



paradox
INTERACTIVE®

INTERIM REPORT

JANUARY - MARCH 2025

*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 - MARCH 2025

FIRST QUARTER

- Revenues amounted to MSEK 463.6 (MSEK 482.1), a decrease by 4 % compared to the same period last year.
- Operating profit amounted to MSEK 146.6 (MSEK 154.4), a decrease by 5 %.
- Profit after financial items amounted to MSEK 153.9 (MSEK 165.0), and profit after tax amounted to MSEK 123.7 (MSEK 126.9).
- Cash flow from operating activities amounted to MSEK 266.2 (MSEK 136.9), and cash flow from investing activities amounted to MSEK -217.3 (MSEK -47.9). Cash flow from investing activities includes investments in shares in group companies relating to the acquisition of Haemimont Games, amounting to MSEK 97.3.
- By the end of the period cash amounted to MSEK 1,501.5 (MSEK 1,181.8).
- Earnings per share before dilution amounted to SEK 1.17 (SEK 1.20) and after dilution SEK 1.17 (SEK 1.20).
- Revenues in the quarter are mainly attributable to Cities: Skylines, Cities: Skylines II, Crusader Kings III, Hearts of Iron IV and Stellaris.

IMPORTANT EVENTS FIRST QUARTER

- Paradox Interactive acquired 100% of the shares in Bulgarian development studio Haemimont Games.
- New downloadable content was released to games during the period; Graveyard of Empires to Hearts of Iron IV, Mediterranean Heritage and Dragon Age to Cities: Skylines II as well as Bernard, the Alchemist, Sigrun, the Valkyrie and Shores of Sahti to Across the Obelisk.
- New ports to console for downloadable content was released during the period; Wards and Wardens to Crusader Kings III.

SUBSEQUENT EVENTS

- The publishing rights for the game Stranded: Alien Dawn, developed by Haemimont Games, was purchased from Frontier Developments.



COMMENTS BY THE CEO

We have started 2025 with a stable course and clear focus. Despite a quarter with fewer releases, some currency headwinds, and investments in our future, our core business continues to deliver strong cash flows. This gives us the freedom to think long-term, act strategically – and to build on the already very solid financial foundation we stand on.

We are following our strategy, and step by step we see how our games are increasingly becoming platforms – living ecosystems rather than individual releases. That is exactly where we want to be.

A concrete step in our long-term investment in the management genre is the acquisition of Haemimont Games at the beginning of the year – an experienced team with a DNA similar to our own and extensive experience in the genre. Their creative power, team chemistry, and strong project portfolio make them a perfect match for our ambition to create even more fantastic experiences for our players. We are therefore especially pleased that after the end of the quarter, we further strengthened our catalogue by acquiring the publishing rights to their latest game, *Stranded: Alien Dawn*.

The release frequency during the quarter has been low, with a focus on content for *Cities: Skylines II* and *Hearts of Iron IV*. However, much of our effort has gone into laying the groundwork for upcoming major releases – and now we are ramping up. We have already loaded up with expansion passes for *Crusader Kings III*, *Stellaris*, and *Victoria 3*, and more releases are coming.

We're entering the rest of the year with confidence. We have a strong pipeline and are looking forward to release new major games from Paradox Interactive as well as more experimental games from Paradox Arc. Beneath the surface, we continue to build our strategic position with financial discipline, creative power, and a drive to be the best in the world at what we do. We have an organisation that is passionate about taking our games – and our players – to new heights.

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 consists of publishing business and six studios in six 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

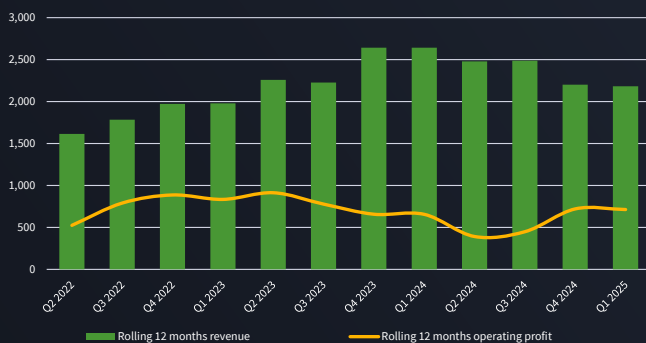
9

Games in pipeline

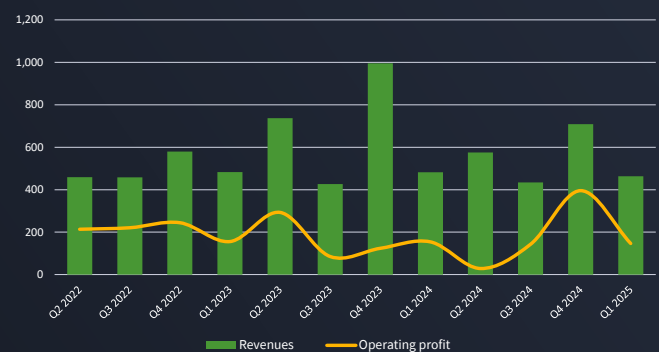
34 %

R12 profit margin

Rolling 12-month revenues and operating profit



Quarterly revenues and operating profit



RELEASES IN THE PERIOD



HEARTS OF IRON IV: GRAVEYARD OF EMPIRES

Release date: 4 March 2025

Platforms: PC

Price: USD 14.99

Description: Navigate the difficult channel between nationalist dreams and imperial oppression. Resist the demands of foreign great powers and claim your own place on the world stage, engaging in diplomacy and warfare to lead a great national rebirth in the vast lands between the Euphrates and the Gulf of Bengal.

Publisher: Paradox Interactive

Developer: Paradox Development Studio



CRUSADER KINGS III CONSOLE EDITION: WARDS & WARDENS

Release date: 5 March 2025

Platforms: Xbox Series X|S, PlayStation 5

Price: USD 4.99

Description: Not everyone gets a carefree childhood of toys and games. Some children have the weight of duty on their shoulders, and face years of careful schooling and serious training, with a constant awareness of the responsibilities that await them in adulthood. Child rulers and child guardians take centre stage in a modern strategy classic.

Publisher: Paradox Interactive

Developer: Paradox Development Studio, Dragon Lake (port)



CITIES: SKYLINES II – CREATOR PACK: MEDITERRANEAN HERITAGE

Release date: 18 March 2025

Platforms: PC

Price: USD 7.99

Description: Mediterranean Heritage' introduces a range of historic buildings from the 15th to 19th century from regions such as Italy, Spain, Portugal and Southern France. Featuring fluid design and characteristic soft color variations, this pack will bring southern European elegance with a modern flair to your city.

Publisher: Paradox Interactive

Developer: Zarrix



CITIES: SKYLINES II – CREATOR PACK: DRAGON GATE

Release date: 18 March 2025

Platforms: PC

Price: USD 7.99

Description: With a blend of tradition and modernity. Let your citizens take a stroll down shopping streets adorned with classic elements such as lanterns and shop signs or visit the traditional temple that adds a touch of East Asian splendour to your cityscape. With vibrant red and gold, 'Dragon Gate' will bring the fiery charm and elegance of Chinese architecture to your city.

Publisher: Paradox Interactive

Developer: Emperor Li



ACROSS THE OBELISK: BERNARD, THE ALCHEMIST

Release date: 22 January 2025

Platforms: PC, Xbox Series X|S, PlayStation 5, Nintendo Switch

Price: USD 4.99

Description: Bernard, the Alchemist is a Hero Pack that introduces the scout-healer multiclass to Across the Obelisk. Devise new party compositions and create advanced strategies thanks to Bernard's unique class. Bernard is joined by a new pet, Inky, his faithful octopus friend.

Publisher: Paradox Arc

Developer: Dreamsite Games



ACROSS THE OBELISK: SIGRUN, THE VALKYRIE

Release date: 22 January 2025

Platforms: PC, Xbox Series X|S, PlayStation 5, Nintendo Switch

Price: USD 4.99

Description: Sigrun, the Valkyrie is a Hero Pack that brings the scout-mage multiclass to Across the Obelisk for the first time. Develop new strategies using Sigrun's unique capabilities and reveal the secrets of her forgotten past. Sigrun is accompanied by a new pet, Jelly, the jellyfish.

Publisher: Paradox Arc

Developer: Dreamsite Games



ACROSS THE OBELISK: SHORES OF SAHTI

Release date: 22 January 2025

Platforms: PC, Xbox Series X|S, PlayStation 5, Nintendo Switch

Price: USD 9.99

Description: Set sail for the Sahti Islands in this all-new pirate-themed adventure. Powerful factions are vying for dominance in this once-peaceful archipelago. Will you defend the indigenous people, exploit their natural resources or battle to emerge as king of the pirates?

Publisher: Paradox Arc

Developer: Dreamsite Games



FINANCIAL OVERVIEW

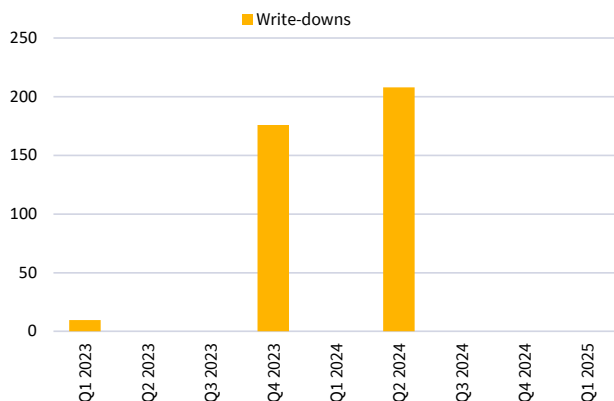
REVENUE AND PROFIT FIRST QUARTER

Revenues amounted to MSEK 463.6 (MSEK 482.1), a decrease of 4 % compared to the same period last year. New downloadable content was released to games during the period; Graveyard of Empires to Hearts of Iron IV, Mediterranean Heritage and Dragon Gate to Cities: Skylines II as well as Bernard, the Alchemist, Sigrun, the Valkyrie and Shores of Sahti to Across the Obelisk. New ports to console for downloadable content were released during the period; Wards and Wardens to Crusader Kings III. Revenues for 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 220.9 (MSEK 268.1), 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 71.7 (MSEK 120.1). Amortisation has decreased due to fewer and smaller releases during the quarter compared to the comparison period.

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 15.6 (MSEK 13.6).

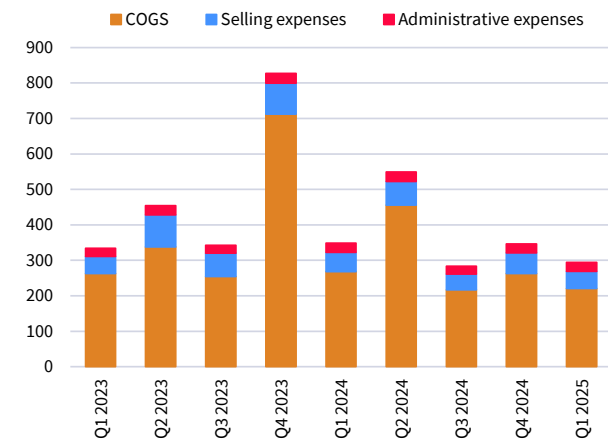
In addition to depreciation, amortisation and write-downs within the item, a total of MSEK 125.8 (MSEK 125.9) was expensed regarding non-capitalised development costs, development support, operation and maintenance of games, royalties and revenue based earn-outs.

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

Royalties and revenue-based earn-outs have decreased compared to the comparison period.

Selling expenses for the period amounted to MSEK 47.9 (MSEK 54.7). The decrease is related to the comparison period including costs in connection with the release of Millennia. At the same time, sales activities for upcoming releases have been launched.

Administrative expenses for the period amounted to MSEK 25.4 (MSEK 26.0). Costs for administration are generally unchanged over time and are relatively unaffected by other operations.



Other income amounted to MSEK 2.6 (MSEK 21.7), and other expenses to MSEK -25.3 (MSEK -0.6). 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 146.6 (MSEK 154.4).



Financial income amounted to MSEK 7.6 (MSEK 12.2) and mainly consists of interest income from bank accounts. Financial expenses amounted to MSEK 0.3 (MSEK 1.7) and consists of calculated interest on lease liabilities.

Profit after financial items amounted to MSEK 153.9 (MSEK 165.0), and profit after tax amounted to MSEK 123.7 (MSEK 126.9).

FINANCIAL POSITION

Capitalised development amounted to MSEK 1,545.6 (MSEK 1,521.7) 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.



Licenses, brands, and similar rights amounted to MSEK 94.6 (MSEK 94.4).

Goodwill amounted to MSEK 21.9 (MSEK 23.2) attributable to the acquisition of Iceflake Studios.

Right-of-use assets for offices amounted to MSEK 59.8 (MSEK 98.0).

Accounts receivable amounted to MSEK 236.7 (MSEK 278.1).

Cash and cash equivalents amounted to MSEK 1,501.5 (MSEK 1,181.8).

Equity amounts to MSEK 3,023.3 (MSEK 2,759.8).

Long-term lease liabilities amount to MSEK 23.8 (MSEK 63.3) consisting of liabilities for office premises.

Deferred tax liabilities amount to MSEK 170.2 (MSEK 141.8), mainly relating to untaxed reserves and intangible assets from acquisitions.

Short-term lease liabilities amount to MSEK 30.8 (MSEK 30.3) consisting of short-term liabilities for office premises.

Accrued expenses and prepaid income amount to MSEK 280.2 (MSEK 404.8) by the end of the period. Prepaid income has decreased compared to the previous year following the releases of downloadable content to Cities: Skylines II. Accruals for royalty to game developers have also decreased compared to last year.

CASH FLOW FIRST QUARTER

Cash flow from operating activities amounted to MSEK 266.2 (MSEK 136.9), primarily attributable to the operating profit, adjusted for depreciation, amortisation and write-downs. Cash flow from investing activities amounted to MSEK -217.3 (MSEK -47.9) and relate mainly to investments in game development. The period's cash flow from investing activities includes investments in shares in group companies regarding the acquisition of Haemimont Games, as well as previous year's sale of short-term investments in bonds. Cash flow from financing activities amounted to MSEK -9.7 (MSEK -9.5) relating mainly to amortisation of lease liabilities for office premises.

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 FIRST 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 461.3 (MSEK 485.7). Operating profit amounted to MSEK 214.1 (MSEK 72.6). Profit after financial items amounted to MSEK 220.1 (MSEK 83.0). Profit after tax amounted to MSEK 174.8 (MSEK 61.6).



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 2024, page 32. Risks to be specifically mentioned include a dependency on key employees, dependency on a few sales partners, delays of game projects, cancellations of unfinished 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

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 provides 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 describes the significant risks and uncertainties faced by the companies making up the group.

Stockholm 24 April 2025

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 CEST 24 April 2025.



KEY FIGURES FOR THE GROUP

	2025-01-01 2025-03-31	2024-01-01 2024-03-31	2024-01-01 2024-12-31
Revenues, KSEK	463,599	482,099	2,200,943
Operating profit, KSEK	146,643	154,370	721,364
Profit after financial items, KSEK	153,889	164,957	757,303
Profit after tax, KSEK	123,680	126,864	584,628
Operating margin	32%	32%	33%
Profit margin	33%	34%	34%
Equity/assets ratio	83%	78%	82%
Equity per share before dilution, SEK	28.62	26.13	27.55
Equity per share after dilution, SEK	28.62	26.13	27.55
Earnings per share before dilution, SEK	1.17	1.20	5.54
Earnings per share after dilution, SEK	1.17	1.20	5.53
Number of shares by the end of the period before dilution	105,623,025	105,623,025	105,623,025
Number of shares by the end of the period after dilution	105,623,025	105,623,025	105,623,025
Average number of shares before dilution	105,623,025	105,623,025	105,623,025
Average number of shares after dilution	106,014,675	105,656,009	105,656,190
Average number of employees	596	594	587

For definitions of key figures, see the annual report.



GROUP INCOME STATEMENT (KSEK)

	2025-01-01 2025-03-31	2024-01-01 2024-03-31	2024-01-01 2024-12-31
Revenues	463,599	482,099	2,200,943
Cost of goods sold	-220,871	-268,070	-1,203,649
Gross profit	242,728	214,029	997,294
Selling expenses	-47,924	-54,672	-223,881
Administrative expenses	-25,438	-26,046	-99,653
Other income	2,576	21,694	58,294
Other expenses	-25,300	-635	-10,690
Operating profit	146,643	154,370	721,364
Financial income	7,595	12,244	42,103
Financial expense	-349	-1,657	-6,165
Profit after financial items	153,889	164,957	757,303
Tax	-30,209	-38,093	-172,675
Profit for the period	123,680	126,864	584,628
Profit for the period is attributable to the shareholders of the parent company.			
Earnings per share before dilution, SEK	1.17	1.20	5.54
Earnings per share after dilution, SEK	1.17	1.20	5.53

OTHER COMPREHENSIVE INCOME (KSEK)

	2025-01-01 2025-03-31	2024-01-01 2024-03-31	2024-01-01 2024-12-31
Profit for the period	123,680	126,864	584,628
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Translation differences	-13,186	8,922	9,511
Other comprehensive income	-13,186	8,922	9,511
Total comprehensive income for the period	110,495	135,785	594,139

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



GROUP BALANCE SHEET (KSEK)

	2025-03-31	2024-03-31	2024-12-31
ASSETS			
Non-current assets			
Capitalised development	1,545,558	1,521,718	1,454,313
Licenses, brands and similar rights	94,563	94,428	52,655
Goodwill	21,853	23,214	23,137
Property and equipment	7,416	11,659	8,318
Right-of-use assets	59,782	97,954	69,679
Other long term assets	18,662	18,741	18,736
Total non-current assets	1,747,833	1,767,714	1,626,838
Current assets			
Accounts receivable	236,728	278,098	280,056
Tax assets	29,018	7,207	62,136
Other receivables	29,660	156,331	10,466
Prepaid expenses and accrued revenue	78,106	88,752	83,498
Bonds	-	68,247	-
Cash and cash equivalents	1,501,532	1,181,826	1,469,356
Total current assets	1,875,045	1,780,462	1,905,512
TOTAL ASSETS	3,622,878	3,548,176	3,532,350
EQUITY AND LIABILITIES			
Equity			
Share capital	528	528	528
Other capital contributed	29,748	29,748	29,748
Reserves	19,008	31,605	32,194
Retained earnings	2,973,990	2,697,927	2,847,170
Total equity	3,023,275	2,759,808	2,909,640
Long-term liabilities			
Lease liabilities	23,774	63,341	33,911
Deferred tax liabilities	170,165	141,754	163,460
Total long-term liabilities	193,939	205,095	197,372
Current liabilities			
Accounts payable	38,505	74,798	45,842
Current tax liabilities	18,279	13,820	852
Lease liabilities	30,803	30,303	30,875
Other liabilities	37,867	59,568	21,697
Accrued expenses and prepaid revenues	280,211	404,783	326,073
Total current liabilities	405,664	583,273	425,339
TOTAL EQUITY AND LIABILITIES	3,622,878	3,548,176	3,532,350



CHANGE IN GROUP EQUITY (KSEK)

	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
At the beginning of the period 2025-01-01	528	29,748	32,194	2,847,170	2,909,640
Profit for the period				123,680	123,680
Other comprehensive income					
Translation difference			-13,186		-13,186
Total other comprehensive income	-	-	-13,186	-	-13,186
Total comprehensive income	-	-	-13,186	123,680	110,494
Transactions with owners					
Share-based payments staff	-	-	-	3,140	3,140
Total transactions with owners	-	-	-	3,140	3,140
AT THE END OF THE PERIOD 2025-03-31	528	29,748	19,008	2,973,990	3,023,275

	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				126,864	126,864
Other comprehensive income					
Translation difference			8,922		8,922
Total other comprehensive income	-	-	8,922	-	8,922
Total comprehensive income	-	-	8,922	126,864	135,785
Transactions with owners					
Share-based payments staff	-	-	-	3,568	3,568
Total transactions with owners	-	-	-	3,568	3,568
AT THE END OF THE PERIOD 2024-03-31	528	29,748	31,605	2,697,927	2,759,808



GROUP CASH FLOW STATEMENT (KSEK)

	2025-01-01 2025-03-31	2024-01-01 2024-03-31	2024-01-01 2024-12-31
Cash flow from operations			
Operating profit	146,643	154,370	721,364
Adjustment of depreciation, amortisation and write-downs	97,901	144,808	710,513
Other adjustments	3,140	3,488	12,002
Interest received	7,595	869	38,705
Interest paid	-349	-1,657	-6,165
Tax paid	16,857	-66,476	-248,071
Cash flow before changes in working capital	271,788	235,402	1,228,348
Changes in working capital			
Change in current receivables	31,714	-26,184	112,792
Change in current liabilities	-37,294	-72,308	-217,620
Cash flow from current operations	266,208	136,910	1,123,520
Investing activities			
Investments in capitalised development	-119,763	-178,241	-602,509
Investments in equipment	-239	-74	-1,161
Investments in subsidiaries	-97,307	-	-
Sales of bonds	-	130,450	200,450
Cash flow from investing activities	-217,308	-47,865	-403,220
Financing activities			
Amortisation of lease liability	-9,681	-9,493	-38,300
Paid dividend	-	-	-316,869
Cash flow from financing activities	-9,681	-9,493	-355,169
Cash flow for the period	39,219	79,553	365,130
Cash and cash equivalents at the beginning of the period	1,469,356	1,098,025	1,098,025
Exchange rate effect	-7,043	4,249	6,202
Cash and cash equivalents at the end of the period	1,501,532	1,181,826	1,469,356



PARENT COMPANY INCOME STATEMENT (KSEK)

	2025-01-01 2025-03-31	2024-01-01 2024-03-31	2024-01-01 2024-12-31
Revenues	461,278	485,688	2,214,766
Cost of goods sold	-154,831	-357,209	-1,499,633
Gross profit	306,447	128,479	715,133
Selling expenses	-43,801	-51,286	-208,704
Administrative expenses	-25,021	-25,717	-97,960
Other income	1,426	21,431	56,892
Other expenses	-24,981	-277	-9,718
Operating profit	214,071	72,630	455,642
Profit from shares in subsidiaries	-	-	-58,750
Financial income	6,011	11,063	36,429
Financial expense	-0	-701	-704
Profit after financial items	220,082	82,992	432,618
Year-end appropriations	-	-	-10,000
Tax	-45,309	-21,369	-114,716
Profit for the year and total income for the year	174,773	61,623	307,902



PARENT COMPANY BALANCE SHEET (KSEK)

	2025-03-31	2024-03-31	2024-12-31
ASSETS			
Non-current assets			
Capitalised development	1,396,225	1,131,625	984,669
Licenses, brands and similar rights	20,461	31,976	23,340
Property and equipment	1,481	4,769	1,715
Shares in subsidiaries	319,512	279,742	203,908
Other long term assets	17,393	17,393	17,393
Total non-current assets	1,755,072	1,465,505	1,231,024
Current assets			
Accounts receivable	229,000	269,056	272,841
Receivables from group companies	24,666	1,421	198,836
Tax assets	-	3,657	35,600
Other receivables	24,523	131,759	5,102
Prepaid expenses and accrued revenues	82,458	94,875	89,747
Bonds	-	68,247	-
Cash and cash equivalents	1,024,893	1,102,936	1,131,589
Total current assets	1,385,540	1,671,951	1,733,714
TOTAL ASSETS	3,140,612	3,137,456	2,964,738
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	528	528	528
Capitalised development reserve	1,396,225	1,131,625	984,669
<i>Non-restricted equity</i>			
Share premium reserve	29,748	29,748	29,748
Retained earnings	465,498	727,574	566,011
Profit for the period	174,773	61,623	307,902
Total equity	2,066,772	1,951,099	1,888,859
Untaxed reserves	755,000	605,000	755,000
Current liabilities			
Accounts payable	27,234	66,122	35,954
Liabilities to group companies	56,948	172,705	22,681
Current tax liabilities	18,128	-	-
Other liabilities	11,248	3,854	4,282
Accrued expenses and prepaid revenues	205,282	338,677	257,962
Total current liabilities	318,840	581,357	320,879
TOTAL EQUITY AND LIABILITIES	3,140,612	3,137,456	2,964,738



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;

	2025-01-01 2025-03-31	2024-01-01 2024-03-31	2024-01-01 2024-12-31
USA	405,201	405,762	1,905,078
Sweden	9,497	18,516	65,395
Rest of Europe	39,654	49,686	192,576
Rest of the World	9,247	8,135	37,893
Total	463,599	482,099	2,200,943

During the quarter MSEK 380.5 (MSEK 380.6) of the group's revenue came from one and the same platform - Steam.

Group revenue divided into major product categories;

	2025-01-01 2025-03-31	2024-01-01 2024-03-31	2024-01-01 2024-12-31
PC	390,681	404,348	1,924,843
Console	49,217	57,729	204,225
Mobile	13,446	13,173	50,980
Other	10,256	6,849	20,895
Total	463,599	482,099	2,200,943

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

	2025-01-01 2025-03-31	2024-01-01 2024-03-31	2024-01-01 2024-12-31
Cost of goods sold	95,091	142,195	698,446
Selling expenses	1,031	889	3,869
Administrative expenses	1,779	1,723	8,198
Total	97,901	144,808	710,513

NOTE 3. ACQUISITION HAEMIMONT GAMES

On February 18, 2025, 100% of the shares in Haemimont Games AD, a company based in Sofia, Bulgaria, were acquired. Paradox paid a fixed purchase price of EUR 10.3 million. Contingent purchase considerations tied to the sellers' continued employment, game releases, and achieved sales targets may amount to a total of up to EUR 11.0 million. All contingent purchase considerations will be reported under the item cost of goods sold as they are earned.

The acquisition is a further step in Paradox's strategic focus on growing within the management game genre, by building strong internal capacity that complements the Group's existing studio organisation.

The cash flow effect of the acquisition at the Group level is SEK -98.0 million during the reporting period, of which SEK -0.7 million related to expensed acquisition costs is reported under administrative expenses.

Had Haemimont been acquired on January 1, 2025, the acquisition would have contributed revenue of SEK 0.9 million and a positive result of SEK 0.1 million. Haemimont contributed revenue of SEK 0.4 million and a result of SEK -3.0 million from the acquisition date through March 31, 2025.



	2025-02-18
Cash consideration	115,604
<i>Reported amounts of identifiable net assets</i>	
Game rights	16,817
Capitalised development	44,846
Technology related to game engines	43,863
Cash and cash equivalents	18,298
Other assets	2,597
Deferred tax liabilities	- 10,553
Other liabilities	- 264
	115,604
Goodwill	-



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