42%	46%	
40%	29%	36%	41%	46%	50%	

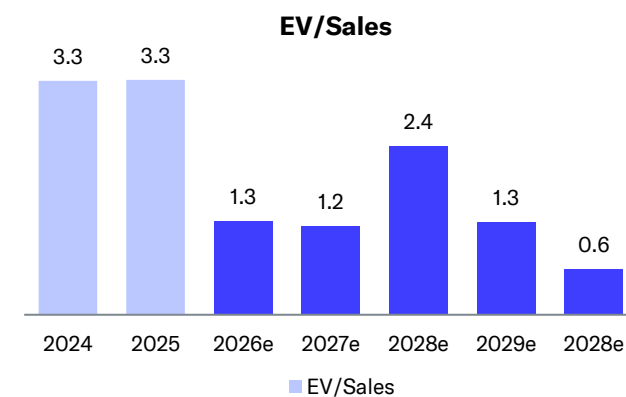
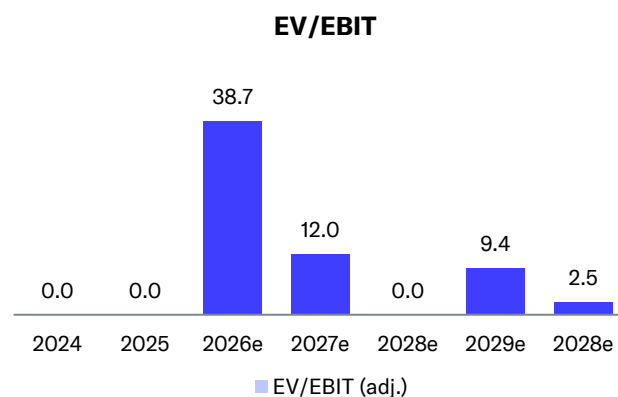
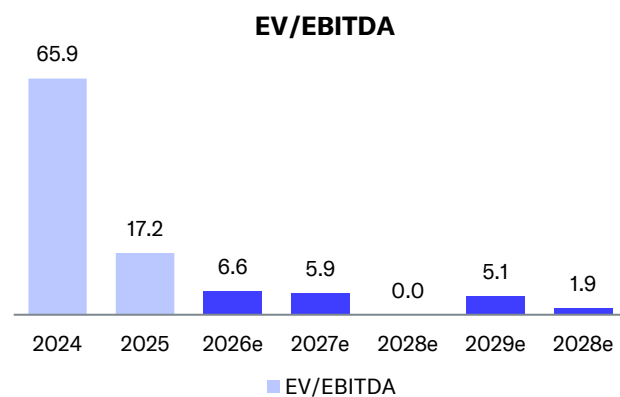
		EV/EBIT 20x Revenue (MEUR)				
EBIT-%	100	125	150	175	200	
25%	23%	29%	34%	38%	42%	
30%	28%	34%	39%	44%	48%	
35%	32%	38%	44%	48%	53%	
40%	36%	42%	48%	53%	57%	

- The scenarios aim to illustrate the expected return on Remedy's share if the company achieves a revenue of 100-200 MEUR with an EBIT margin of 25-40% by 2030.
- If the company's game projects perform well, we see the revenue and profitability potential to reach these levels.
- The scenarios assume Remedy's net cash to be 20 MEUR and number of shares to be 15 million (accounting for the dilution of stock option schemes and convertible bond).
- In terms of valuation multiples, we believe that an EV/EBIT multiple of 12x would reflect a scenario where Remedy's future growth outlook would be weak, good at 16x and excellent at 20x.

Valuation table

Valuation	2022	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Share price	21.9	25.4	14.1	15.2	13.2	13.2	13.2	13.2	13.2
Number of shares, millions	13.4	13.5	13.5	13.6	13.7	13.8	13.9	14.8	14.9
Market cap	294	343	191	207	181	182	184	196	197
EV	241	316	166	195	161	151	160	151	114
P/E (adj.)	neg.	neg.	neg.	neg.	67.5	18.5	neg.	14.9	5.3
P/E	neg.	neg.	neg.	neg.	67.5	18.5	neg.	14.9	5.3
P/B	3.3	5.1	2.8	3.7	3.1	2.6	3.1	2.2	1.6
P/S	6.7	10.1	3.8	3.5	1.5	1.5	2.7	1.7	1.1
EV/Sales	5.5	9.3	3.3	3.3	1.3	1.2	2.4	1.3	0.6
EV/EBITDA	>100	neg.	65.9	17.2	6.6	5.9	neg.	5.1	1.9
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	38.7	12.0	neg.	9.4	2.5
Payout ratio (%)	neg.	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.5 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes



Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		Lv:n kasvu-%		EBIT-%	
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e
Frontier Developments	128	103	8.7	8.3	7.6	2.8	0.9	0.9	10%	1%	10%	11%
Embracer	1292	1074	9.3	5.6	2.3	2.0	0.6	0.6	-28%	7%	7%	11%
Starbreeze	20	16		14.0	3.5	2.8	1.1	1.3	-26%	-3%	-37%	9%
CD Projekt	6208	5987	77.1	15.2	62.4	12.0	30.6	8.5	-11%	262%	40%	56%
Paradox Interactive	1339	1210	17.3	14.7	9.7	9.0	6.1	5.7	-6%	6%	35%	39%
Coffee Stain	418	370	15.4	11.4	7.4	6.1	4.3	3.8		14%	28%	33%
Playway	381	335	7.3	8.4	7.2	8.3	4.7	5.0	4%	-6%	64%	59%
11 Bit Studios	89	74	17.2	28.3	7.2	7.1	3.3	3.2	-32%	4%	19%	11%
Enad Global 7	148	149	16.3	6.8	3.5	3.2	0.9	0.8	17%	6%	5%	12%
Tinybuild	36	31			9.8	7.3	1.0	0.9	8%	11%	-2%	
CI Games	135	143	8.0	12.4	4.2	4.5	2.4	2.8	428%	-16%	30%	23%
Electronic Arts	43139	42273	18.7	17.5	16.9	16.4	6.2	5.9	12%	4%	33%	34%
Take-Two Interactive	35616	36211	44.5	22.9	38.5	21.7	6.4	4.7	18%	37%	14%	20%
Ubisoft	694	2113		127.7	5.4	4.4	1.4	1.3	-19%	10%	-43%	1%
Remedy (Inderes)	181	161	38.7	12.0	6.6	5.9	1.3	1.2	108%	-1%	3%	10%
Average			21.8	22.6	13.2	7.7	5.0	3.2	27%	22%	14%	23%
Median			16.3	14.0	7.3	6.6	2.9	3.0	2%	6%	14%	16%
Diff-% to median			-	-14%	-9%	-11%	-54%	-59%				

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	50.7	13.4	16.9	12.2	17.0	59.5	13.1	9.7	62.4	38.2	124	122	68.2	117
Development fees	45.6	10.7	7.4	6.1	8.7	32.9	8.2	6.5	5.5	6.0	26.2	21.5	20.0	20.0
Royalties	5.1	2.1	2.1	2.1	4.1	10.5	2.7	1.4	1.4	1.7	7.2	12.0	10.5	8.4
Own game sales	0.0	0.5	7.4	3.9	4.2	16.1	2.3	1.8	55.5	30.5	90.1	88.3	37.7	88.2
EBITDA	2.5	2.6	4.2	0.7	3.9	11.3	2.9	-5.5	18.4	8.5	24.3	25.6	-0.5	29.7
Depreciation	-6.8	-1.3	-4.7	-17.1	-3.1	-26.2	-1.9	-1.4	-9.4	-7.4	-20.1	-13.1	-10.8	-13.7
EBIT (excl. NRI)	-4.3	1.3	-0.5	-16.4	0.7	-14.9	1.0	-6.9	9.0	1.1	4.2	12.5	-11.3	16.1
EBIT	-4.3	1.3	-0.5	-16.4	0.7	-14.9	1.0	-6.9	9.0	1.1	4.2	12.5	-11.3	16.1
Net financial items	0.5	-0.2	-0.1	-0.3	-0.3	-0.8	-0.3	-0.1	-0.1	-0.1	-0.7	-0.5	-0.5	-0.1
PTP	-3.8	1.1	-0.6	-16.7	0.5	-15.7	0.8	-7.0	8.8	0.9	3.5	12.0	-11.8	16.0
Taxes	0.2	-0.5	0.0	3.2	-0.1	2.7	-0.3	1.4	-1.8	-0.2	-0.8	-2.2	2.1	-2.9
Net earnings	-3.6	0.6	-0.6	-13.5	0.4	-13.0	0.5	-5.6	7.1	0.7	2.7	9.9	-9.7	13.1
EPS (adj.)	-0.27	0.04	-0.04	-0.99	0.03	-0.96	0.03	-0.41	0.52	0.05	0.20	0.72	-0.70	0.89
EPS (rep.)	-0.27	0.04	-0.04	-0.99	0.03	-0.96	0.03	-0.41	0.52	0.05	0.20	0.72	-0.70	0.89

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	49.3 %	24.1 %	63.5 %	-32.0 %	46.2 %	17.5 %	-1.9 %	-42.6 %	413.4 %	124.4 %	107.5 %	-1.4 %	-44.0 %	70.9 %
EBITDA-%	5.0 %	19.3 %	24.9 %	5.7 %	22.7 %	19.1 %	22.3 %	-56.5 %	29.4 %	22.1 %	19.6 %	21.0 %	-0.8 %	25.5 %
Adjusted EBIT-%	-8.4 %	9.7 %	-2.7 %	-135.1 %	4.3 %	-25.0 %	7.8 %	-70.9 %	14.4 %	2.8 %	3.4 %	10.3 %	-16.6 %	13.8 %
Net earnings-%	-7.1 %	4.4 %	-3.4 %	-110.7 %	2.4 %	-21.9 %	3.6 %	-57.8 %	11.3 %	2.0 %	2.2 %	8.1 %	-14.2 %	11.2 %

Source: Inderes

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	49.1	41.9	43.2	34.5	31.1
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	36.9	27.1	28.9	21.3	18.6
Tangible assets	5.8	5.8	5.2	4.1	3.5
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	1.0	0.8	0.8	0.8	0.8
Deferred tax assets	5.4	8.3	8.3	8.3	8.3
Current assets	47.3	44.8	57.1	65.9	49.6
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.2	15.4	21.0	18.3	10.2
Cash and equivalents	41.1	29.4	36.1	47.6	39.3
Balance sheet total	99.3	87.5	92.8	102	89.4

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	68.5	56.6	59.3	69.1	59.4
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	10.1	-1.7	1.0	10.9	1.1
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	58.3	58.2	58.2	58.2	58.2
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	14.6	17.2	15.2	16.1	16.1
Deferred tax liabilities	0.1	0.2	0.2	0.2	0.2
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	14.5	17.0	15.0	15.9	15.9
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	16.2	13.8	18.3	17.2	13.8
Interest bearing debt	1.4	1.3	1.0	0.2	0.2
Payables	14.8	12.5	17.3	17.0	13.6
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	99.3	87.5	92.8	102	89.4

DCF calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	2038e	TERM
Revenue growth-%	17.5 %	107.5 %	-1.4 %	-44.0 %	70.9 %	54.4 %	12.8 %	-30.5 %	12.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %
EBIT-%	-25.0 %	3.4 %	10.3 %	-16.6 %	13.8 %	25.1 %	29.7 %	19.1 %	25.0 %	26.0 %	26.0 %	26.0 %	26.0 %	25.5 %	25.5 %
EBIT (operating profit)	-14.9	4.2	12.5	-11.3	16.1	45.2	60.4	27.0	39.5	42.3	43.6	44.9	46.3	46.7	
+ Depreciation	26.2	20.1	13.1	10.8	13.7	15.7	15.4	15.7	15.9	15.9	16.0	16.5	16.7	16.9	
- Paid taxes	-0.2	-0.8	-2.2	2.1	-2.9	-8.1	-10.8	-4.8	-7.1	-7.6	-7.8	-8.1	-8.3	-8.4	
- Tax, financial expenses	-0.1	-0.2	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-11.5	-0.8	2.5	4.6	-5.2	-0.1	-2.3	1.2	-0.3	-0.1	-0.1	-0.1	-0.1	-0.1	
Operating cash flow	-0.5	22.5	25.8	6.1	21.7	52.8	62.6	39.1	47.9	50.6	51.6	53.2	54.6	55.1	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-14.0	-13.0	-14.0	-14.0	-15.0	-15.0	-16.0	-16.0	-16.0	-16.0	-17.0	-17.0	-17.0	-17.0	
Free operating cash flow	-14.5	9.5	11.8	-7.9	6.7	37.8	46.6	23.1	31.9	34.6	34.6	36.2	37.6	38.1	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-14.5	9.5	11.8	-7.9	6.7	37.8	46.6	23.1	31.9	34.6	34.6	36.2	37.6	38.1	
Discounted FCFF		8.9	10.0	-6.1	4.7	23.8	26.7	12.0	15.0	14.7	13.4	12.7	11.9	10.9	153
Sum of FCFF present value		311	302	292	298	294	270	243	231	216	201	188	175	163	153
Enterprise value DCF		311													
- Interest bearing debt		-18.3													
+ Cash and cash equivalents		29.4													
+ Associated companies		0.0													
-Minorities		0.0													
-Dividend/capital return		0.0													
Equity value DCF		322													
Equity value DCF per share		23.5													

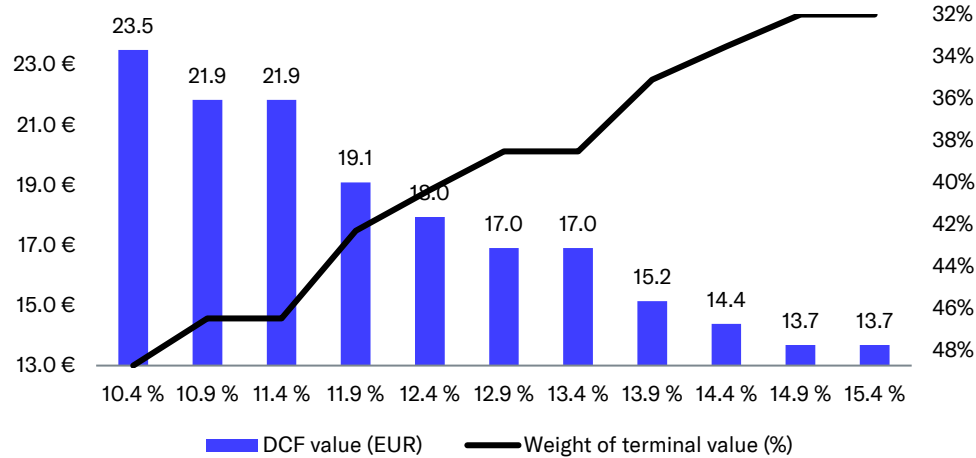
WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	5.0 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	1.70%
Risk free interest rate	2.5 %
Cost of equity	10.4 %
Weighted average cost of capital (WACC)	10.4 %

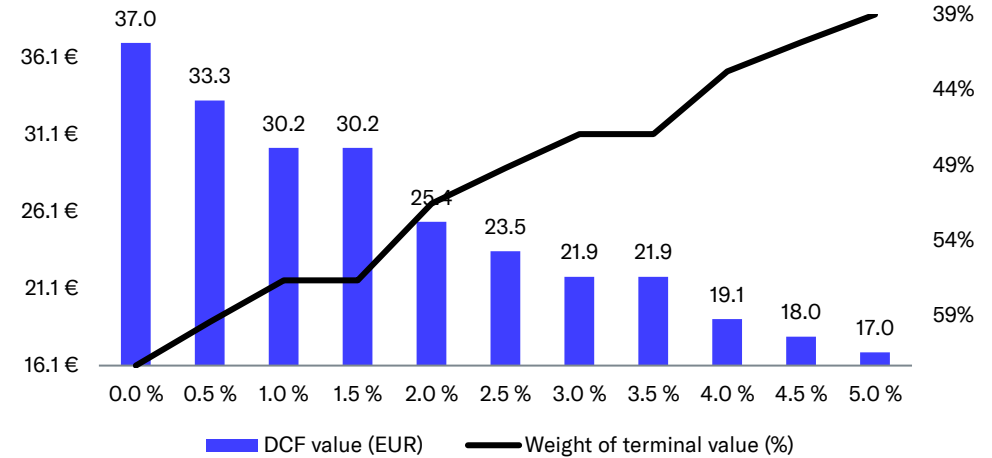
Source: Inderes

DCF sensitivity calculations and key assumptions in graphs

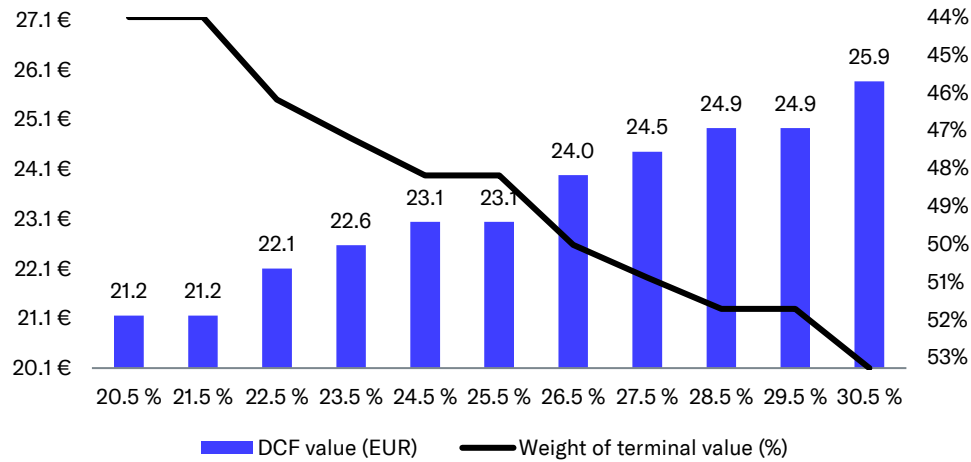
Sensitivity of DCF to changes in the WACC-%



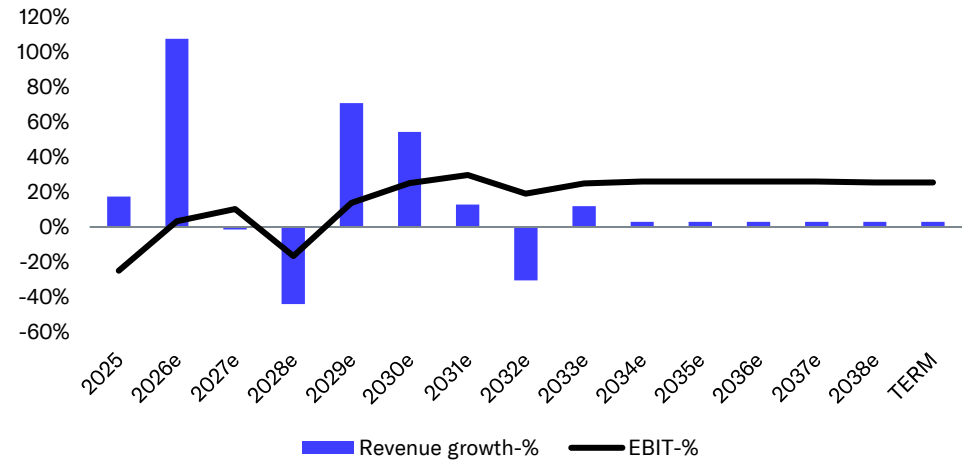
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	33.9	50.7	59.5	123.5	121.7	EPS (reported)	-1.68	-0.27	-0.96	0.20	0.72
EBITDA	-17.0	2.5	11.3	24.3	25.6	EPS (adj.)	-1.68	-0.27	-0.96	0.20	0.72
EBIT	-28.6	-4.3	-14.9	4.2	12.5	OCF / share	-1.40	1.50	-0.04	1.64	1.87
PTP	-27.5	-3.8	-15.7	3.5	12.0	OFCF / share	-2.15	-0.10	-1.07	0.69	0.86
Net Income	-22.7	-3.6	-13.0	2.7	9.9	Book value / share	5.02	5.06	4.16	4.33	5.01
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	79.3	99.3	87.5	92.8	102.5	Revenue growth-%	-22%	49%	17%	108%	-1%
Equity capital	67.8	68.5	56.6	59.3	69.1	EBITDA growth-%	-990%	115%	352%	114%	5%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-4985%	85%	-247%	128%	201%
Net debt	-26.8	-25.3	-11.1	-20.1	-31.5	EPS (adj.) growth-%	-1209%	84%	-261%	120%	265%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	-50.0 %	5.0 %	19.1 %	19.6 %	21.0 %
EBITDA	-17.0	2.5	11.3	24.3	25.6	EBIT (adj.)-%	-84.4 %	-8.4 %	-25.0 %	3.4 %	10.3 %
Change in working capital	-2.1	17.8	-11.5	-0.8	2.5	EBIT-%	-84.4 %	-8.4 %	-25.0 %	3.4 %	10.3 %
Operating cash flow	-18.9	20.3	-0.5	22.5	25.8	ROE-%	-29.0 %	-5.3 %	-20.8 %	4.6 %	15.4 %
CAPEX	-10.1	-26.6	-14.0	-13.0	-14.0	ROI-%	-35.2 %	-5.5 %	-18.7 %	5.5 %	15.6 %
Free cash flow	-29.0	-1.3	-14.5	9.5	11.8	Equity ratio	85.5 %	70.9 %	64.6 %	63.9 %	67.5 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	-39.5 %	-36.9 %	-19.7 %	-33.9 %	-45.6 %
EV/S	9.3	3.3	3.3	1.3	1.2	Net debt/EBITDA	1.6	-10.1	-1.0	-0.8	-1.2
EV/EBITDA	neg.	65.9	17.2	6.6	5.9	EBITDA/net financials	15.6	-5.5	13.5	37.2	51.2
EV/EBIT (adj.)	neg.	neg.	neg.	38.7	12.0						
P/E (adj.)	neg.	neg.	neg.	67.5	18.5						
P/B	5.1	2.8	3.7	3.1	2.6						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

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Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/15/2022	Accumulate	26.00 €	22.15 €
10/31/2022	Buy	25.00 €	18.14 €
12/27/2022	Accumulate	25.00 €	21.50 €
2/13/2023	Accumulate	25.00 €	22.70 €
4/19/2023	Accumulate	25.00 €	24.20 €
4/27/2023	Accumulate	25.00 €	23.10 €
6/12/2023	Reduce	25.00 €	26.10 €
8/14/2023	Reduce	25.00 €	25.55 €
9/14/2023	Reduce	24.00 €	22.50 €
10/27/2023	Accumulate	30.00 €	27.00 €
11/1/2023	Accumulate	30.00 €	27.95 €
11/16/2023	Reduce	29.00 €	28.85 €
2/7/2024	Reduce	21.00 €	21.60 €
2/13/2024	Accumulate	21.00 €	17.62 €
2/19/2024	Accumulate	19.00 €	17.02 €
3/21/2024	Accumulate	19.00 €	16.70 €
4/30/2024	Accumulate	20.00 €	19.20 €
8/12/2024	Accumulate	20.00 €	17.20 €
9/5/2024	Accumulate	21.00 €	17.50 €
11/4/2024	Accumulate	19.00 €	15.32 €
11/20/2024	Buy	19.00 €	12.90 €
12/18/2024	Buy	19.00 €	14.00 €
2/13/2025	Buy	19.00 €	13.98 €
5/2/2025	Buy	20.00 €	16.42 €
8/1/2025	Accumulate	18.00 €	16.06 €
8/13/2025	Accumulate	18.00 €	15.94 €
9/25/2025	Buy	18.00 €	13.68 €
10/13/2025	Buy	17.00 €	13.20 €
10/30/2025	Buy	17.00 €	12.94 €
12/15/2025	Accumulate	19.00 €	16.50 €
12/17/2025	Accumulate	19.00 €	15.88 €
2/11/2026	Buy	19.00 €	14.86 €
5/6/2026	Buy	19.00 €	13.22 €



CONNECTING INVESTORS AND COMPANIES.

Inderes democratizes financial information by connecting investors and listed companies. For investors, we are an investing community and a trusted source of financial information and equity research. For listed companies, we are a partner in delivering high-quality investor relations. Over 500 listed companies in Europe use our investor relations products and equity research services to provide better investor communications to their shareholders.

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