



paradox
INTERACTIVE®

INTERIM REPORT

JANUARY - SEPTEMBER 2024

*Please note that this is a translation for information purposes only –
in case of any discrepancies between this version and the Swedish,
the Swedish version shall prevail.



INTERIM REPORT

JANUARY - SEPTEMBER 2024

THIRD QUARTER

- Revenues amounted to MSEK 434.0 (MSEK 426.4), an increase by 2 % compared to the same period last year.
- Operating profit amounted to MSEK 142.8 (MSEK 85.4), an increase by 67 %.
- Profit after financial items amounted to MSEK 151.2 (MSEK 88.5), and profit after tax amounted to MSEK 119.7 (MSEK 69.3).
- Cash flow from operating activities amounted to MSEK 153.7 (MSEK 260.1), and cash flow from investing activities amounted to MSEK -115.3 (MSEK -359.1). Cash flow from investing activities includes MSEK 0.0 (MSEK -198.1) from short-term investments in bonds.
- By the end of the period cash amounted to MSEK 1,190.4 (MSEK 734.9).
- Earnings per share before dilution amounted to SEK 1.13 (SEK 0.66) and after dilution SEK 1.13 (SEK 0.65).
- Revenues in the quarter are mainly attributable to Cities: Skylines, Cities: Skylines II, Crusader Kings III, Hearts of Iron IV and Stellaris.

IMPORTANT EVENTS THIRD QUARTER

- New downloadable content was released to games during the period; Roads to Power to Crusader Kings III, Cosmic Storms to Stellaris and Ancient Worlds to Millennia.
- New ports to downloadable content was released during the period; Friends & Foes to Crusader Kings III.
- Mechabellum, developed by Game River and published by Paradox Arc, left early access and was released in version 1.0 on PC.

FIRST NINE MONTHS

- Revenues amounted to MSEK 1,491.8 (MSEK 1,646.6), a decrease by 9 % compared to the same period last year.
- Operating profit amounted to MSEK 326.1 (MSEK 534.0), a decrease by 39 %. Operating profit includes write-downs of MSEK 208.0 (MSEK 9.6).
- Profit after financial items amounted to MSEK 353.0 (MSEK 556.5), and profit after tax amounted to MSEK 273.8 (MSEK 432.4).
- Earnings per share before dilution amounted to SEK 2.59 (SEK 4.09) and after dilution SEK 2.59 (SEK 4.06).



COMMENTS BY THE CEO

As is often the case, the third quarter is calmer in terms of releases and thus revenue, although we had fantastic content such as Roads to Power to Crusader Kings III in the period. However, this does not mean that we have taken it easy in any way. Behind the scenes we've been going at full speed developing content for our core games, progressing our projects and continuing to refine our operations in accordance with our established strategy.

Recently, we've put a lot of energy into strengthening the publishing arm, defining our process for working with third-party game development, and continuing to focus our internal studios. The aim has been to create clear mandates, more explicit responsibility and to ensure the quality of the games. Among other things, this led us to delay the release of Prison Architect 2 until we feel the game is ready.

These efforts are in line with our strategic direction, where for some time now we have a stronger focus on, and make bigger investments in, our core business: Grand Strategy and Management Games. Meanwhile, we are exploring and experimenting with less risk within the framework of Paradox Arc.

Changes like these take time, given that our development cycles are long, but we are moving in the right direction step by step and the future for Paradox looks bright. We have many expansions coming out and have a strong drive and focus in our teams. Moreover, we have an exciting pipeline, and I really look forward to presenting more later.

Fredrik Wester, CEO



PARADOX INTERACTIVE AT A GLANCE

Paradox Interactive is one of the premier developers and publishers of strategy and management games for PC and consoles. By developing long-lived games with downloadable content, renewing its game portfolio with engaging games and having a close relationship to its players, the company creates the strategy and management segments' best gaming experiences.

The group today consists of publishing business and five studios in five countries that develop gaming experiences for the company's six million monthly active players. Amongst its most important active games are Cities: Skylines, Cities: Skylines II, Hearts of Iron IV, Crusader Kings III, Europa Universalis IV, Victoria 3, Stellaris and Age of Wonders 4.

Paradox strives for a healthy profit margin, a stable operating cash flow and strong growth. Thus, enabling stable operations and continuous investments in the company's future.

6

Million MAU

8

Games in pipeline

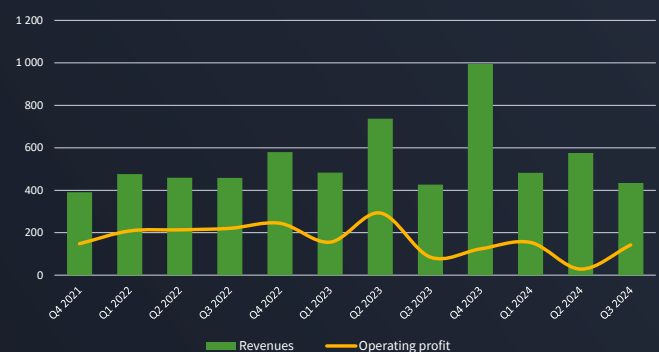
19 %

R12 profit margin

Rolling 12 month revenues and operating profit



Quarterly revenues and operating profit



RELEASES IN THE PERIOD



CRUSADER KINGS III: ROADS TO POWER

Release date: 24 September 2024

Platform: PC

Price: 29.99 USD

Description: The glory and might of the Byzantine Empire are yours to command in this Major Expansion to Crusader Kings III. The unique politics and cultures of the heir to the Roman Empire are on display through a new governing system, new ways for characters to progress up the societal ladder, and new activities for them to engage in. You can also explore a new exciting lifestyle as a landless Adventurer, seeking fame and glory across a living map of the medieval world.

Publisher: Paradox Interactive

Developer: Paradox Development Studio



CRUSADER KINGS III CONSOLE EDITION: FRIENDS & FOES

Release date: 26 August 2024

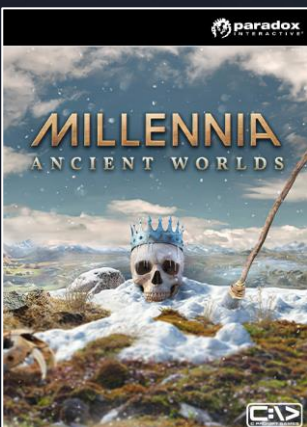
Platforms: Xbox Series X|S, PlayStation 5

Price: 4.99 USD

Description: Over one hundred unique new experiences of medieval drama wait to be discovered. From rival noble houses holding lifelong grudges to childhood bullies, summer crushes, and spoiling spouses with lavish gifts. Your ruler's everyday existence has never been more fraught - or more exciting.

Publisher: Paradox Interactive

Developer: Paradox Development Studio and Dragons Lake (port)



MILLENNIA: ANCIENT WORLDS

Release date: 12 August 2024

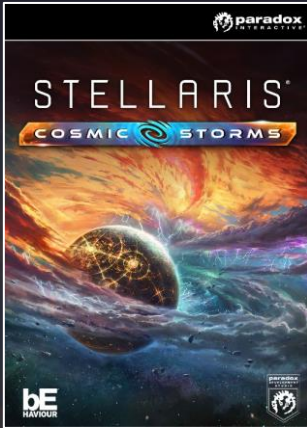
Platform: PC

Price: 9.99 USD

Description: Travel back to the moments before civilization and set your small band of humans on the path to greater glory as your society evolves and adapts. The Ancient Worlds expansion for Millennia has new options and gameplay choices for the early parts of the game, with new abilities and experiences, a new National Spirit and a new government type.

Publisher: Paradox Interactive

Developer: C Prompt Games



STELLARIS: COSMIC STORMS

Release date: 10 September 2024

Platform: PC

Price: 12.99 USD

Description: Cosmic Storms is a Mechanical Expansion for Stellaris where the skies teem with eight new storm types filled with peril and promise. From Electric Storms harnessing the power of lightning to the formidable Nexus Storm, a galactic tempest of unparalleled magnitude, these natural phenomena challenge you to make skillful choices to steer your empire safely and profitably through the chaos. Embark on your journey with the Storm Chasers Origin, uncover the secrets of two new Precursors, or engage with the storms themselves through the Astrometeorology and Storm Devotion Civics.

Publisher: Paradox Interactive

Developer: Paradox Development Studio and Behaviour Rotterdam



MECHABELLUM 1.0

Release date: 26 September 2024

Platform: PC

Price: 14.99 USD

Description: Mechabellum is a rewarding tactical wargame where you gain victory by adapting your strategy and outthinking your opponents. Command mechanized army in a battle against humans or AI, customize your units and strategically place them on the battlefield to watch them destroy your enemies.

Publisher: Paradox Arc

Developer: Game River



FINANCIAL OVERVIEW

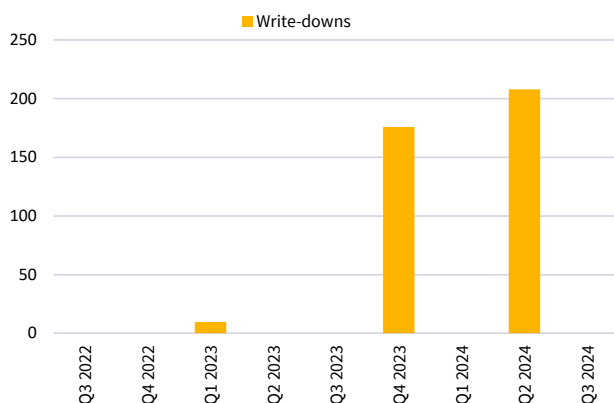
REVENUE AND PROFIT THIRD QUARTER

Revenues amounted to MSEK 434.0 (MSEK 426.4), an increase by 2 % compared to the same period last year. New downloadable content was released to games during the period; Roads to Power to Crusader Kings III, Cosmic Storms to Stellaris and Ancient Worlds to Millennia. New ports to downloadable content was released during the period; Friends & Foes to Crusader Kings III. Mechabellum, developed by Game River and published by Paradox Arc, left early access and was released in version 1.0 on PC. Revenues in the quarter are mainly attributable to Cities: Skylines, Cities: Skylines II, Crusader Kings III, Hearts of Iron IV and Stellaris.

Cost of goods sold amounted to MSEK 217.1 (MSEK 254.5), attributable to game development, development support, operation and maintenance of games, costs of licenses, brands, and similar rights, as well as royalties and revenue based earn-outs to development studios and external rights holders.

Amortisation of released games amounted to MSEK 96.0 (MSEK 113.6). Amortisation has decreased as a result of fewer releases of new games and downloadable content.

Write-downs for the period within cost of goods sold amount to MSEK 0.0 (MSEK 0.0).



Amortisations of licenses, brands, and similar rights amounted to MSEK 13.8 (MSEK 20.2).

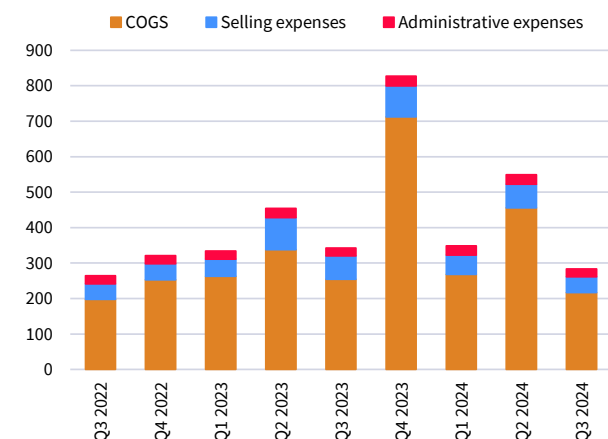
In addition to depreciation, amortisation and write-downs within the item, a total of MSEK 100.0 (MSEK 109.8) was expensed regarding non-capitalised development costs, development support, operation and maintenance of games, royalties and revenue based earn-outs.

Non-capitalised development costs and costs for development support, operation and maintenance of games decreased marginally compared to the comparison period.

Royalties and revenue based earn-outs have decreased compared to the comparison period due to lower sales of royalty and earn-out generating games. Earn-out relates to Age of Wonders 4, developed by Triumph Studios. Age of Wonders 4 was released in May 2023, and is a part of the revenue based earn-outs for the sellers of Triumph Studios until April 2026.

Selling expenses for the period amounted to MSEK 44.2 (MSEK 65.5). The decrease is related to the comparison period including costs ahead of the releases of Cities: Skylines II and The Lamplighters League.

Administrative expenses for the period amounted to MSEK 22.1 (MSEK 22.8). Costs for administration are generally unchanged over time and are relatively unaffected by other operations.



Other income amounted to MSEK 1.7 (MSEK 1.9), and other expenses to MSEK -9.4 (MSEK -0.2). Other income and other expenses consist primarily of exchange rate effects on the group's cash and cash equivalents,



operating receivables, and operating liabilities during the quarter.

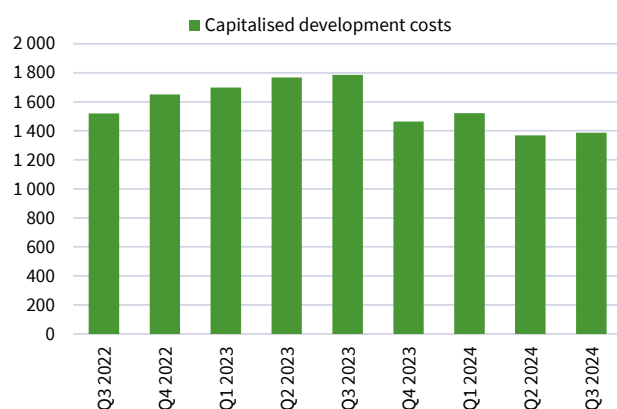
Operating profit amounted to MSEK 142.8 (MSEK 85.4).

Financial income amounted to MSEK 9.2 (MSEK 5.8) and mainly consists of interest income from bank accounts and interest income from short-term investments of excess cash. Financial expense amounted to MSEK 0.8 (MSEK 2.7) and consists of calculated interest on lease liabilities.

Profit after financial items amounted to MSEK 151.2 (MSEK 88.5), and profit after tax amounted to MSEK 119.7 (MSEK 69.3).

FINANCIAL POSITION

Capitalised development amounted to MSEK 1,387.3 (MSEK 1,785.7) by the end of the period. The item refers to both games that have not yet been released and games that have been released and subsequently amortised. The decrease is mainly attributed to the write-downs of Life by You, and the amortisation and write-down of The Lamplighters League.



Licenses, brands, and similar rights amounted to MSEK 65.8 (MSEK 127.0).

Goodwill amounted to MSEK 22.8 (MSEK 23.1) attributable to the acquisition of Iceflake Studios.

Right-of-use assets for offices amounted to MSEK 78.9 (MSEK 123.5).

Accounts receivable amounted to MSEK 202.7 (MSEK 219.3).

Cash and cash equivalents amounted to MSEK 1,190.4 (MSEK 734.9).

Equity amounts to MSEK 2,590.0 (MSEK 2,528.5).

Long-term lease liabilities amount to MSEK 43.6 (MSEK 87.0) consisting of liabilities for office premises.

Deferred tax liabilities amount to MSEK 135.4 (MSEK 123.1), mainly relating to untaxed reserves and intangible assets from acquisitions.

Short-term lease liabilities amount to MSEK 30.6 (MSEK 32.7) consisting of short-term liabilities for office premises.

Accrued expenses and prepaid income amount to MSEK 290.7 (MSEK 417.0) by the end of the period. Prepaid income has decreased compared to the previous year following the releases of Cities: Skylines II and The Lamplighters League.

CASH FLOW THIRD QUARTER

Cash flow from operating activities amounted to MSEK 153.7 (MSEK 260.1), primarily attributable to the operating profit, adjusted for depreciation, amortisation and write-downs. Cash flow from investing activities amounted to MSEK -115.3 (MSEK -359.1). Cash flow from investing activities includes MSEK 0.0 (MSEK -198.1) from short-term investments in bonds. Cash flow from financing activities amounted to MSEK -9.6 (MSEK -9.5) relating mainly to amortisation of lease liabilities for office premises.

THE FIRST NINE MONTHS IN SUMMARY

Revenues amounted to MSEK 1,491.8 (MSEK 1,646.5) a decrease by 9 % compared to the same period last year. Cost of goods sold amounted to MSEK 941.0 (MSEK 855.3), primarily attributable to game development, development support, operation and maintenance of games, as well as royalties and revenue based earn-outs to third parties. Write-downs within cost of goods sold amounts to MSEK 208.0 (MSEK 9.6). Operating profit amounted to MSEK 326.1 (MSEK 534.0), a decrease by 39 %. Profit after financial items amounted to MSEK 353.0 (MSEK 556.5), and profit after tax amounted to MSEK 273.8 (MSEK 432.4). Cash flow from operating activities amounted to MSEK 681.7 (MSEK 926.3). Cash flow from investing activities amounted to MSEK -244.4 (MSEK -701.7). Cash flow from financing activities amounted to MSEK -345.5 (MSEK -238.8).



RELATED PARTY TRANSACTIONS

No transactions have taken place between the group and related parties that have affected the group's position and results.

PARENT COMPANY THIRD QUARTER

The parent company houses the publishing business. Within the publishing business, the parent company buys development services from both external and wholly owned development studios and pays royalties to these where applicable. The parent company also provides administrative services to the subsidiaries. All in all, this leads to the parent company's turnover to a large extent making up the group's total turnover.

Parent company revenues for the quarter amounted to MSEK 437.6 (MSEK 425.4). Operating profit amounted to MSEK 35.2 (MSEK 32.7). Profit after financial items amounted to MSEK -32.7 (MSEK 35.4). Profit after financial items includes a write-down of shares in subsidiaries within profit from shares in subsidiaries amounting to MSEK -75.7 (MSEK 0.0). Profit after tax amounted to MSEK -42.6 (MSEK 28.1).

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting as well as RFR 1 and the annual accounts act. The parent company applies the Swedish Financial Reporting Board's recommendation RFR 2, accounting for legal entities. Accounting principles and calculation bases are in accordance with the principles applied in the company's most recent annual report. The carrying amount of the Group's long-term financial instruments valued at accrued acquisition value essentially corresponds to its fair value as the interest rate is in parity with current market interest rates. The carrying amount of the Group's short-term financial instruments valued at accrued acquisition value essentially corresponds to its fair value as the discounting effect is not significant. Accounting principles and calculation bases are in accordance with the principles applied in the company's most recent annual report.

RISKS AND UNCERTAINTIES

Paradox is, like most companies, exposed to certain risks in its operations. The risks and uncertainties are

described in the Annual Report for 2023, page 32. Risks to be specifically mentioned include a dependency on key employees, dependency on a few sales partners, delays of game projects, low revenues from game releases, and foreign currency. These risks and uncertainties may have a direct or indirect impact on the group's financial position and results.



FINANCIAL CALENDAR

Year-end report 2024	2025-02-06
Annual report 2024	2025-04-09
Interim report January-March 2025	2025-04-24
Annual General Meeting 2025	2025-05-14
Interim report January-June 2025	2025-08-07
Interim report January-September 2025	2025-10-23
Year-end report 2025	2026-01-29

CONTACT

Additional information about the company can be found on the corporate website www.paradoxinteractive.com. The company can be contacted by e-mail, ir@paradoxinteractive.com, or by post Paradox Interactive AB, Magnus Ladulåsgatan 4, 118 66, Stockholm, Sweden.

ASSURANCE BY THE BOARD OF DIRECTORS

The board of directors hereby provide an assurance that the interim report provides a true and fair view of the parent company's and the group's business, positions, and earnings, and describe the significant risks and uncertainties faced by the companies making up the group.

Stockholm 31 October 2024

The Board of Directors

This information is information that Paradox Interactive AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication 08:00 CET 31 October 2024.



THE AUDITOR'S REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the condensed interim financial information (interim report) of Paradox Interactive AB (publ.) as of 30 September 2023 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm October 31, 2024

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow
Authorized Public Accountant



KEY FIGURES FOR THE GROUP

	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
Revenues, KSEK	433,994	426,442	1,491,848	1,646,553	2,642,107
Operating profit, KSEK	142,838	85,363	326,105	533,961	657,868
Profit after financial items, KSEK	151,228	88,465	353,007	556,486	687,759
Profit after tax, KSEK	119,661	69,294	273,808	432,356	530,625
Operating margin	33%	20%	22%	32%	25%
Profit margin	35%	21%	24%	34%	26%
Equity/assets ratio	80%	74%	80%	74%	73%
Equity per share before dilution, SEK	24.52	23.94	24.52	23.94	24.81
Equity per share after dilution, SEK	24.52	23.87	24.52	23.87	24.75
Earnings per share before dilution, SEK	1.13	0.66	2.59	4.09	5.02
Earnings per share after dilution, SEK	1.13	0.65	2.59	4.06	4.99
Number of shares by the end of the period before dilution	105,623,025	105,623,025	105,623,025	105,623,025	105,623,025
Number of shares by the end of the period after dilution	105,623,025	105,910,175	105,623,025	105,910,175	105,885,175
Average number of shares before dilution	105,623,025	105,623,025	105,623,025	105,620,481	105,621,117
Average number of shares after dilution	105,623,025	106,423,406	105,634,020	106,272,083	106,153,901
Average number of employees	584	634	591	658	649

For definitions of key figures, see the annual report.



GROUP INCOME STATEMENT (KSEK)

	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
Revenues	433,994	426,442	1,491,848	1,646,553	2,642,107
Cost of goods sold	-217,092	-254,508	-940,967	-855,340	-1,567,321
Gross profit	216,902	171,934	550,881	791,214	1,074,786
Selling expenses	-44,239	-65,544	-165,347	-203,595	-291,180
Administrative expenses	-22,121	-22,750	-74,645	-71,935	-99,225
Other income	1,721	1,899	25,412	18,780	20,916
Other expenses	-9,425	-176	-10,196	-503	-47,428
Operating profit	142,838	85,363	326,105	533,961	657,868
Profit from shares in associated companies	-	-	-	15,440	15,440
Financial income	9,188	5,847	32,633	15,798	25,086
Financial expense	-798	-2,745	-5,730	-8,713	-10,635
Profit after financial items	151,228	88,465	353,007	556,486	687,759
Tax	-31,566	-19,171	-79,199	-124,129	-157,134
Profit for the period	119,661	69,294	273,808	432,356	530,625
Profit for the period is attributable to the shareholders of the parent company.					
Earnings per share before dilution, SEK	1.13	0.66	2.59	4.09	5.02
Earnings per share after dilution, SEK	1.13	0.65	2.59	4.06	4.99

OTHER COMPREHENSIVE INCOME (KSEK)

	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
Profit for the period	119,661	69,294	273,808	432,356	530,625
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Translation differences	-2,996	-4,201	3,509	7,684	2,493
Other comprehensive income	-2,996	-4,201	3,509	7,684	2,493
Total comprehensive income for the period	116,665	65,093	277,317	440,041	533,118

Profit for the period is attributable to the shareholders of the parent company.



GROUP BALANCE SHEET (KSEK)

	2024-09-30	2023-09-30	2023-12-31
ASSETS			
Non-current assets			
Capitalised development	1,387,301	1,785,667	1,463,202
Licenses, brands and similar rights	65,835	126,991	105,532
Goodwill	22,761	23,148	22,350
Property and equipment	8,486	14,966	13,034
Right-of-use assets	78,923	123,494	112,515
Other long term assets	18,715	18,737	18,691
Total non-current assets	1,582,020	2,093,003	1,735,323
Current assets			
Accounts receivable	202,667	219,261	358,219
Tax assets	104,891	66,277	63,251
Other receivables	56,729	44,989	70,420
Prepaid expenses and accrued revenue	102,422	77,186	57,837
Bonds	-	198,068	197,051
Cash and cash equivalents	1,190,355	734,902	1,098,025
Total current assets	1,657,064	1,340,682	1,844,803
TOTAL ASSETS	3,239,084	3,433,686	3,580,126
EQUITY AND LIABILITIES			
Equity			
Share capital	528	528	528
Other capital contributed	29,748	29,748	29,748
Reserves	26,192	32,861	22,684
Retained earnings	2,533,513	2,465,390	2,567,495
Total equity	2,589,982	2,528,527	2,620,455
Long-term liabilities			
Lease liabilities	43,636	86,965	75,997
Deferred tax liabilities	135,422	123,083	144,044
Total long-term liabilities	179,058	210,048	220,041
Current liabilities			
Accounts payable	43,804	73,811	52,481
Current tax liabilities	40,112	117,466	95,427
Lease liabilities	30,625	32,697	32,583
Other liabilities	64,819	54,105	65,275
Accrued expenses and prepaid revenues	290,684	417,031	493,864
Total current liabilities	470,045	695,111	739,630
TOTAL EQUITY AND LIABILITIES	3,239,084	3,433,686	3,580,126



CHANGE IN GROUP EQUITY (KSEK)

	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
At the beginning of the period 2024-01-01	528	29,748	22,684	2,567,495	2,620,455
Profit for the period				273,808	273,808
Other comprehensive income					
Translation difference			3,509		3,509
Total other comprehensive income	-	-	3,509	-	3,509
Total comprehensive income	-	-	3,509	273,808	277,316
Transactions with owners					
Share-based payments staff	-	-	-	9,080	9,080
Dividends	-	-	-	-316,869	-316,869
Total transactions with owners	-	-	-	-307,790	-307,790
AT THE END OF THE PERIOD 2024-09-30	528	29,748	26,192	2,533,513	2,589,982

	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
At the beginning of the period 2023-01-01	528	29,542	25,176	2,237,131	2,292,377
Profit for the period				432,356	432,356
Other comprehensive income					
Translation difference			7,684		7,684
Total other comprehensive income	-	-	7,684	-	7,684
Total comprehensive income	-	-	7,684	432,356	440,041
Transactions with owners					
Premiums when redeeming warrants	-	1,008	-	-	1,008
Re-purchase warrants	-	-802	-	-	-802
Share-based payments staff	-	-	-	7,141	7,141
Dividends	-	-	-	-211,238	-211,238
Total transactions with owners	-	206	-	-204,097	-203,891
AT THE END OF THE PERIOD 2023-09-30	528	29,748	32,861	2,465,390	2,528,527



GROUP CASH FLOW STATEMENT (KSEK)

	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
Cash flow from operations					
Operating profit	142,838	85,363	326,105	533,961	657,868
Adjustment of depreciation, amortisation and write-downs	121,031	146,798	595,039	488,313	990,312
Other adjustments	1,919	2,678	9,165	1,655	6,079
Interest received	9,188	5,847	11,130	15,798	25,086
Interest paid	-798	-2,745	-5,730	-8,713	-10,635
Tax paid	-58,242	-42,375	-185,159	-153,909	-184,436
Cash flow before changes in working capital	215,936	195,566	750,550	877,105	1,484,275
Changes in working capital					
Change in current receivables	18,592	32,079	143,098	9,060	-138,630
Change in current liabilities	-80,862	32,495	-211,925	40,161	106,196
Cash flow from current operations	153,666	260,140	681,722	926,326	1,451,842
Investing activities					
Cash flow from sales of associated companies	-	-	-	53,174	53,174
Investments in capitalised development	-114,982	-160,696	-444,211	-553,945	-676,045
Investments in licenses, brands and similar rights	-	-	-	-	-27,103
Investments in equipment	-311	-365	-606	-2,821	-3,050
Investments in bonds	-	-198,068	-	-198,068	-336,355
Sales of bonds	-	-	200,450	-	141,100
Cash flow from investing activities	-115,293	-359,129	-244,367	-701,660	-848,278
Financing activities					
Amortisation of lease liability	-9,600	-9,525	-28,649	-27,581	-37,722
Paid dividend	-	-	-316,869	-211,238	-211,238
Cash flow from financing activities	-9,600	-9,525	-345,518	-238,820	-248,960
Cash flow for the period	28,773	-108,513	91,838	-14,153	354,603
Cash and cash equivalents at the beginning of the period	1,164,193	844,209	1,098,025	747,506	747,506
Exchange rate effect	-2,611	-793	492	1,550	-4,084
Cash and cash equivalents at the end of the period	1,190,355	734,902	1,190,355	734,902	1,098,025



PARENT COMPANY INCOME STATEMENT (KSEK)

	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
Revenues	437,558	425,416	1,501,834	1,645,505	2,647,805
Cost of goods sold	-333,686	-311,026	-1,320,770	-1,129,492	-1,962,066
Gross profit	103,872	114,390	181,064	516,013	685,739
Selling expenses	-38,779	-61,025	-152,368	-190,096	-272,670
Administrative expenses	-21,750	-22,251	-73,099	-70,733	-99,437
Other income	1,297	1,632	24,301	14,061	15,260
Other expenses	-9,441	-	-9,718	-	-46,926
Operating profit	35,199	32,746	-29,819	269,244	281,967
Profit from shares in subsidiaries	-75,731	-	-75,731	-	-
Profit from shares in associated companies	-	-	-	35,381	35,381
Financial income	7,829	4,680	29,184	12,698	20,769
Financial expense	-0	-2,000	-702	-6,002	-7,003
Profit after financial items	-32,702	35,425	-77,068	311,321	331,113
Year-end appropriations	-	-	-	-	100,000
Tax	-9,885	-7,298	-6,975	-67,626	-97,573
Profit for the year and total income for the year	-42,587	28,128	-84,044	243,695	333,541



PARENT COMPANY BALANCE SHEET (KSEK)

	2024-09-30	2023-09-30	2023-12-31
ASSETS			
Non-current assets			
Capitalised development	944,286	1,445,530	1,098,525
Licenses, brands and similar rights	26,219	42,742	34,855
Property and equipment	2,021	7,516	6,143
Shares in subsidiaries	204,011	305,812	305,812
Other long term assets	17,393	17,393	17,393
Total non-current assets	1,193,930	1,818,993	1,462,726
Current assets			
Accounts receivable	196,517	211,318	350,400
Receivables from group companies	30,748	4,753	19,144
Tax assets	101,158	64,573	58,560
Other receivables	51,369	38,986	65,968
Prepaid expenses and accrued revenues	106,236	82,002	64,945
Bonds	-	198,068	197,051
Cash and cash equivalents	950,076	469,550	780,059
Total current assets	1,436,103	1,069,249	1,536,126
TOTAL ASSETS	2,630,033	2,888,242	2,998,853
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	528	528	528
Capitalised development reserve	944,286	1,445,530	1,098,525
<i>Non-restricted equity</i>			
Share premium reserve	29,748	29,748	29,748
Retained earnings	603,557	72,724	423,566
Profit for the period	-84,044	243,695	333,541
Total equity	1,494,077	1,792,226	1,885,908
Untaxed reserves	605,000	485,000	605,000
Current liabilities			
Accounts payable	31,722	65,069	43,965
Liabilities to group companies	256,841	177,228	25,393
Other liabilities	4,160	3,926	4,122
Accrued expenses and prepaid revenues	238,233	364,793	434,465
Total current liabilities	530,956	611,016	507,944
TOTAL EQUITY AND LIABILITIES	2,630,033	2,888,242	2,998,853



NOTES (KSEK)

NOTE 1. SEGMENT REPORTING

Group Management has determined the operating segments based on the information processed by the CEO and which is the basis for making strategic decisions. The operations consist of one segment.

Group revenue from clients based on where the distributor is located is divided into the following geographical areas;

	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
USA	377,281	366,268	1,286,482	1,426,093	2,285,109
Sweden	14,291	8,466	48,247	27,419	49,873
Rest of Europe	34,593	43,139	130,873	162,363	258,575
Rest of the World	7,829	8,569	26,246	30,679	48,550
Total	433,994	426,442	1,491,848	1,646,553	2,642,107

During the quarter and the 9-month period respectively MSEK 370.4 (MSEK 323.2) and MSEK 1,240.1 (MSEK 1,143.3) of the group's revenue came from one and the same platform - Steam.

Group revenue divided into major product categories;

	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
PC	380,180	330,970	1,285,606	1,310,551	2,202,494
Console	38,111	65,066	151,732	231,557	310,562
Mobile	12,143	16,704	38,660	51,534	65,756
Other	3,560	13,702	15,849	52,910	63,295
Total	433,994	426,442	1,491,848	1,646,553	2,642,107

NOTE 2. DEPRECIATIONS, AMORTISATIONS AND WRITE-DOWNS BREAKDOWN PER FUNCTION

	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
Cost of goods sold	117,081	144,677	585,855	479,882	980,561
Selling expenses	1,031	497	2,839	2,959	3,119
Administrative expenses	2,919	1,624	6,346	5,472	6,633
Total	121,031	146,798	595,039	488,313	990,312

NOTE 3. EMPLOYEE STOCK OPTION PROGRAM 2024/2028

The annual general meeting on May 15, 2024, decided to introduce an employee stock option program aimed at employees in the group. A total of 527,500 options were subscribed with the right to subscribe for an equal number of shares in Paradox Interactive AB (publ). At the end of the period, the number of outstanding employee options amounted to 517,500.

Allotted employee options were issued free of charge at a market value of SEK 9.76 according to a valuation based on the Black & Scholes model. The exercise price for the options was set at SEK 200.61, and subscription of shares is expected to take place 30 days after the publication of the company's Interim Report for the second quarter of 2027, the third quarter of 2027, and the first quarter of 2028 respectively. The exercise price corresponded to 120% of the average share price during the period April 25 to May 2, 2024. Vesting of options is conditional on continued employment in the company. Personnel-related costs excluding social security contributions for the program amount to MSEK 0.4 (MSEK 0.0) during the year. If these options are fully subscribed, the parent company's equity will be increased by MSEK 103.8.



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