

REMEDY

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INDERES CORPORATE CUSTOMER
COMPANY REPORT



High stakes in play this year

Remedy's investment story is entering a pivotal year, as the company is about to release what is arguably the most important game in its history in terms of commercial success and, in our view, also its most promising game. We believe Control Resonant will sell well, and the upcoming release will also contribute to the stock's valuation, which has recently come under pressure due to fears about AI that, in our opinion, have somewhat unjustifiably affected gaming stocks as well. No game, no fame. We reiterate our EUR 19.0 target price and raise our recommendation to Buy (previously Accumulate).

Q4 figures landed slightly above our expectations

Remedy's Q4 revenue grew by 46% to 17.0 MEUR, which exceeded our 16.2 MEUR estimate. The increase in revenue was also reflected in the earnings figures, and EBITDA (3.9 MEUR) was a bit better than our estimate (3.2 MEUR). Development fees for the quarter (8.7 MEUR) were slightly lower than our expectations, while own game sales and royalties (8.4 MEUR) came as a positive surprise. This growth was supported by the availability of Alan Wake 2 on PS Plus in October and FBC: Firebreak's B2B payments. Additionally, Remedy highlighted the sales of the original Control game as a factor in the growth. The game, which is over six years old, still sold over one million copies overall last year. Naturally, the game's average price has been very low, yet million-level sales can still be considered good performance for an old game. This will also help grow the audience for the upcoming sequel.

Control Resonant will determine this year's development

As expected, Remedy provided guidance on revenue and EBITDA growth for 2026. The wording of the guidance remains cautious as, according to our calculations, both revenue and EBITDA should grow significantly following the successful launch of Control Resonant. Understandably, the company wants to be cautious at this stage, as uncertainty prior to the game's release is

naturally high, even though the initial reception among players seems promising. The game's Steam wishlist ranking (currently 67th) has also developed well. Following the Q4 report, we have not made any significant changes to our forecasts and still expect the game to be released at the end of Q2'26. We also consider it very possible that the release will be in Q3. We forecast Control Resonant to sell roughly 1.8 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 ~19-26 MEUR. The starting points for strong game sales are good, as the original Control has sold over 5 million copies, and over 20 million players have played the game across various platforms.

We expect Control Resonant to boost the share price

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 22.7). 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 moderate in the coming years (2026e-2027e EV/S about 1.5x and EV/EBITDA 10x-7x), though they will continue to fluctuate with the timing of future game releases as well. Overall, Control Resonant will generate positive news for Remedy in 2026, in addition to the approaching release of the Max Payne Remake. We believe that Remedy's stock will be supported by these major upcoming game releases, and in a good scenario, the potential is significant.

Recommendation

Buy
(was Accumulate)

Target price:
EUR 19.00
(was EUR 19.00)

Share price:
EUR 14.86

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	59.5	122.5	121.3	67.7
growth-%	17%	106%	-1%	-44%
EBIT adj.	-14.9	-0.5	12.2	-11.8
EBIT-% adj.	-25.0 %	-0.4 %	10.1 %	-17.4 %
Net Income	-13.0	-0.8	9.6	-10.1
EPS (adj.)	-0.96	-0.06	0.70	-0.73

P/E (adj.)	neg.	neg.	21.3	neg.
P/B	3.7	3.6	3.1	3.7
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	14.5	neg.
EV/EBITDA	17.2	9.8	6.9	neg.
EV/S	3.3	1.5	1.5	2.8

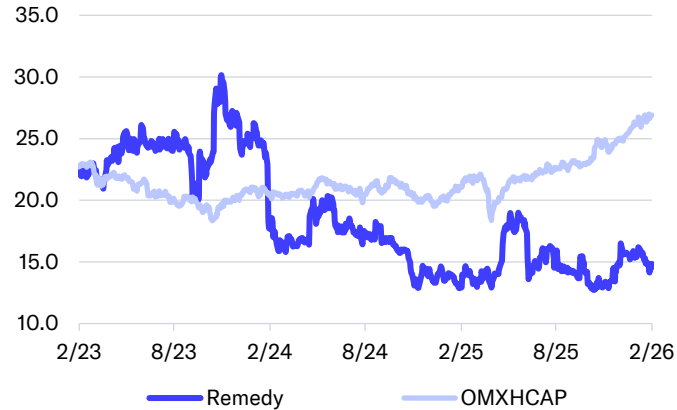
Source: Inderes

Guidance

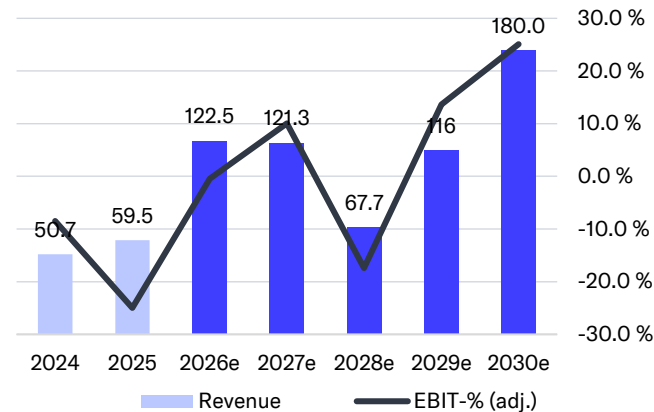
(New guidance)

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

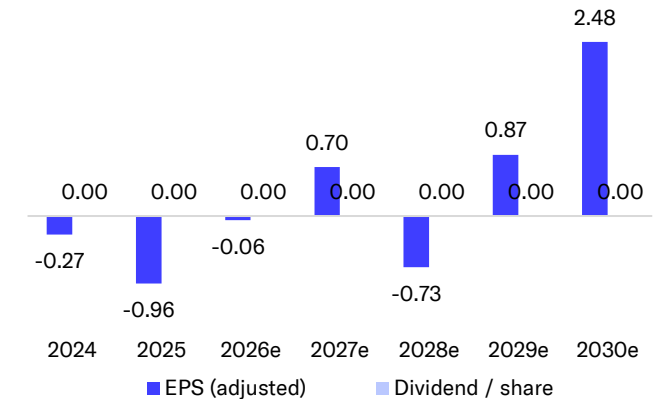
Share price



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	14.9	14.9	14.9
Number of shares, millions	13.7	13.8	13.9
Market cap	203	205	206
EV	187	177	187
P/E (adj.)	neg.	21.3	neg.
P/E	neg.	21.3	neg.
P/B	3.6	3.1	3.7
P/S	1.7	1.7	3.0
EV/Sales	1.5	1.5	2.8
EV/EBITDA	9.8	6.9	neg.
EV/EBIT (adj.)	neg.	14.5	neg.
Payout ratio (%)	0.0 %	0%	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Q4 figures progressed slightly above our expectations

Revenue grew slightly more than expected

Remedy’s Q4 revenue grew by 46% to 17.0 MEUR, which exceeded our 16.2 MEUR estimate. In constant currency, revenue increased by 54%. As expected, development fees were recognized from Max Payne Remake and Control Resonant, but their level (Q4’25: 8.7 MEUR) was slightly lower than our expectations (9.3 MEUR).

Consequently, royalty and own-game sales for the quarter (Q4’25: 8.4 MEUR vs. Q4’24: 1.5 MEUR) grew stronger than we expected. This growth reflects that Alan Wake 2 was the PlayStation Plus game of the month in October. According to the company, the game also sold relatively well, so the game’s royalties for the quarter were significant overall (we assume about 4.1 MEUR). In addition, FBC: Firebreak’s B2B payments (we assume about 2 MEUR) from Sony and Microsoft supported this development. In addition, Remedy highlighted the sales of the original Control game as a growth driver because the game received a boost from the announcement of

Control Resonant. Control sold over a million copies in total last year, although the average price has been very low due to heavy markdowns. Nevertheless, Remedy’s revenue from a game over six years old was still in the millions, which is impressive.

As expected, FBC: Firebreak did not generate significant sales income during the quarter, and player numbers have remained low. After a major update earlier this year, Remedy will release a smaller update for the game, but no significant work will likely be done on it after that. However, the game will remain available to play as maintenance costs are low.

Revenue beat also reflected in bottom line

Remedy’s EBITDA improved in Q4 to 3.9 MEUR (Q4’24: -0.6 MEUR) and, like revenue, exceeded our estimate of 3.2 MEUR. Increased depreciation weighed on EBIT (0.7 MEUR), and the full-year operating loss (-14.9 MEUR) reflects the Q3 write-downs of FBC: Firebreak’s development costs. Overall, there were no significant

surprises in Remedy’s cost structure compared to our expectations during the quarter. Last year, the company’s headcount increased by around 20, but the amount of external development decreased simultaneously. On a net basis, Remedy’s cost structure eased slightly in this respect during the year.

Cash flow from business operations (Q4’25: -3.3 MEUR) was negative towards the end of the year, though positive for the full year (4.5 MEUR). Taking investments in game development into account, free cash flow for the past year was still significantly in the red, as expected. 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.

Remedy’s cash and liquid assets (Q4’25: 29.4 MEUR) decreased from the previous quarter (36.5 MEUR). Overall, the company’s financial position is on solid footing for implementing its strategy.

Estimates	Q4'24	Q4'25	Q4'25e	Q4'25e	Difference (%)	2025
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Act. vs. inderes	Actualized
Revenue	11.7	17.0	16.2		5%	59.5
EBITDA	-0.6	3.9	3.2		23%	11.3
EBIT (adj.)	-1.4	0.7	0.1		868%	-14.9
EPS (reported)	-0.09	0.03	0.00		2146%	-0.96
DPS	0.00	0.00	0.00			0.00
Revenue growth-%	13.1 %	46.2 %	39.2 %		7 pp	17.5 %
EBIT-% (adj.)	-11.8 %	4.3 %	0.5 %		3.8 pp	-25.0 %

Source: Inderes

No major changes in estimates

Control Resonant will determine this year's development

As expected, Remedy provided guidance on revenue and EBITDA growth for 2026. The wording of the guidance remains cautious as, according to our calculations, both revenue and EBITDA should grow significantly following the successful launch of Control Resonant. Understandably, the company wants to be cautious at this stage, as uncertainty prior to the game's release is naturally high, even though the initial reception among players seems promising. The game's Steam wishlist ranking (currently 67th) has also developed well.

Remedy will undertake a significant marketing campaign for Control Resonant, which will impact the company's margin 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. According to the company, more information about the game will be revealed very soon, so it is very likely that Remedy's next

marketing campaign activities will be seen at Sony's State of Play event on Thursday, February 12.

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. For now, we are maintaining our assumptions and expect the game to be released at the end of Q2. We forecast Control Resonant to sell roughly 1.8 million copies in 2026 and about 2.2 million copies in 2027.

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 Q4 report did not provide further details on Max Payne Remake and the as-yet-unnamed new project. According to Remedy, both projects are progressing as planned. 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 7 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.

Estimates	Q4'24	Q4'25	Q4'25e	Q4'25e	Difference (%)	2025
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Act. vs. inderes	Actualized
Revenue	11.7	17.0	16.2		5%	59.5
EBITDA	-0.6	3.9	3.2		23%	11.3
EBIT (adj.)	-1.4	0.7	0.1		868%	-14.9
EPS (reported)	-0.09	0.03	0.00		2146%	-0.96
DPS	0.00	0.00	0.00			0.00
Revenue growth-%	13.1 %	46.2 %	39.2 %		7 pp	17.5 %
EBIT-% (adj.)	-11.8 %	4.3 %	0.5 %		3.8 pp	-25.0 %

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 Q2 \$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$	\$/\$\$
Max Payne	Development fees \$\$	Development fees \$\$\$	Development fees \$\$\$	Release in Q3'26-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

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	0.15	0.12	0.12	0.15	0.60	0.50
Project income (MEUR)	4.0	3.6	4.3	3.3	3.8	2.6	2.6	3.3	11.3	7.9
B2B contracts (MEUR)				2.5						
Remedy's royalties (MEUR)	2.0	1.8	2.1	4.1	1.9	1.3	1.3	1.6	5.7	3.9
Cumulative copies sold (million)	2.3	2.4	2.6	2.7	2.9	3.0	3.1	3.2	3.8	4.3
FBC: Firebreak		Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26	Q4'26	2027	2028
Average price (€)		35	30	30	30	30	30	30	30	25
Sales volume (millions of copies)		0.05	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
In-game purchases (MEUR)		0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B2B contracts (MEUR)		5.5	2	2.5	1.0	1.0				
Remedy's total revenue		7.1	2.5	2.5	1.0	1.0	0.0	0.0	0.0	0.0

Control Resonant	Q2'26	Q3'26	Q4'26	Q1'27	Q2'27	Q3'27	Q4'27	2028	2029	2030
Sales volume	0.7	0.5	0.6	0.5	0.6	0.5	0.6	1.1	0.5	0.3
Average price	60	60	60	50	50	45	45	40	30	30
Remedy's gross revenue	35	25	30	20.8	25.0	18.8	22.5	36.7	12.5	7.5
Distribution costs	8.6	6.2	7.4	5.1	6.2	4.6	5.5	9.0	3.1	1.8
Annapurna's share	10.7	8.7	8.8	4.3	5.2	3.9	4.5	8.3	2.8	1.7
Remedy's net revenue	24.3	16.3	21.2	16.6	19.8	14.8	18.0	28.4	9.7	5.8
Cumulative copies sold	0.7	1.2	1.8	2.3	2.9	3.4	4.0	5.1	5.6	5.9

- 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 that Remedy will spend approximately 15 MEUR on marketing the game in 2026-2027.

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

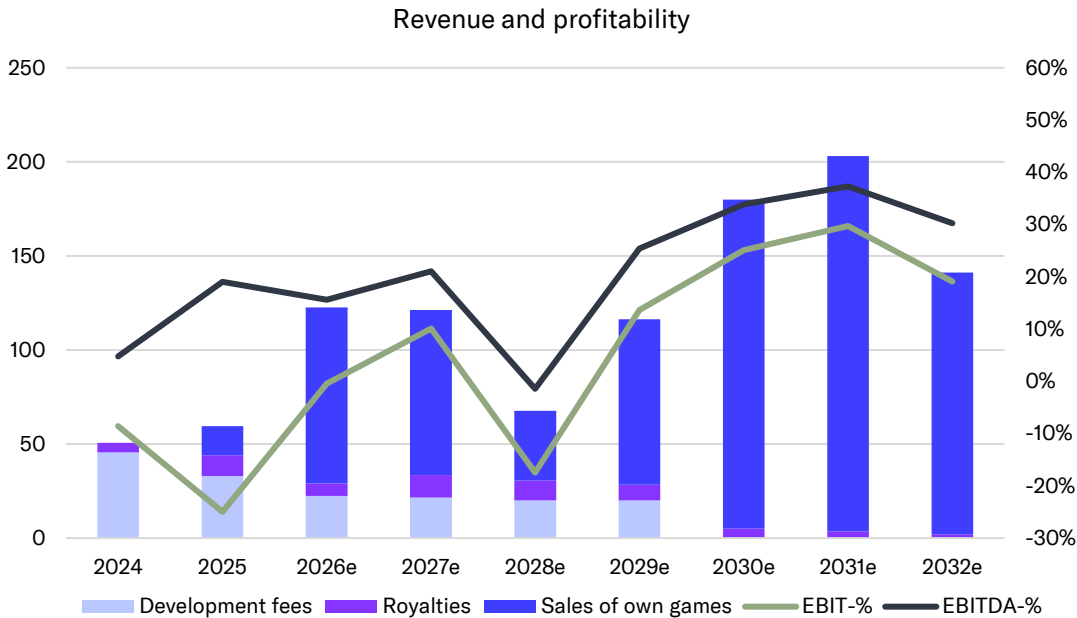
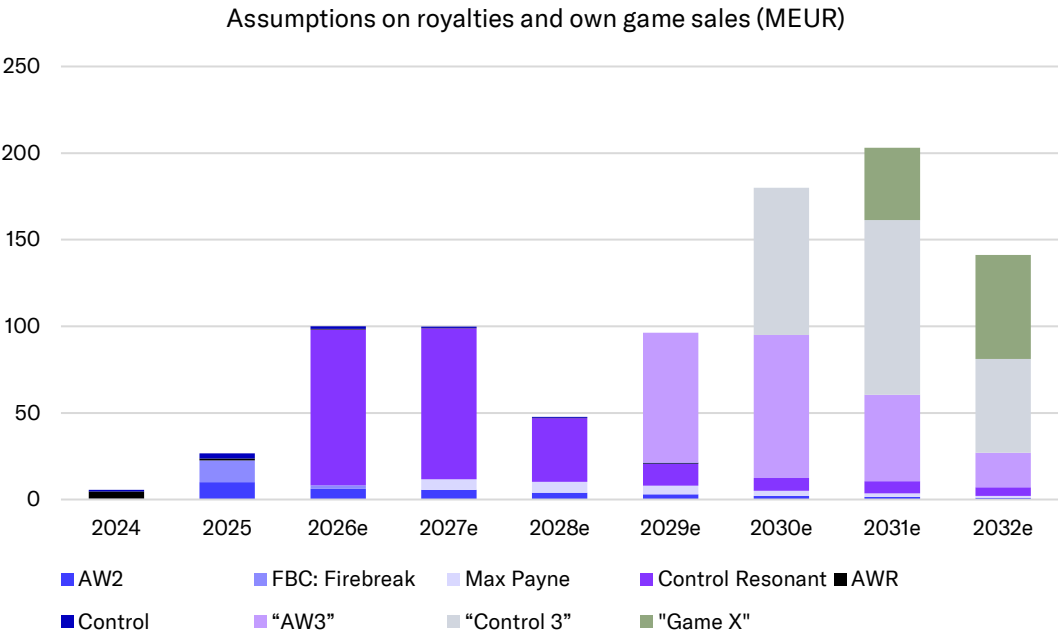
"Alan Wake 3" (self-publication)	2029	2030	2031
Marketing budget 20 MEUR			
Sales volume (millions of copies)	1.5	1.8	1.2
Average price (€)	60	55	50

"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


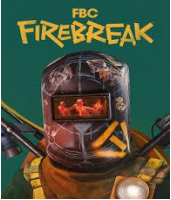

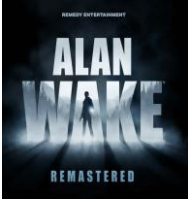
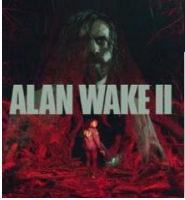








Underlying assumptions for the calculations:

- 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



Remedy's game projects and partners

									
	Control	FBC: Firebreak	Control Resonant		Alan Wake Remastered	Alan Wake 2		Max Payne 1&2 remake	New project
	Released Q3'19	Released Q2'25	Production		Released Q4'21	Released Q3'23		Production	Proof-of-concept
	Budget ~30 MEUR	Budget ~30 MEUR	Budget ~50 MEUR		Budget ~8 MEUR ¹	Budget ~60 MEUR ¹		Budget ~60 MEUR ¹	
Remedy's share of the production budget:	45% ⁴	100%	50%			0% ³		0%	
Remedy's share of revenue:	100% ⁴	100%	60-75% ⁵			50%		10-30% ¹	
Recoup ² before the royalties to Remedy?					✓	✓		✓	
								 Rockstar Games	

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

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

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

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

⁵ Remedy 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, favorable market trends and an attractive position in the value chain 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 (10x-7x) 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

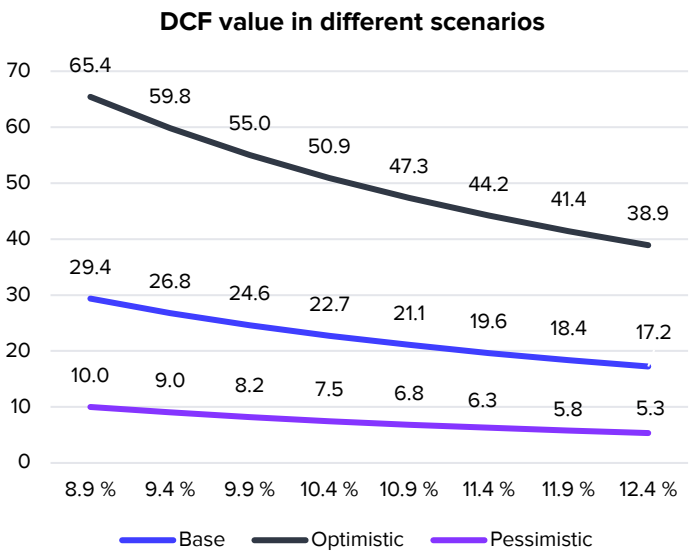
Control Resonant is a critical game for Remedy's investment story, and its success will largely determine the company's cash flow and ability to finance future projects independently in the coming years. In light of the stock's current valuation, we believe the equity market remains skeptical about the 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. 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	14.9	14.9	14.9
Number of shares, millions	13.7	13.8	13.9
Market cap	203	205	206
EV	187	177	187
P/E (adj.)	neg.	21.3	neg.
P/E	neg.	21.3	neg.
P/B	3.6	3.1	3.7
P/S	1.7	1.7	3.0
EV/Sales	1.5	1.5	2.8
EV/EBITDA	9.8	6.9	neg.
EV/EBIT (adj.)	neg.	14.5	neg.
Payout ratio (%)	0.0 %	0%	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

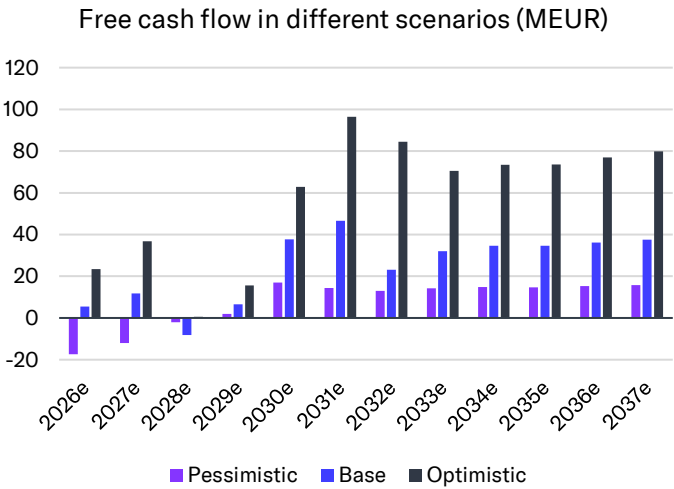
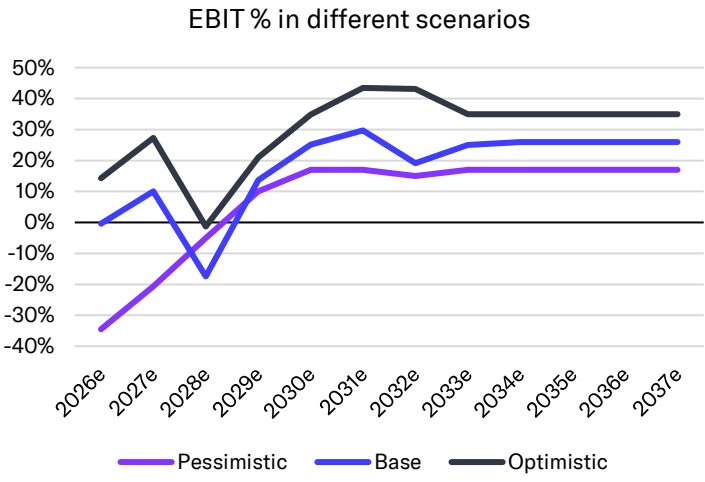
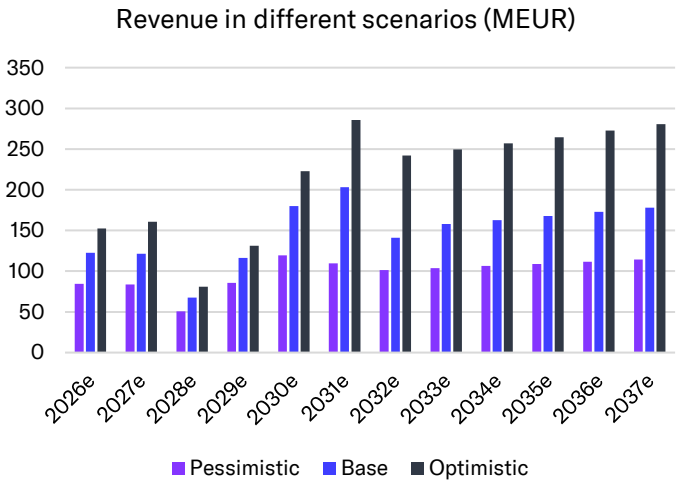
Source: Inderes

DCF 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.



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%	8%	12%	16%	20%	23%
30%	12%	16%	21%	24%	28%
35%	15%	20%	24%	28%	32%
40%	18%	23%	28%	32%	35%

EV/EBIT 16x Revenue (MEUR)					
EBIT-%	100	125	150	175	200
25%	14%	19%	23%	27%	31%
30%	18%	23%	28%	32%	35%
35%	22%	27%	32%	36%	40%
40%	25%	31%	35%	40%	43%

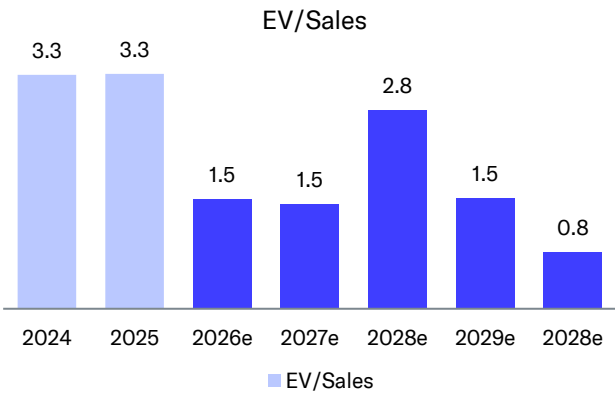
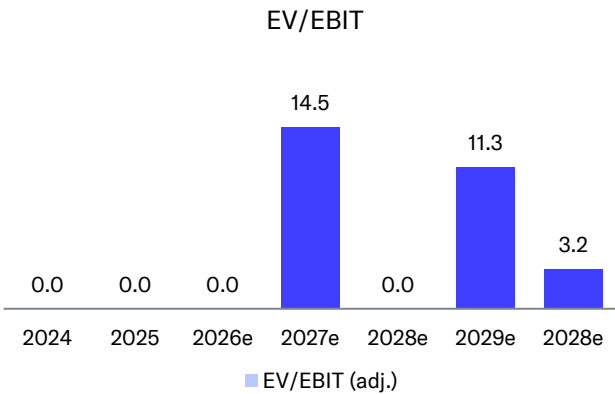
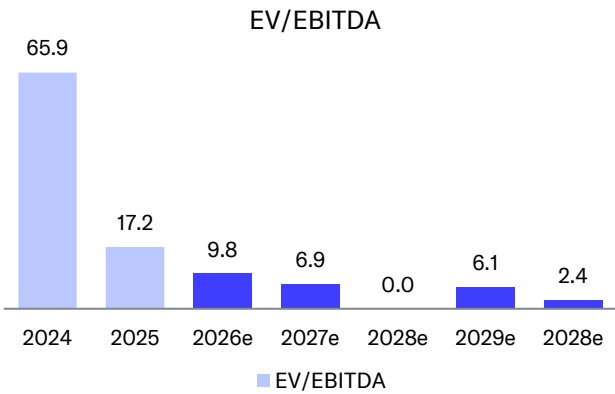
EV/EBIT 20x Revenue (MEUR)					
EBIT-%	100	125	150	175	200
25%	19%	24%	29%	33%	37%
30%	23%	29%	34%	38%	42%
35%	27%	33%	38%	42%	46%
40%	31%	37%	42%	46%	50%

- 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	14.9	14.9	14.9	14.9	14.9
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	203	205	206	220	221
EV	241	316	166	195	187	177	187	179	143
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	21.3	neg.	17.0	6.0
P/E	neg.	neg.	neg.	neg.	neg.	21.3	neg.	17.0	6.0
P/B	3.3	5.1	2.8	3.7	3.6	3.1	3.7	2.6	1.8
P/S	6.7	10.1	3.8	3.5	1.7	1.7	3.0	1.9	1.2
EV/Sales	5.5	9.3	3.3	3.3	1.5	1.5	2.8	1.5	0.8
EV/EBITDA	>100	neg.	65.9	17.2	9.8	6.9	neg.	6.1	2.4
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.	14.5	neg.	11.3	3.2
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



The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		Lv:n kasvu-%		EBIT-%	
Company	MEUR	MEUR	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e
Frontier Developments	188	163	14.0	12.5	12.4	5.1	1.4	1.4	11%	2%	10%	11%
Embracer	988	651	5.2	3.3	1.4	1.1	0.4	0.3	-26%	9%	7%	10%
Starbreeze	14	4	1.1	0.9	0.3	0.4	0.2	0.2	12%	-3%	15%	22%
CD Projekt	5908	5682	81.3	16.7	62.0	11.2	27.6	8.0	-12%	246%	34%	48%
Paradox Interactive	1242	1129	14.7	12.4	8.7	7.9	5.6	5.2	-7%	7%	38%	42%
Coffee Stain	376	354	13.5	10.9	6.6	5.8	4.0	3.8		5%	30%	35%
Playway	403	356	7.7	8.9	7.6	8.7	4.9	5.2	4%	-6%	64%	59%
11 Bit Studios	80	64	5.4	10.5	3.7	4.5	2.1	2.4	-9%	-13%	39%	23%
Enad Global 7	104	102	9.5	6.0	2.2	2.2	0.5	0.5	30%	-2%	5%	9%
Thunderful Group	21	28		26.7	3.2	2.5	0.9	0.9	24%	2%	-2%	3%
Tinybuild	35	32			11.6	7.5	1.0	0.9	8%	7%	-2%	
CI Games	104	112	6.2	9.6	3.3	3.5	1.8	2.2	428%	-16%	30%	23%
Electronic Arts	42197	41346	18.7	17.6	16.8	16.1	6.1	5.9	12%	4%	33%	34%
Take-Two Interactive	31870	32455	41.8	20.9	36.3	19.8	5.9	4.3	18%	37%	14%	21%
Ubisoft	579	2001		37.1	4.1	3.5	1.3	1.1	-17%	11%	-20%	3%
Remedy (Inderes)	203	187	-345.8	14.5	9.8	6.9	1.5	1.5	106%	-1%	0%	10%
Average			18.3	13.8	12.0	6.7	4.2	2.8	34%	19%	20%	25%
Median			11.5	11.6	6.6	5.1	1.8	2.2	10%	4%	15%	23%
Diff-% to median			-	25%	48%	35%	-17%	-34%				

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	50.7	13.4	16.9	12.2	17.0	59.5	9.5	42.9	32.2	38.0	123	121	67.7	116
Development fees	45.6	10.7	7.4	6.1	8.7	32.9	6.0	5.0	5.5	6.0	22.5	21.5	20.0	20.0
Royalties	5.1	2.6	2.1	2.1	4.1	11.0	2.0	1.4	1.4	1.7	6.5	12.1	10.5	8.4
Own game sales	0.0	0.0	7.4	3.9	4.2	15.6	1.5	36.5	25.3	30.3	93.5	87.8	37.2	88.0
EBITDA	2.5	2.6	4.2	0.7	3.9	11.3	-4.1	9.9	4.9	8.4	19.1	25.5	-1.0	29.6
Depreciation	-6.8	-1.3	-4.7	-17.1	-3.1	-26.2	-1.2	-6.5	-6.0	-6.0	-19.7	-13.3	-10.8	-13.7
EBIT (excl. NRI)	-4.3	1.3	-0.5	-16.4	0.7	-14.9	-5.2	3.4	-1.1	2.4	-0.5	12.2	-11.8	15.9
EBIT	-4.3	1.3	-0.5	-16.4	0.7	-14.9	-5.2	3.4	-1.1	2.4	-0.5	12.2	-11.8	15.9
Net financial items	0.5	-0.2	-0.1	-0.3	-0.3	-0.8	-0.1	-0.1	-0.1	-0.1	-0.5	-0.5	-0.5	-0.1
PTP	-3.8	1.1	-0.6	-16.7	0.5	-15.7	-5.3	3.3	-1.3	2.2	-1.0	11.7	-12.3	15.8
Taxes	0.2	-0.5	0.0	3.2	-0.1	2.7	1.1	-0.7	0.3	-0.4	0.2	-2.1	2.2	-2.8
Net earnings	-3.6	0.6	-0.6	-13.5	0.4	-13.0	-4.3	2.7	-1.0	1.8	-0.8	9.6	-10.1	12.9
EPS (adj.)	-0.27	0.04	-0.04	-0.99	0.03	-0.96	-0.31	0.19	-0.07	0.13	-0.06	0.70	-0.73	0.87
EPS (rep.)	-0.27	0.04	-0.04	-0.99	0.03	-0.96	-0.31	0.19	-0.07	0.13	-0.06	0.70	-0.73	0.87

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	49.3 %	24.1 %	63.5 %	-32.0 %	46.2 %	17.5 %	-29.3 %	153.7 %	164.6 %	122.9 %	105.9 %	-1.0 %	-44.2 %	71.8 %
EBITDA-%	5.0 %	19.3 %	24.9 %	5.7 %	22.7 %	19.1 %	-42.7 %	23.2 %	15.2 %	22.0 %	15.6 %	21.1 %	-1.4 %	25.4 %
Adjusted EBIT-%	-8.4 %	9.7 %	-2.7 %	-135.1 %	4.3 %	-25.0 %	-55.1 %	8.0 %	-3.5 %	6.2 %	-0.4 %	10.1 %	-17.4 %	13.6 %
Net earnings-%	-7.1 %	4.4 %	-3.4 %	-110.7 %	2.4 %	-21.9 %	-45.2 %	6.2 %	-3.1 %	4.7 %	-0.7 %	7.9 %	-14.9 %	11.1 %

Source: Inderes

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	49.1	41.9	42.8	34.2	31.9
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	36.9	27.1	28.9	21.3	19.5
Tangible assets	5.8	5.8	4.8	3.9	3.3
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	53.0	61.9	45.2
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	20.8	18.2	10.2
Cash and equivalents	41.1	29.4	32.2	43.7	35.0
Balance sheet total	99.3	87.5	89.1	98.7	85.1

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	68.5	56.6	55.8	65.4	55.3
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	10.1	-1.7	-2.5	7.1	-3.0
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	18.2	17.2	13.7
Interest bearing debt	1.4	1.3	1.0	0.2	0.2
Payables	14.8	12.5	17.2	17.0	13.5
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	99.3	87.5	89.1	98.7	85.1

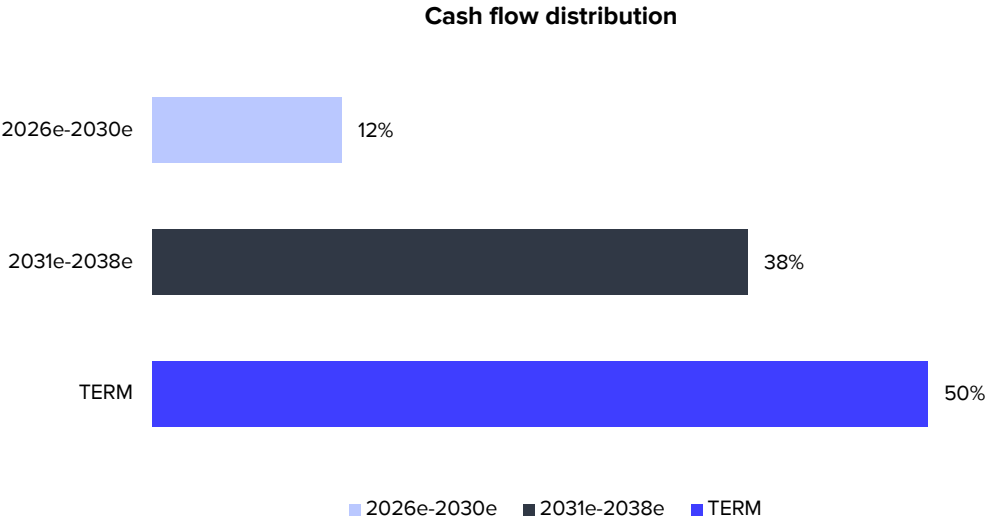
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	2038e	TERM
Revenue growth-%	17.5 %	105.9 %	-1.0 %	-44.2 %	71.8 %	54.7 %	12.8 %	-30.5 %	12.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %
EBIT-%	-25.0 %	-0.4 %	10.1 %	-17.4 %	13.6 %	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	-0.5	12.2	-11.8	15.9	45.2	60.3	27.0	39.5	42.3	43.6	44.9	46.3	46.7	
+ Depreciation	26.2	19.7	13.3	10.8	13.7	15.8	15.4	15.7	15.9	15.9	16.0	16.5	16.7	16.9	
- Paid taxes	-0.2	0.2	-2.1	2.2	-2.8	-8.1	-10.8	-4.8	-7.1	-7.6	-7.8	-8.1	-8.3	-8.4	
- Tax, financial expenses	-0.1	-0.1	-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	-5.1	-0.1	-2.3	1.2	-0.3	-0.1	-0.1	-0.1	-0.1	-0.1	
Operating cash flow	-0.5	18.5	25.8	5.8	21.6	52.7	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	5.5	11.8	-8.2	6.6	37.7	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	5.5	11.8	-8.2	6.6	37.7	46.6	23.1	31.9	34.6	34.6	36.2	37.6	38.1	
Discounted FCFF		5.0	9.8	-6.2	4.5	23.3	26.1	11.7	14.7	14.4	13.1	12.4	11.6	10.7	149
Sum of FCFF present value		300	295	285	291	287	264	238	226	211	197	184	171	160	149
Enterprise value DCF		300													
- Interest bearing debt		-18.3													
+ Cash and cash equivalents		29.4													
-Minorities		0.0													
-Dividend/capital return		0.0													
Equity value DCF		311													
Equity value DCF per share		22.7													

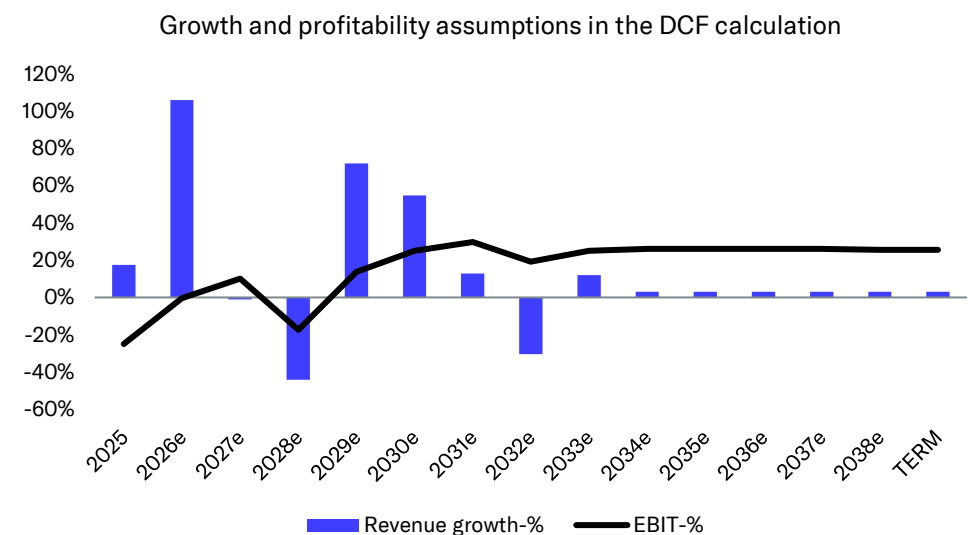
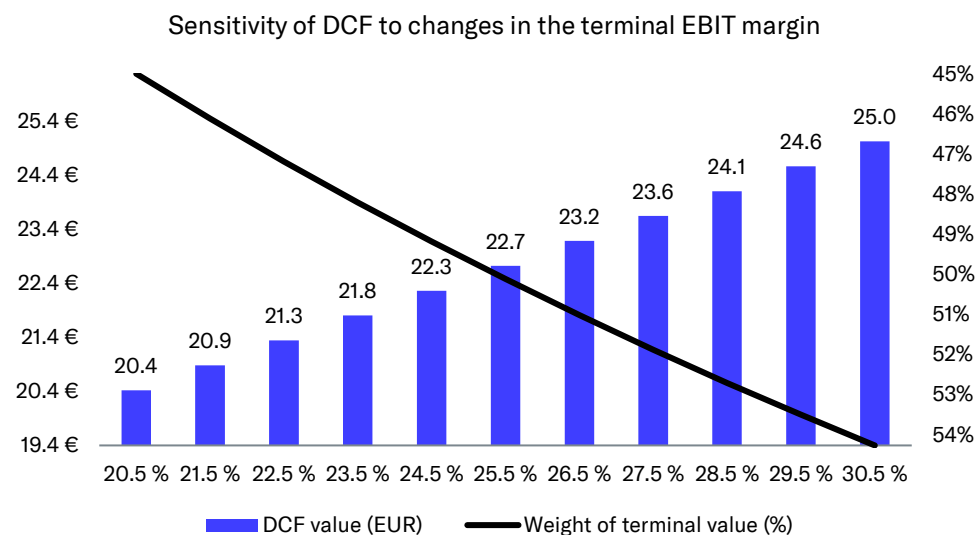
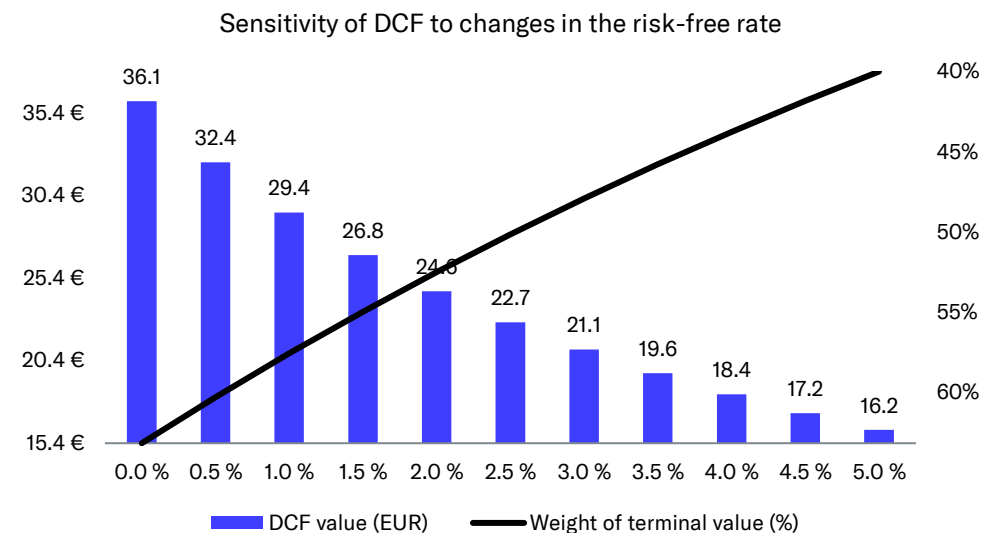
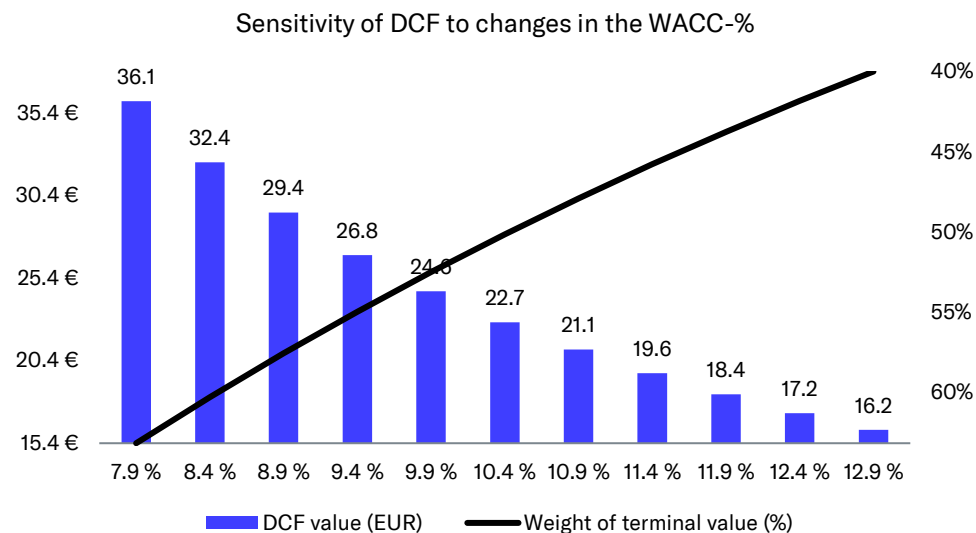
WACC

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



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	33.9	50.7	59.5	122.5	121.3	EPS (reported)	-1.68	-0.27	-0.96	-0.06	0.70
EBITDA	-17.0	2.5	11.3	19.1	25.5	EPS (adj.)	-1.68	-0.27	-0.96	-0.06	0.70
EBIT	-28.6	-4.3	-14.9	-0.5	12.2	OCF / share	-1.40	1.50	-0.04	1.35	1.87
PTP	-27.5	-3.8	-15.7	-1.0	11.7	OFCF / share	-2.15	-0.10	-1.07	0.40	0.86
Net Income	-22.7	-3.6	-13.0	-0.8	9.6	Book value / share	5.02	5.06	4.16	4.07	4.74
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	89.1	98.7	Revenue growth-%	-22%	49%	17%	106%	-1%
Equity capital	67.8	68.5	56.6	55.8	65.4	EBITDA growth-%	-990%	-115%	352%	69%	34%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	4985%	-85%	247%	-96%	-2359%
Net debt	-26.8	-25.3	-11.1	-16.2	-27.6	EPS (adj.) growth-%	1209%	-84%	261%	-94%	-1246%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	-50.0 %	5.0 %	19.1 %	15.6 %	21.1 %
EBITDA	-17.0	2.5	11.3	19.1	25.5	EBIT (adj.)-%	-84.4 %	-8.4 %	-25.0 %	-0.4 %	10.1 %
Change in working capital	-2.1	17.8	-11.5	-0.8	2.5	EBIT-%	-84.4 %	-8.4 %	-25.0 %	-0.4 %	10.1 %
Operating cash flow	-18.9	20.3	-0.5	18.5	25.8	ROE-%	-29.0 %	-5.3 %	-20.8 %	-1.5 %	15.9 %
CAPEX	-10.1	-26.6	-14.0	-13.0	-14.0	ROI-%	-35.2 %	-5.5 %	-18.7 %	-0.7 %	16.0 %
Free cash flow	-29.0	-1.3	-14.5	5.5	11.8	Equity ratio	85.5 %	70.9 %	64.6 %	62.6 %	66.3 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	-39.5 %	-36.9 %	-19.7 %	-29.1 %	-42.2 %
EV/S	9.3	3.3	3.3	1.5	1.5						
EV/EBITDA	neg.	65.9	17.2	9.8	6.9						
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	14.5						
P/E (adj.)	neg.	neg.	neg.	neg.	21.3						
P/B	5.1	2.8	3.7	3.6	3.1						
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 €



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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