



paradox
INTERACTIVE

YEAR-END REPORT

JANUARY - DECEMBER 2023

*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.



YEAR-END REPORT

JANUARY - DECEMBER 2023

FOURTH QUARTER

- Revenues amounted to MSEK 995.6 (MSEK 580.0), an increase by 72 % compared to the same period last year.
- Operating profit amounted to MSEK 123.9 (MSEK 244.5), a decrease by 49 %. Write-downs of MSEK 175.8 (MSEK 0.0) are included in the operating profit.
- Profit after financial items amounted to MSEK 131.3 (MSEK 244.2), and profit after tax amounted to MSEK 98.3 (MSEK 194.2).
- Cash flow from operating activities amounted to MSEK 525.5 (MSEK 344.2), and cash flow from investing activities amounted to MSEK -146.6 (MSEK -251.7).
- By the end of the period cash amounted to MSEK 1,098.0 (MSEK 747.5).
- Earnings per share before dilution amounted to SEK 0.93 (SEK 1.84) and after dilution SEK 0.93 (SEK 1.84).
- Revenues in the quarter are mainly attributable to Cities: Skylines II, Crusader Kings III, Hearts of Iron IV, The Lamplighters League and Stellaris.

IMPORTANT EVENTS FOURTH QUARTER

- Cities: Skylines II, developed by Colossal Order, was released to PC.
- The Lamplighters League, developed by Harebrained Schemes, was released to PC and Xbox series X|S. After revised sales forecasts, it was decided to write down the game's remaining balanced development cost. The game's impact on profit before tax is MSEK -250.4 in the period.

- Star Trek: Infinite, developed by Nimble Giant Games Entertainment, was released on PC.
- New downloadable content was released to games during the period; Arms Against Tyranny to Hearts of Iron IV, Legacy of Persia to Crusader Kings III, King of Kings to Europa Universalis IV, Astral Planes to Stellaris, Empire & Ashes to Age of Wonders 4, Colossus of the South to Victoria 3, and Amelia the Queen to Across the Obelisk.
- Stellaris Nexus and Space Trash Scavenger were released in Early Access.
- Harebrained Schemes and Paradox decided to part ways at the turn of the year.
- The Board proposes a dividend of SEK 3.00 (SEK 2.00) per share.

FULL YEAR 2023

- Revenues amounted to MSEK 2,642.1 (MSEK 1,972.9), an increase by 34 % compared to the same period last year.
- Operating profit amounted to MSEK 657.9 (MSEK 887.1), a decrease by 26 %. Write-downs of MSEK 185.4 (MSEK 0.0) are included in the operating profit.
- Profit after financial items amounted to MSEK 687.7 (MSEK 884.4), and profit after tax amounted to MSEK 530.6 (MSEK 708.7).
- Earnings per share before dilution amounted to SEK 5.02 (SEK 6.71) and after dilution SEK 4.99 (SEK 6.70).

SUBSEQUENT EVENTS

- The new game Prison Architect 2, developed by Double Eleven, was announced.



COMMENTS BY THE CEO

NEW HEIGHTS, BUT NOT SATISFIED

2023 has been a year during which we've reached many milestones. We set a new revenue record, in the full year and in the quarter, we have stably more than six million players and we end the year with a very strong financial position. At the same time, we're unable to relax. EBIT is at a level we are not happy with after a large write-down, and the quarter's game releases have not held the quality we want. There is certainly potential to reach even higher.

As always, we can describe the year in terms of releases of content for live games and releases of new games.

If we look at the releases of content for live games, we have released a lot that is very good. Our core games and their expansions have continued to be very popular with our players and we are proud of that. This is especially true during a year when the competition in the gaming market has been fiercer than ever.

As for the release of new games, feelings are mixed. Cities: Skylines II is the big release of the quarter, and we are upset that we didn't live up to players' performance expectations and couldn't release on all platforms at the same time. The game has still sold well, and by the end of the quarter we had sold more than a million copies. At the same time, it is clear that we can and must do better. Since release, we've been working hard on improvements and are fully committed to continuing to improve and develop the game, because we strongly believe in its future and are doing everything we can to get there.

The quarter's other game releases leave more to be desired. The Lamplighters League missed the mark commercially and during the quarter we have, as previously known, written down the entire value of the game. It does not affect our long-term finances but is a heavy hit to the quarter's bottom line. Looking ahead, after 2021 we have had a clearer

focus on how we build our project portfolio, and that is a path we continue to follow with full clarity.

Our future

Having said this, I also want to take the opportunity to talk about what is next. And there's a lot to be excited about. We are debt-free with a strong balance sheet, a substantial cash position and a good cash flow, this gives us good preconditions for growing and taking advantage of the opportunities that arise in uncertain times. We have an exciting pipeline of promising titles planned for the coming years and we are moving full steam ahead in continuing to strengthen our important core games.

We have things to work on, but the journey has only just begun. 2024 will be another intense year but our team has both the skill and the passion to reach new milestones together.

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 six studios in six countries that develop gaming experiences for the company's over six million monthly active players. Amongst its most important active games are 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

25 %

R12 profit margin

10

Active games

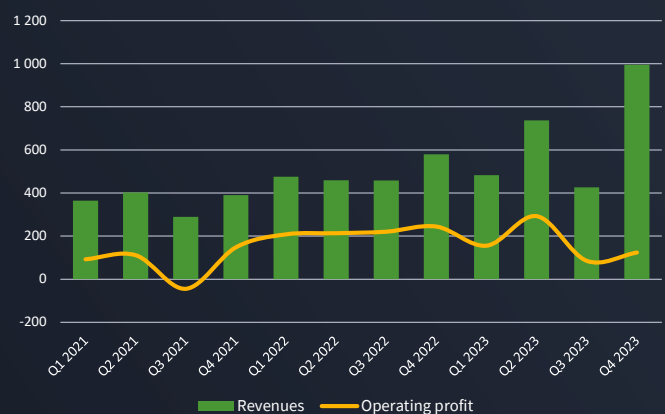
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Games in pipeline

Rolling 12 month revenues and operating profit



Quarterly revenues and operating profit



RELEASES IN THE PERIOD



CITIES: SKYLINES II

Release date: 24 October 2023

Platforms: PC

Price: USD 59.99

Description: Raise a city from the ground up and transform it into a thriving metropolis with the most realistic city builder ever. Push your creativity and problem-solving to build on a scale you've never experienced. With deep simulation and a living economy, this is world-building without limits.

Publisher: Paradox Interactive

Developer: Colossal Order



STAR TREK: INFINITE

Release date: 12 October 2023

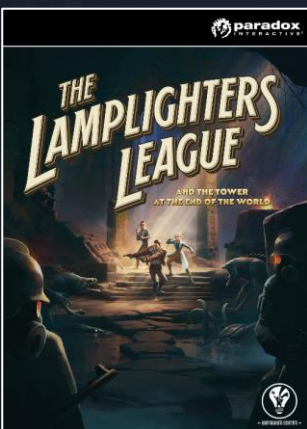
Platforms: PC

Price: USD 29.99

Description: Star Trek: Infinite is a grand strategy experience that lets you play your own Star Trek story as the leader of one of four major factions in the galaxy. Follow the specially crafted story or blaze your own trail in the first Star Trek grand strategy game.

Publisher: Paradox Interactive

Developer: Nimble Giant Entertainment



THE LAMPLIGHTERS LEAGUE

Release date: 3 October 2023

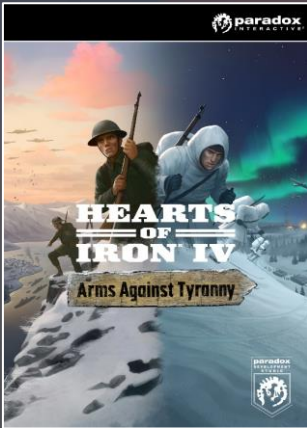
Platforms: PC, Xbox Series X|S

Price: USD 49.99

Description: Recruit a team of misfits with unique abilities and unforgettable personalities, and chase the Banished Court to the ends of the earth in a mix of real-time infiltration, turn-based tactical combat, and a character-driven story of adventure and intrigue.

Publisher: Paradox Interactive

Developer: Harebrained Schemes



HEARTS OF IRON IV: ARMS AGAINST TYRANNY

Release date: 10 October 2023

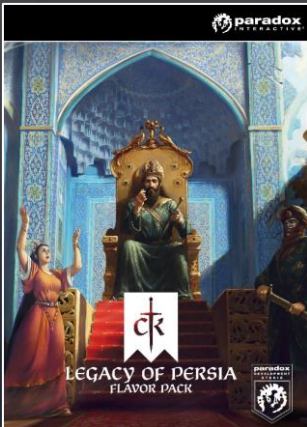
Platforms: PC

Price: USD 19.99

Description: Four Northern democracies are seemingly helpless against nearby predatory dictatorships. Despite their size, Finland, Norway, Denmark, and Sweden have a chance to avoid conquest through clever diplomacy or fierce resistance. Write a new history of the Nordic countries in Arms Against Tyranny, a new expansion for Hearts of Iron IV.

Publisher: Paradox Interactive

Developer: Paradox Development Studio



CRUSADER KINGS III: LEGACY OF PERSIA

Release date: 9 November 2023

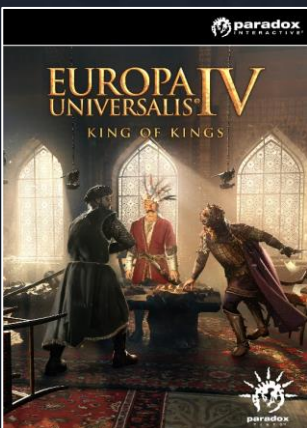
Platforms: PC

Price: USD 12.99

Description: The lands of Persia are well-populated, rich in resources and often a crossroads of empire. Join the struggle for medieval dominance in this historically important and fascinating region.

Publisher: Paradox Interactive

Developer: Paradox Development Studio



EUROPA UNIVERSALIS IV: KING OF KINGS

Release date: 6 November 2023

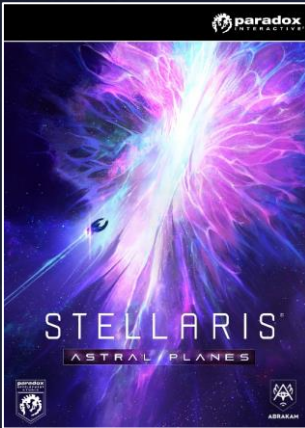
Platforms: PC

Price: USD 14.99

Description: Empires and cultures as old as civilization itself stretch across the Near and Middle East, barriers against Ottoman expansion into Asia and North Africa. In Europa Universalis IV: King of Kings, these great centres of humanity - Cairo, Constantinople, and Isfahan - get a fresh look, with new historical flavour, greater gameplay variety and compelling alternate histories as you rewrite the history of the early modern world.

Publisher: Paradox Interactive

Developer: Paradox Tinto



STELLARIS: ASTRAL PLANES

Release date: 16 November 2023

Platforms: PC

Price: USD 19.99

Description: Astral Planes offers you the chance to chart your own path, navigating an array of wonders and dangers alike. Travel through Rifts in space and time for a glimpse of strange, new realities. What will you discover, in a universe beyond limits?

Publisher: Paradox Interactive

Developer: Abrakam, Paradox Development Studio



AGE OF WONDERS 4: EMPIRE & ASHES

Release date: 7 November 2023

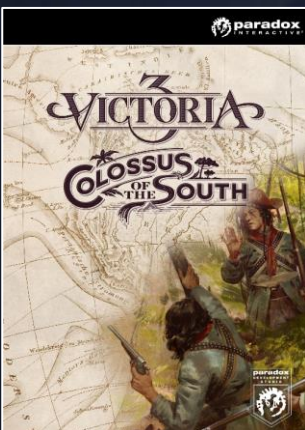
Platforms: PC, Playstation 5, Xbox series X|S

Price: USD 19.99

Description: Fuse magic and steel to create mighty weapons of war in the Age of Wonders 4: Empires & Ashes expansion. Ravage the realms of the Godir with the brutal Reaver culture, and besiege cities with cannons and war machines. Seek a new kind of victory by unlocking the secrets of the Seals of Power to conquer the Astral Sea!

Publisher: Paradox Interactive

Developer: Triumph Studios



VICTORIA 3: COLOSSUS OF THE SOUTH

Release date: 14 November 2023

Platforms: PC

Price: USD 5.99

Description: Rich in people, culture and resources, South America enters the Victorian Age with a lot of advantages. But many challenges await those nations newly freed from European dominance. Stake your claim on the future of the Southern Hemisphere in Colossus of the South, a new Region Pack for Victoria 3.

Publisher: Paradox Interactive

Developer: Paradox Development Studio



ACROSS THE OBELISK: AMELIA, THE QUEEN

Release date: 12 December 2023

Platforms: PC

Price: USD 4.99

Description: Amelia, the Queen brings back the astray Queen of Senenthia to help search for her missing daughter, the princess. This new hero comes with a new set of enchantment cards specializing in cold damage and vanishing cards. The Queen also comes with new card backs, emotes and skins for more diversity to your game. Embark on your journey to solve the mystery of the Obelisk with the Queen herself at the helm.

Publisher: Paradox Interactive

Developer: Dreamsite Games



STELLARIS NEXUS

Release date: 12 December 2023 (Early Access)

Platforms: PC

Price: USD 14.99

Description: Stellaris Nexus is a social strategy game offering all the depth of a full spectrum 4X experience played start to finish in about 1 hour. Choose a unique faction and leader and challenge up to 7 other players, plotting, battling and backstabbing your way to galactic dominance.

Publisher: Paradox Arc

Developer: Whatboy Games



SPACE TRASH SCAVENGER

Release date: 9 November 2023 (Early Access)

Platforms: PC

Price: USD 19.99

Description: Grab your jetpack and explore procedural asteroid fields, derelict spaceships and abandoned outposts. Build your Space Rig to process scavenged trash. Craft, trade and fight your way home in this interstellar, open-world survival sandbox.

Publisher: Paradox Arc

Developer: SquarePlay Games



FINANCIAL OVERVIEW

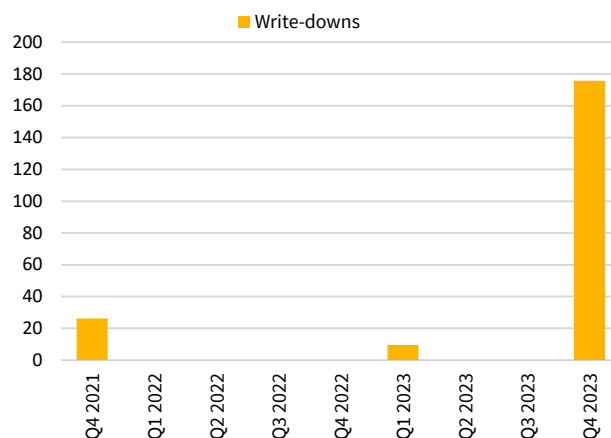
REVENUE AND PROFIT FOURTH QUARTER

Revenues amounted to MSEK 995.6 (MSEK 580.0), an increase by 72 % compared to the same period last year. Cities: Skylines II, developed by Colossal Order, was released to PC. Star Trek: Infinite, developed by Nimble Giant Games Entertainment, was released on PC. The Lamplighters League, developed by Harebrained Schemes, was released to PC and Xbox series X|S. New downloadable content was released to games during the period; Arms Against Tyranny to Hearts of Iron IV, Legacy of Persia to Crusader Kings III, King of Kings to Europa Universalis IV, Astral Planes to Stellaris, Empire & Ashes to Age of Wonders 4, Colossus of the South to Victoria 3, and Amelia the Queen to Across the Obelisk. Stellaris Nexus and Space Trash Scavenger was released in Early Access.

Cost of goods sold amounted to MSEK 712.0 (MSEK 253.2), 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 299.9 (MSEK 118.9). The amortisations have increased as a result of releases of new games and downloadable content. The Lamplighters League accounts for MSEK 149.6 of the amortisation in the period. The game was released in October and has been amortised using three months degressive amortisation.

Write-downs for the period within cost of goods sold amount to MSEK 175.8 (MSEK 0.0). The write-downs mainly relate to The Lamplighters League, amounting to MSEK 170.9. The write-down of The Lamplighters League resulted in the remaining capitalised development at year-end being written down to MSEK 0.0, based on revised forecasted sales figures for the game.



Amortisations of licenses, brands, and similar rights amounted to MSEK 19.1 (MSEK 22.6).

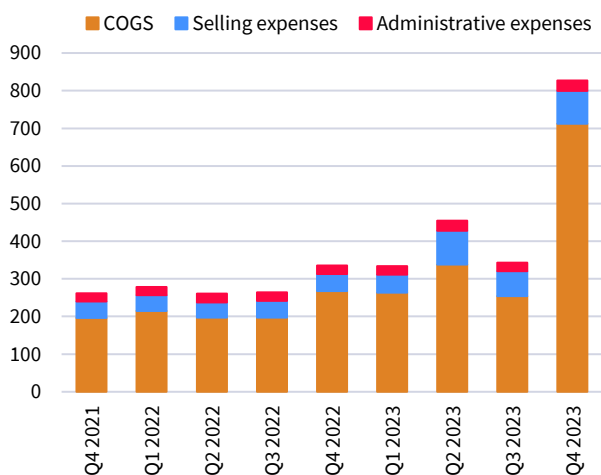
In addition to depreciation, amortisation and write-downs within the item, a total of MSEK 211.3 (MSEK 103.8) was expensed regarding non-capitalised development costs, development support, operation and maintenance of games, royalties and revenue based earn-outs. The change is largely explained by the fact that royalties have increased compared to the comparison period as a result of the release of Cities: Skylines II, developed by the external game developer Colossal Order. Revenue-based contingent consideration is higher than last year due to the release of Age of Wonders 4, developed by Triumph Studios, earlier this year.

Non-capitalised development costs have also increased compared with the comparison period as a result of a greater number of games where capitalisation begins in a later development phase compared to the previous year. Post-release development of The Lamplighters League has been expensed directly, which also contributed to an increase in non-capitalised development costs. Costs for development support, operation and maintenance of games has increased in comparison to the same period last year.

Selling expenses for the period amounted to MSEK 87.6 (MSEK 45.2). The costs are mainly attributed to Cities: Skylines II, but the costs for upcoming game releases have also increased.



Administrative expenses for the period amounted to MSEK 27.3 (MSEK 22.8). Costs for administration are generally unchanged over time and are relatively unaffected by other operations.



Other income amounted to MSEK 2.1 (MSEK 1.4), and other expenses to MSEK -46.9 (MSEK -15.7). 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 123.9 (MSEK 244.5). Financial items amounted to MSEK 7.4 (MSEK -0.2). Other financial items primarily consist of calculated interest on lease liabilities and interest received on cash and cash equivalents.

Profit after financial items amounted to MSEK 131.3 (MSEK 244.2), and profit after tax amounted to MSEK 98.3 (MSEK 194.2).

FINANCIAL POSITION

Capitalised development amounted to MSEK 1,463.2 (MSEK 1,650.3) 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 explained by the release of The Lamplighters League, which has resulted in large amortisations and write-downs within the item.



Licenses, brands, and similar rights amounted to MSEK 105.5 (MSEK 159.5).

Goodwill amounted to MSEK 22.4 (MSEK 22.4) attributable to the acquisition of Iceflake Studios.

Right-of-use assets for offices amounted to MSEK 112.5 (MSEK 136.1).

Shares in associates amount to MSEK 0.0 (MSEK 32.6) by the end of the period, the change is attributable to the sale of Seattle-based Hardsuit Labs.

Accounts receivable amounted to MSEK 358.2 (MSEK 259.9).

Bonds amount to MSEK 197.1 (MSEK 0.0) at the end of the period. All bonds are short-term and constitute investments of excess cash.

Cash and cash equivalents amounted to MSEK 1,098.0 (MSEK 747.5).

Shareholders' equity amounts to MSEK 2,620.5 (MSEK 2,292.4), of which MSEK 530.6 (MSEK 708.7) consists of accumulated profit for the year.

Long term lease liabilities amount to MSEK 76.0 (MSEK 104.8) consisting of liabilities for office premises.

Deferred tax liabilities amount to MSEK 144.0 (MSEK 137.2), mainly relating to untaxed reserves and intangible assets from acquisitions.

Short term lease liabilities amount to MSEK 32.6 (MSEK 35.6) consisting of short-term liabilities for office premises.



Accrued expenses and prepaid income amounts to MSEK 493.9 (MSEK 418.6) by the end of the period. Prepaid revenue is higher compared to the previous year.

CASH FLOW FORTH QUARTER

Cash flow from operating activities amounted to MSEK 525.5 (MSEK 344.2), primarily attributable to the operating profit. Cash flow from investing activities amounted to MSEK -146.6 (MSEK -251.7). Cash flow from financing activities amounted to MSEK -10.1 (MSEK -8.8) relating mainly to amortisation of lease liabilities for office premises.

FULL YEAR SUMMARY

Revenues amounted to MSEK 2,642.1 (MSEK 1,392.9) an increase by 34 % compared to the same period last year. Cost of goods sold amounted to MSEK 1,567.3 (MSEK 862.6), 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 185.4 (MSEK 0.0). Costs of royalties have increased in comparison with the same period last year. Revenue based earn-outs have increased following the release of Age of Wonders 4. Operating profit amounted to MSEK 657.9 (MSEK 887.1), a decrease by 26 %. Profit after financial items amounted to MSEK 687.8 (MSEK 884.4), and profit after tax amounted to MSEK 530.6 (MSEK 708.7). Cash flow from operating activities amounted to MSEK 1,451.8 (MSEK 1,084.7). Cash flow from investing activities amounted to MSEK -848.3 (MSEK -807.0). Cash flow from financing activities amounted to MSEK -249.0 (MSEK -141.0).

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 1,002.3 (MSEK 586.6). Operating profit amounted to MSEK 12.7 (MSEK 144.5). Profit after financial items amounted to MSEK 19.8 (MSEK 144.8). Profit after tax amounted to MSEK 89.8 (MSEK 271.8).

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 2022, page 31. 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.

DIVIDEND PROPOSAL

The Board proposes a dividend to shareholders of SEK 3.00 per share. The Board proposes Friday, May 17, 2024 as record date. If the Annual General Meeting approves the proposal, the dividend will be distributed by Euroclear Sweden AB on Wednesday May 22, 2024.



FINANCIAL CALENDAR

Annual report 2023	2024-04-17
Interim report January-March 2024	2024-04-25
Annual General Meeting 2024	2024-05-15
Interim report January-June 2024	2024-07-25
Interim report January-September 2024	2024-10-31
Year-end report 2024	2025-02-06

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 February 6, 2024

The Board of Directors

This report has not been subject to review by the company's auditors.

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 on 6 February 2024.



KEY FIGURES FOR THE GROUP

	2023-10-01	2022-10-01	2023-01-01	2022-01-01
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Revenues, KSEK	995,554	580,010	2,642,107	1,972,906
Operating profit, KSEK	123,907	244,456	657,868	887,146
Profit after financial items, KSEK	131,273	244,220	687,759	884,440
Profit after tax, KSEK	98,268	194,179	530,625	708,709
Operating margin	12%	42%	25%	45%
Profit margin	13%	42%	26%	45%
Equity/assets ratio	73%	73%	73%	73%
Equity per share before dilution, SEK	24.81	21.70	24.81	21.70
Equity per share after dilution, SEK	24.75	21.70	24.75	21.70
Earnings per share before dilution, SEK	0.93	1.84	5.02	6.71
Earnings per share after dilution, SEK	0.93	1.84	4.99	6.70
Number of shares by the end of the period before dilution	105,623,025	105,619,209	105,623,025	105,619,209
Number of shares by the end of the period after dilution	105,885,175	105,619,209	105,885,175	105,619,209
Average number of shares before dilution	105,623,025	105,619,209	105,621,117	105,609,605
Average number of shares after dilution	105,799,356	105,619,209	106,153,901	105,723,810
Average number of employees	622	656	649	672
Number of employees by the end of the period	625	656	625	656

For definitions of key figures, see the annual report.



GROUP INCOME STATEMENT (KSEK)

	2023-10-01 2023-12-31	2022-10-01 2022-12-31	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Revenues	995,554	580,010	2,642,107	1,972,906
Cost of goods sold	-711,982	-253,231	-1,567,321	-862,629
Gross profit	283,572	326,779	1,074,786	1,110,277
Selling expenses	-87,585	-45,196	-291,180	-170,490
Administrative expenses	-27,290	-22,814	-99,225	-91,618
Other income	2,136	1,385	20,916	56,635
Other expenses	-46,926	-15,697	-47,428	-17,658
Operating profit	123,907	244,456	657,868	887,146
Profit from shares in subsidiaries	-	-	15,440	-
Financial income	9,288	2,425	25,086	3,952
Financial expense	-1,922	-2,660	-10,635	-6,658
Profit after financial items	131,273	244,220	687,759	884,440
Tax	-33,005	-50,042	-157,134	-175,731
Profit for the period	98,268	194,179	530,625	708,709
Profit for the period is attributable to the shareholders of the parent company.				
Earnings per share before dilution, SEK	0.93	1.84	5.02	6.71
Earnings per share after dilution, SEK	0.93	1.84	4.99	6.70

OTHER COMPREHENSIVE INCOME (KSEK)

	2023-10-01 2023-12-31	2022-10-01 2022-12-31	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Profit for the period	98,268	194,179	530,625	708,709
Other comprehensive income				
<i>Items that may be reclassified to profit or loss</i>				
Translation differences	-5,191	-2,315	2,493	20,780
Other comprehensive income	-5,191	-2,315	2,493	20,780
Total comprehensive income for the period	93,077	191,864	533,118	729,489

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



GROUP BALANCE SHEET (KSEK)

	2023-12-31	2022-12-31
ASSETS		
Non-current assets		
Capitalised development	1,463,202	1,650,275
Licenses, brands and similar rights	105,532	159,501
Goodwill	22,350	22,415
Property and equipment	13,034	17,561
Right-of-use assets	112,515	136,118
Investments in associates	-	32,555
Other long term assets	18,691	18,695
Total non-current assets	1,735,323	2,037,120
Current assets		
Accounts receivable	358,219	259,948
Tax assets	63,251	709
Other receivables	70,420	34,769
Prepaid expenses and accrued revenue	57,837	61,376
Bonds	197,051	-
Cash and cash equivalents	1,098,025	747,506
Total current assets	1,844,803	1,104,307
TOTAL ASSETS	3,580,126	3,141,427
EQUITY AND LIABILITIES		
Equity		
Share capital	528	528
Other capital contributed	29,748	29,542
Reserves	22,684	25,176
Retained earnings	2,036,870	1,528,422
Profit for the period	530,625	708,709
Total equity	2,620,455	2,292,377
Long term liabilities		
Lease liabilities	75,997	104,845
Deferred tax liabilities	144,044	137,220
Total long term liabilities	220,041	242,065
Current liabilities		
Accounts payable	52,481	52,487
Current tax liabilities	95,427	66,529
Lease liabilities	32,583	35,616
Other liabilities	65,275	33,725
Accrued expenses and prepaid revenues	493,864	418,628
Total current liabilities	739,630	606,985
TOTAL EQUITY AND LIABILITIES	3,580,126	3,141,427



CHANGE IN GROUP EQUITY (KSEK)

	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				530,625	530,625
Other comprehensive income					
Translation difference			-2,493		-2,493
Total other comprehensive income	-	-	-2,493	-	-2,493
Total comprehensive income	-	-	-2,493	530,625	528,132
Transactions with owners					
Premiums when redeeming warrants	0	1,008	-	-	1,008
Re-purchase warrants	-	-802	-	-	-802
Share-based payments staff	-	-	-	10,978	10,978
Dividends	-	-	-	-211,238	-211,238
Total transactions with owners	0	206	-	-200,260	-200,054
AT THE END OF THE PERIOD 2023-12-31	528	29,748	22,684	2,567,495	2,620,455

	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
At the beginning of the period 2022-01-01	528	27,994	4,397	1,628,644	1,661,563
Profit for the period				708,709	708,709
Other comprehensive income					
Translation difference			20,780		20,780
Total other comprehensive income	-	-	20,780	-	20,780
Total comprehensive income	-	-	20,780	708,709	729,489
Transactions with owners					
Premiums when redeeming warrants	0	3,362	-	-	3,362
Re-purchase warrants	-	-1,814	-	-	-1,814
Share-based payments staff	-	-	-	5,378	5,378
Dividends	-	-	-	-105,600	-105,600
Total transactions with owners	0	1,548	-	-100,222	-98,674
AT THE END OF THE PERIOD 2022-12-31	528	29,542	25,176	2,237,131	2,292,377



GROUP CASH FLOW STATEMENT (KSEK)

	2023-10-01 2023-12-31	2022-10-01 2022-12-31	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Cash flow from operations				
Operating profit	123,907	244,456	657,868	887,146
Adjustment of depreciation, amortisation and write-downs	501,999	153,078	990,312	473,498
Other adjustments	4,424	40	6,079	4,362
Interest received	9,288	2,425	25,086	3,952
Interest paid	-1,922	-2,660	-10,635	-6,658
Tax paid	-30,527	-60,289	-184,436	-126,703
Cash flow before changes in working capital	607,170	337,049	1,484,275	1,235,598
Changes in working capital				
Change in current receivables	-147,689	-69,157	-138,630	-141,060
Change in current liabilities	66,035	76,324	106,196	-9,799
Cash flow from current operations	525,516	344,215	1,451,842	1,084,740
Investing activities				
Cash flow from sales of associated companies	-	-	53,174	-
Investments in capitalised development	-122,100	-250,678	-676,045	-793,771
Investments in licenses, brands and similar rights	-27,103	-	-27,103	-
Investments in equipment	-229	-1,008	-3,050	-2,119
Investments in subsidiaries	-	-	-	-11,055
Investments in bonds	-138,287	-	-336,355	-
Sales of bonds	141,100	-	141,100	-
Investments in other financial assets	-	-	-	-25
Cash flow from investing activities	-146,619	-251,685	-848,278	-806,969
Amortisation of lease liability	-10,141	-8,801	-37,722	-35,371
Paid dividend	-	-	-211,238	-105,600
Cash flow from financing activities	-10,141	-8,801	-248,960	-140,971
Cash flow for the period	368,757	83,729	354,603	136,800
Cash and cash equivalents at the beginning of the period	734,902	665,922	747,506	767,561
Exchange rate effect	-5,634	-2,145	-4,084	10,981
Cash and cash equivalents at the end of the period	1,098,025	747,506	1,098,025	747,506



PARENT COMPANY INCOME STATEMENT (KSEK)

	2023-10-01 2023-12-31	2022-10-01 2022-12-31	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Revenues	1,002,300	586,555	2,647,805	1,992,191
Cost of goods sold	-832,574	-360,403	-1,962,066	-1,276,664
Gross profit	169,727	226,153	685,739	715,528
Selling expenses	-82,574	-43,582	-272,670	-163,264
Administrative expenses	-28,703	-22,842	-99,437	-91,873
Other income	1,199	384	15,260	54,248
Other expenses	-46,926	-15,657	-46,926	-17,060
Operating profit	12,723	144,456	281,967	497,578
Profit from shares in subsidiaries	-	-	35,381	-
Financial income	8,071	1,702	20,769	1,952
Financial expense	-1,002	-1,312	-7,003	-2,391
Profit after financial items	19,792	144,847	331,113	497,140
Year-end appropriations	100,000	200,000	100,000	200,000
Income tax expense	-29,946	-73,062	-97,573	-145,215
Profit for the year and total income for the year	89,846	271,785	333,541	551,925



PARENT COMPANY BALANCE SHEET (KSEK)

	2023-12-31	2022-12-31
ASSETS		
Non-current assets		
Capitalised development	1,098,525	1,408,095
Licenses, brands and similar rights	34,855	37,495
Property and equipment	6,143	10,116
Shares in subsidiaries	305,812	305,812
Investments in associates	-	16,766
Other long term assets	17,393	17,393
Total non-current assets	1,462,726	1,795,677
Current assets		
Accounts receivable	350,400	255,031
Receivables from group companies	19,144	79,656
Tax assets	58,560	-
Other receivables	65,968	28,163
Prepaid expenses and accrued revenues	64,945	59,969
Bonds	197,051	-
Cash and cash equivalents	780,059	448,013
Total current assets	1,536,126	870,832
TOTAL ASSETS	2,998,853	2,666,508
EQUITY AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Share capital	528	528
Capitalised development reserve	1,098,525	1,408,095
<i>Non-restricted equity</i>		
Share premium reserve	29,748	29,542
Retained earnings	423,566	-237,669
Profit for the period	333,541	551,925
Total equity	1,885,908	1,752,422
Untaxed reserves	605,000	485,000
Current liabilities		
Accounts payable	43,965	45,619
Liabilities to group companies	25,393	28,016
Current tax liabilities	-	4,352
Other liabilities	4,122	4,339
Accrued expenses and prepaid revenues	434,465	346,760
Total current liabilities	507,944	429,086
TOTAL EQUITY AND LIABILITIES	2,998,853	2,666,508



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;

	2023-10-01	2022-10-01	2023-01-01	2022-01-01
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
USA	859,017	472,202	2,285,109	1,679,021
Sweden	22,454	9,339	49,873	21,318
Rest of Europe	96,212	88,626	258,575	234,297
Rest of the World	17,871	9,843	48,550	38,269
Total	995,554	580,010	2,642,107	1,972,906

During the quarter and the 12-month period respectively MSEK 606.2 (MSEK 412.8) and MSEK 1,749.5 (MSEK 1,240.6) of the group's revenue came from one and the same customer.

Group revenue divided into major product categories;

	2023-10-01	2022-10-01	2023-01-01	2022-01-01
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
PC	891,943	505,162	2,202,494	1,678,253
Console	79,004	55,937	310,562	218,810
Mobile	14,222	13,636	65,756	41,766
Other	10,385	5,276	63,295	34,076
Total	995,554	580,010	2,642,107	1,972,906

Prepaid revenue amounted to MSEK 252.7 (MSEK 264.2) at the end of the period. Of these, MSEK 252.7 is expected to be reported as revenue during the next 12-month period, and MSEK 0.0 within 24 months.

The revenues for the quarter and the 12-month period respectively include MSEK 106.2 (MSEK 42.6) and 194.4 (MSEK 185.1) respectively which were included in prepaid revenue at the beginning of the period.

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

	2023-10-01	2022-10-01	2023-01-01	2022-01-01
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Cost of goods sold	500,679	149,379	980,561	460,407
Selling expenses	159	1,695	3,119	4,506
Administrative expenses	1,161	2,004	6,633	8,585
Total	501,999	153,078	990,312	473,498



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