



paradox
INTERACTIVE

INTERIM REPORT

JANUARY - MARCH 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.



INTERIM REPORT

JANUARY - MARCH 2023

FIRST QUARTER

- Revenues amounted to MSEK 482.8 (MSEK 476.1), an increase by 1 % compared to the same period last year.
- Operating profit amounted to MSEK 155.7 (MSEK 208.5), a decrease by 25 %.
- Profit after financial items amounted to MSEK 157.1 (MSEK 207.7), and profit after tax amounted to MSEK 123.7 (MSEK 168.5).
- Cash flow from operating activities amounted to MSEK 244.6 (MSEK 236.4), and cash flow from investing activities amounted to MSEK -170.1 (MSEK -157.4).
- By the end of the period cash amounted to MSEK 812.7 (MSEK 671.2).
- Earnings per share before dilution amounted to SEK 1.17 (SEK 1.60) and after dilution SEK 1.16 (SEK 1.59).
- Revenues in the quarter are mainly attributable to Cities: Skylines, Crusader Kings III, Hearts of Iron IV, Stellaris, and Victoria 3.

IMPORTANT EVENTS FIRST QUARTER

- Surviving the Abyss developed by Rocket Flair Studios was released in Early Access and Knights of Pen and Paper 3 developed by Kyy Games was released to PC. Both games were published by Paradox Arc.
- Cities: Skylines – Remastered was released to Playstation 5 and Xbox Series X|S.
- New downloadable content for the following games was released during the quarter; Jungle Pack for Prison Architect, First Contact for Stellaris, The Wolf Wars for Across the Obelisk and Rebirth for Surviving the Aftermath.
- New ports of downloadable content were released during the quarter; Overlord for Stellaris: Console Edition.
- Paradox Announcement Show was held, and three new games were announced; Cities: Skylines II developed by Colossal Order, Life By You developed by Paradox Tectonic and The Lamplighters League developed by Harebrained Schemes.
- Age of Wonders 4, a new game developed by Triumph Studios, was announced in the quarter.



COMMENTS BY THE CEO

WARM-UP FOR AN INTENSE YEAR

2023 is a year of enthusiasm and anticipation for us at Paradox. In the first quarter, we announced a number of exciting titles from our pipeline that are to be released this year. To say the least, there is a lot for both Paradox and our players to look forward to.

2023 is also a year when we return to a more normal state for Paradox, where there will be significant variations between quarters in terms of releases. This is apparent in the first quarter, which is in the lower end of the spectrum. We had fewer major releases of downloadable content, which combined with amortisations for two experimental titles and that we took more development projects as direct costs resulted in a lower result, when compared to quarters with larger releases. Although we have added a lot of great content to the game catalogue, this emphasises the importance of continuing working on our release cadence for new content for active games.

Our long-term effort consists of building a strong game portfolio, brick by brick. And some of our work was showcased when we unveiled games and downloadable content from our pipeline. We are proud to have presented a long-awaited sequel to our most popular game, Cities: Skylines II, as well as having invested in new titles such as Life by You. We also hope that Triumph Studios' 4X game Age of Wonders 4 and Harebrained Schemes' turn-based strategy game The Lamplighters League will strengthen our strategy portfolio.

In the quarter, Paradox Arc also unveiled some of its titles, including Surviving the Abyss, Mechabellum and most notably Wolf Wars, Across the Obelisk's first DLC. This is a milestone for Arc, as it is the first downloadable content to be released for one of their titles.

In the longer term, we are aiming higher across the board, and this was just the start of an intense year. Now it's time to pick up the pace and we are ready to take on the challenges ahead. In many ways it is a whole new journey with the goal of reaching 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 today consists of publishing business and nine studios in six countries that develop gaming experiences for the company's over five million monthly active players. Amongst its most important active games are Cities: Skylines, Hearts of Iron IV, Crusader Kings III, Europa Universalis IV, Victoria 3, Stellaris, Surviving Mars and Prison Architect.

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.

5+

Million MAU

42 %

R12 profit margin

11

Active games

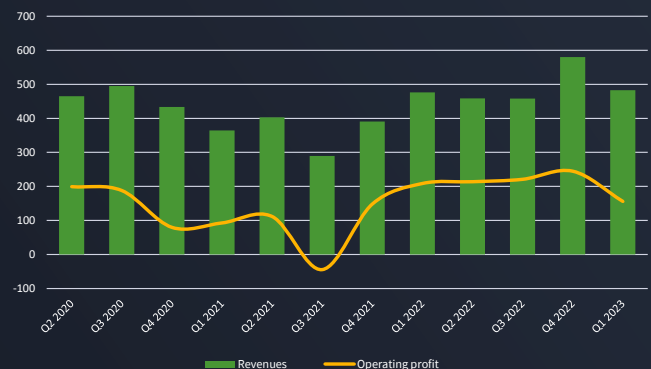
13

Games in pipeline

Rolling 12 month revenues and operating profit



Quarterly revenues and operating profit



RELEASES IN THE PERIOD



STELLARIS: FIRST CONTACT STORY PACK

Release date: 14 March 2023

Platforms: PC

Description: You are not alone! The galaxy is vast and full of wonders, but it's also full of alien empires you're going to encounter, whether you're ready or not. First Contact offers a set of new origins and mechanics that give players the chance to tell stories about their civilizations' early encounters with visitors from the stars — ones that may not have come in peace!

Publisher: Paradox Interactive

Developer: Paradox Development Studio



STELLARIS CONSOLE EDITION: OVERLORD

Release date: 8 March 2023

Platforms: PLAYSTATION 4, XBOX ONE

Description: Overlord grants access to new features designed to unlock the next level of your empire. New mechanics provide many ways to specialize your vassals' roles within your empire, bring new planets and subjects under your reign, and new magnificent megastructures to project your power further, faster.

Publisher: Paradox Interactive

Developer: Paradox Development Studio and Tantalus Media (port)

RELEASES IN THE PERIOD



CITIES: SKYLINES REMASTERED

Release date: 15 February 2023

Platforms: PLAYSTATION 5, XBOX SERIES X|S

Description: Cities: Skylines is an award-winning management game with robust mechanics and unique charm, now updated for next-generation consoles.

Publisher: Paradox Interactive

Developer: Colossal Order



PRISON ARCHITECT: JUNGLE PACK

Release date: 7 February 2023

Platforms: PC, PLAYSTATION 4, XBOX ONE

Description: Jungle Pack is an aesthetic pack that sets your compound in the deep and lush tropical forest. Far from civilization, Wardens will need to manage their inmates while dealing with the dangers of nature.

Publisher: Paradox Interactive

Developer: Double Eleven

RELEASES IN THE PERIOD



SURVIVING THE AFTERMATH: REBIRTH

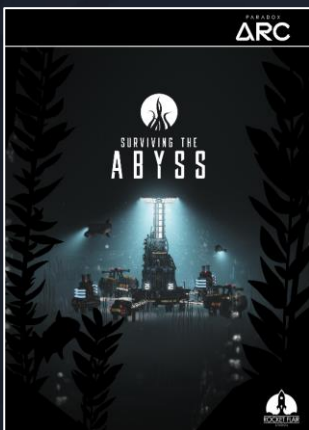
Release date: 16 March 2023

Platforms: PC, PLAYSTATION 4, XBOX ONE

Description: For the longest time, you strived to survive the aftermath on planet Earth. Now, thanks to your knowledge, skills, and leadership, you can finally look forward to a new chapter for humankind. “Rebirth” is your mantra, your goal, the dream that will make you overcome old and new challenges, for your survivors and all humanity.

Publisher: Paradox Interactive

Developer: Iceflake Studios



SURVIVING THE ABYSS

Release date: 17 January 2023

Platforms: PC

Description: You have been tasked with managing a deep-sea science facility working to perfect cloning. Explore the darkness and keep your crew alive in this hardcore survival colony builder. And beware. The darkness hides untold horrors.

Publisher: Paradox Arc

Developer: Rocket Flair Studios

RELEASES IN THE PERIOD



ACROSS THE OBELISK: WOLF WARS

Release date: 30 March 2023

Platforms: PC

Description: Travel back ten years and live the tale of the legendary Wolf Wars seen through the eyes of Magnus and Yogger with this new Story Pack, and unlock a new character, pet and new skins along the way.

Publisher: Paradox Arc

Developer: Dreamsite Games



KNIGHTS OF PEN AND PAPER 3

Release date: 7 March 2023

Platforms: PC

Description: Enter the new and improved world of chivalry, class warfare and off-beat pop references. Knights of Pen & Paper 3 is a true sequel to the turn-based, retro style, pixel-art adventure full of danger and saving throws you hold so dear!

Publisher: Paradox Arc

Developer: Kyy Games



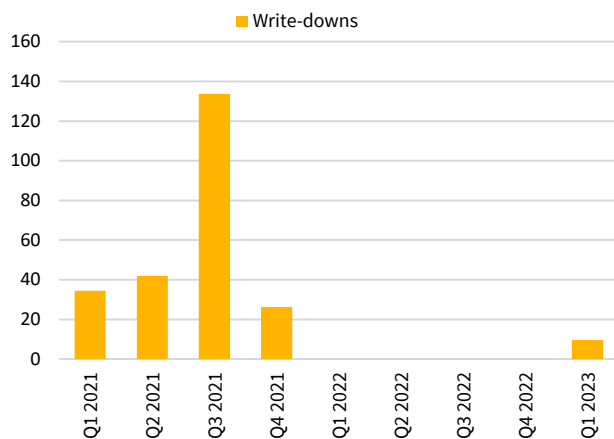
FINANCIAL OVERVIEW

REVENUE AND PROFIT FIRST QUARTER

Revenues amounted to MSEK 482.8 (MSEK 476.1), an increase by 1 % compared to the same period last year. Surviving the Abyss developed by Rocket Flair Studios was released in Early Access and Knights of Pen and Paper 3 developed by Kyy Games was released to PC. Both games were published by Paradox Arc. Cities: Skylines – Remastered was released to Playstation 5 and Xbox Series X|S. New downloadable content for the following games was released during the quarter; Jungle Pack for Prison Architect, First Contact for Stellaris, The Wolf Wars for Across the Obelisk and Rebirth for Surviving the Aftermath. New ports of downloadable content were released during the quarter; Overlord for Stellaris: Console Edition. Revenues in the quarter are mainly attributable to Cities: Skylines, Crusader Kings III, Hearts of Iron IV, Stellaris, and Victoria 3.

Cost of goods sold amounted to MSEK 263.1 (MSEK 214.7), attributable to game development, development support, operation and maintenance of games, costs of licenses, brands, and similar rights, as well as royalties to development studios and external rights holders.

Amortisation of released games amounted to MSEK 109.7 (MSEK 81.8). The amortisations have increased as a result of new games released. The write-downs for the period in cost of goods sold amount to MSEK 9.6 (MSEK 0.0). Write-downs refers to games not yet announced where development has been cancelled.

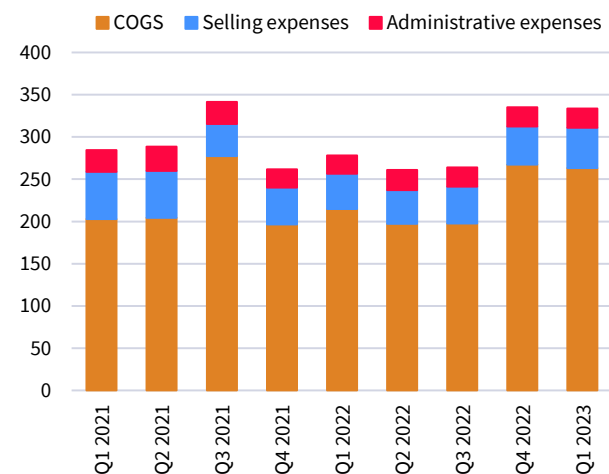


Amortisations of licenses, brands, and similar rights amounts to MSEK 22.2 (MSEK 21.0).

In addition to depreciation, amortisation and write-downs within the item, a total of MSEK 112.5 (MSEK 103.9) was expensed regarding non-capitalised development costs, development support, operation and maintenance of games, and royalties. Non-capitalised development costs have 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. Costs for development support, operation and maintenance of games are at level with the comparison period. Cost of royalties is at level to the same period last year.

Selling expenses for the period amounted to MSEK 47.9 (MSEK 41.8). Costs have increased as a result of more game releases compared to the same period last year.

Administrative expenses for the period amounted to MSEK 22.8 (MSEK 21.8). Costs for administration are generally unchanged over time and are relatively unaffected by other operations, this quarter as well.



Other income amounted to MSEK 6.8 (MSEK 10.7), and other expenses to MSEK -0.2 (MSEK 0.0). 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.

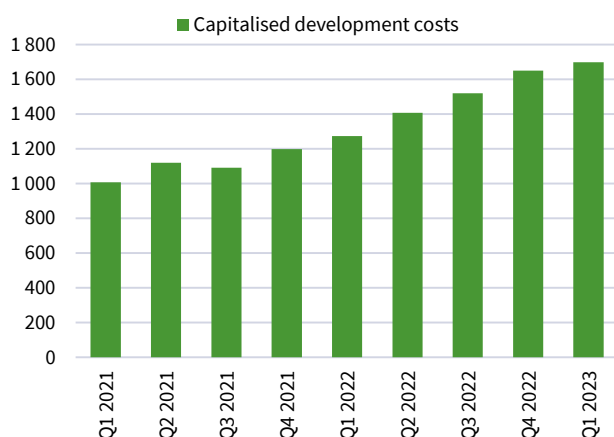


Operating profit amounted to MSEK 155.7 (MSEK 208.5). Financial items amounted to MSEK 1.4 (MSEK -0.8). Financial items primarily consist of interest on lease liabilities and interest received on cash and cash equivalents.

Profit after financial items amounted to MSEK 157.1 (MSEK 207.7), and profit after tax amounted to MSEK 123.7 (MSEK 168.5).

FINANCIAL POSITION

Capitalised development amounted to MSEK 1,698.8 (MSEK 1,273.7) 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 increase in the item is primarily attributable to games that have not yet been released.



Licenses, brands, and similar rights amounted to MSEK 138.7 (MSEK 213.8).

Goodwill amounted to MSEK 22.7 (MSEK 20.8) attributable to the acquisition of Iceflake Studios.

Right-of-use assets for offices amounted to MSEK 130.2 (MSEK 156.7).

Shares in associates amount to MSEK 36.7 (MSEK 31.1) by the end of the period, relating to 33 % of shares in Seattle-based development studio Hardsuit Labs. The shares are valued at the equity method.

Accounts receivable amounted to MSEK 188.7 (MSEK 112.9).

Cash and cash equivalents amounted to MSEK 812.7 (MSEK 671.2).

Shareholders' equity amounts to MSEK 2,422.6 (MSEK 1,834.4), of which MSEK 123.7 (MSEK 168.5) consists of accumulated profit for the year.

Long term lease liabilities amount to MSEK 97.8 (MSEK 126.3) consisting of liabilities for office premises.

Deferred tax liabilities amount to MSEK 130.6 (MSEK 160.6), mainly relating to untaxed reserves and intangible assets from acquisitions.

Short term lease liabilities amount to MSEK 36.8 (MSEK 34.4) consisting of short-term liabilities for office premises.

Accrued expenses and prepaid income amounts to MSEK 354.9 (MSEK 326.5) by the end of the period. Accrued costs for variable remuneration to employees have increased in relation to the comparison period because of a higher overall profit. Prepaid revenue is lower than the comparison period.

CASH FLOW FIRST QUARTER

Cash flow from operating activities amounted to MSEK 244.6 (MSEK 236.4), primarily attributable to the operating profit. Cash flow from investing activities amounted to MSEK -170.1 (MSEK -157.4), mainly referring to investments in game development. Cash flow from financing activities amounted to MSEK -8.9 (MSEK -8.7) 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 482.7 (MSEK 478.0). Operating profit amounted to MSEK 59.6 (MSEK 111.0). Profit after financial items



amounted to MSEK 61.3 (MSEK 111.0). Profit after tax amounted to MSEK 48.6 (MSEK 88.6).

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 2022, page 31. Risks

to be specifically mentioned includes 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

Annual General Meeting 2023	2023-05-17
Interim report January-June 2023	2023-07-27
Interim report January-September 2023	2023-10-26
Year-end report 2023	2024-02-06

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 April 27 2023

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 on 27 April 2023



KEY FIGURES FOR THE GROUP

	2023-01-01	2022-01-01	2022-01-01
	2023-03-31	2022-03-31	2022-12-31
Revenues, KSEK	482 777	476 096	1 972 906
Operating profit, KSEK	155 699	208 451	887 146
Profit after financial items, KSEK	157 138	207 675	884 440
Profit after tax, KSEK	123 711	168 543	708 709
Operating margin	32%	44%	45%
Profit margin	33%	44%	45%
Equity/assets ratio	75%	70%	73%
Equity per share before dilution, SEK	22,94	17,37	21,70
Equity per share after dilution, SEK	22,76	17,33	21,70
Earnings per share before dilution, SEK	1,17	1,60	6,71
Earnings per share after dilution, SEK	1,16	1,59	6,70
Number of shares by the end of the period before dilution	105 619 209	105 600 000	105 619 209
Number of shares by the end of the period after dilution	106 424 759	105 853 350	105 619 209
Average number of shares before dilution	105 619 209	105 600 000	105 609 605
Average number of shares after dilution	105 870 901	105 841 474	105 723 810
Average number of employees	665	710	672
Number of employees by the end of the period	674	692	656

For definitions of key figures, see the annual report.



GROUP INCOME STATEMENT (KSEK)

	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Revenues	482 777	476 096	1 972 906
Cost of goods sold	-263 072	-214 704	-862 629
Gross profit	219 706	261 392	1 110 277
Selling expenses	-47 855	-41 804	-170 490
Administrative expenses	-22 838	-21 807	-91 618
Other income	6 842	10 704	56 635
Other expenses	-155	-34	-17 658
Operating profit	155 699	208 451	887 146
Financial income	4 466	86	3 952
Financial expense	-3 027	-862	-6 658
Profit after financial items	157 138	207 675	884 440
Tax	-33 427	-39 132	-175 731
Profit for the period	123 711	168 543	708 709

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

Earnings per share before dilution, SEK	1,17	1,60	6,71
Earnings per share after dilution, SEK	1,16	1,59	6,70

OTHER COMPREHENSIVE INCOME (KSEK)

	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Profit for the period	123 711	168 543	708 709
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Translation differences	4 737	3 292	20 780
Other comprehensive income	4 737	3 292	20 780
Total comprehensive income for the period	128 449	171 835	729 489

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



GROUP BALANCE SHEET (KSEK)

	2023-03-31	2022-03-31	2022-12-31
ASSETS			
Non-current assets			
Capitalised development	1 698 824	1 273 733	1 650 275
Licenses, brands and similar rights	138 666	213 819	159 501
Goodwill	22 713	20 824	22 415
Property and equipment	16 942	20 507	17 561
Right-of-use assets	130 156	156 738	136 118
Investments in associates	36 708	31 082	32 555
Other long term assets	18 712	18 602	18 695
Total non-current assets	2 062 720	1 735 305	2 037 120
Current assets			
Accounts receivable	188 651	112 876	259 948
Tax assets	36 953	-	709
Other receivables	43 967	58 219	34 769
Prepaid expenses and accrued revenue	69 452	56 013	61 376
Cash and cash equivalents	812 708	671 219	747 506
Total current assets	1 151 731	898 327	1 104 307
TOTAL ASSETS	3 214 451	2 633 632	3 141 427
EQUITY AND LIABILITIES			
Equity			
Share capital	528	528	528
Other capital contributed	29 542	27 994	29 542
Reserves	29 914	7 688	25 176
Retained earnings	2 238 926	1 629 602	1 528 422
Profit for the period	123 711	168 543	708 709
Total equity	2 422 621	1 834 356	2 292 377
Long term liabilities			
Lease liabilities	97 794	126 273	104 845
Deferred tax liabilities	130 640	160 607	137 220
Other liabilities	-	422	-
Total long term liabilities	228 434	287 301	242 065
Current liabilities			
Accounts payable	52 779	68 152	52 487
Current tax liabilities	83 300	28 207	66 529
Lease liabilities	36 751	34 372	35 616
Other liabilities	35 688	54 768	33 725
Accrued expenses and prepaid revenues	354 877	326 475	418 628
Total current liabilities	563 395	511 974	606 985
TOTAL EQUITY AND LIABILITIES	3 214 451	2 633 632	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				123 711	123 711
Other comprehensive income					
Translation difference			4 737		4 737
Total other comprehensive income	-	-	4 737	-	4 737
Total comprehensive income	-	-	4 737	123 711	128 449
Transactions with owners					
Share-based payments staff	-	-	-	1 795	1 795
Total transactions with owners	-	-	-	1 795	1 795
AT THE END OF THE PERIOD 2023-03-31	528	29 542	29 914	2 362 637	2 422 621

	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	-	-		168 543	168 543
Other comprehensive income					
Translation difference	-	-	3 292	-	3 292
Total other comprehensive income	-	-	3 292	-	3 292
Total comprehensive income	-	-	3 292	168 543	171 835
Transactions with owners					
Share-based payments staff	-	-	-	958	958
Total transactions with owners	-	-	-	958	958
AT THE END OF THE PERIOD 2022-03-31	528	27 994	7 688	1 798 145	1 834 356



GROUP CASH FLOW STATEMENT (KSEK)

	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Cash flow from operations			
Operating profit	155 699	208 451	887 146
Adjustment of depreciation, amortisation and write-downs	153 617	113 899	473 498
Other adjustments	-2 215	958	4 362
Interest received	4 466	86	3 952
Interest paid	-3 027	-861	-6 658
Tax paid	-56 881	-1 140	-126 703
Cash flow before changes in working capital	251 659	321 393	1 235 598
Changes in working capital			
Change in current receivables	54 647	-12 781	-141 060
Change in current liabilities	-61 682	-72 180	-9 799
Cash flow from current operations	244 624	236 432	1 084 740
Investing activities			
Investments in capitalised development	-169 135	-156 926	-793 771
Investments in licenses, brands and similar rights	-	-	-
Investments in equipment	-924	-488	-2 119
Investments in subsidiaries	-	-	-11 055
Investments in other financial assets	-	-	-25
Cash flow from investing activities	-170 059	-157 414	-806 969
Financing activities			
Amortisation of lease liability	-8 917	-8 741	-35 371
Paid dividend	-	-	-105 600
Cash flow from financing activities	-8 917	-8 741	-140 971
Cash flow for the period	65 648	70 277	136 800
Cash and cash equivalents at the beginning of the period	747 506	599 724	767 561
Exchange rate effect	-445	1 218	10 981
Cash and cash equivalents at the end of the period	812 708	671 219	747 506



PARENT COMPANY INCOME STATEMENT (KSEK)

	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Revenues	482 655	477 997	1 992 191
Cost of goods sold	-358 992	-315 707	-1 276 664
Gross profit	123 663	162 289	715 528
Selling expenses	-44 267	-39 547	-163 264
Administrative expenses	-22 316	-21 914	-91 873
Other income	2 522	10 213	54 248
Other expenses	-	-	-17 060
Operating profit	59 602	111 041	497 578
Profit from shares in subsidiaries	-	-	-
Financial income	3 667	-	1 952
Financial expense	-2 001	-3	-2 391
Profit after financial items	61 269	111 038	497 140
Year-end appropriations	-	-	200 000
Income tax expense	-12 621	-22 454	-145 215
Profit for the year and total income for the year	48 648	88 584	551 925



PARENT COMPANY BALANCE SHEET (KSEK)

	2023-03-31	2022-03-31	2022-12-31
ASSETS			
Non-current assets			
Capitalised development	1 406 826	1 210 985	1 408 095
Licenses, brands and similar rights	30 962	57 092	37 495
Property and equipment	9 405	13 026	10 116
Shares in subsidiaries	305 812	305 812	305 812
Investments in associates	16 766	16 766	16 766
Other long term assets	17 393	17 393	17 393
Total non-current assets	1 787 164	1 621 073	1 795 677
Current assets			
Accounts receivable	178 680	110 390	255 031
Receivables from group companies	1 805	12 725	79 656
Tax assets	36 953	-	-
Other receivables	37 477	50 322	28 163
Prepaid expenses and accrued revenues	66 817	54 845	59 969
Cash and cash equivalents	652 021	592 108	448 013
Total current assets	973 751	820 390	870 832
TOTAL ASSETS	2 760 915	2 441 464	2 666 508
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	528	528	528
Capitalised development reserve	1 406 826	1 210 985	1 408 095
<i>Non-restricted equity</i>			
Share premium reserve	29 542	27 994	29 542
Retained earnings	317 321	60 622	-237 669
Profit for the period	48 646	88 584	551 925
Total equity	1 802 863	1 388 713	1 752 422
Untaxed reserves	485 000	555 000	485 000
Long term liabilities			
Other liabilities	-	422	-
Total long term liabilities	-	422	-
Current liabilities			
Accounts payable	43 919	63 383	45 619
Liabilities to group companies	147 618	141 875	28 016
Current tax liabilities	-	2 302	4 352
Other liabilities	3 610	14 656	4 339
Accrued expenses and prepaid revenues	277 905	275 112	346 760
Total current liabilities	473 051	497 329	429 086
TOTAL EQUITY AND LIABILITIES	2 760 915	2 441 464	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;

	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
USA	424 456	417 594	1 679 021
Sweden	2 069	2 361	21 318
Rest of Europe	44 877	45 712	234 297
Rest of the World	11 376	10 429	38 269
Total	482 777	476 096	1 972 906

During the quarter MSEK 280.0 (MSEK 265.8) of the group's revenue came from one and the same customer.

Group revenue divided into major product categories;

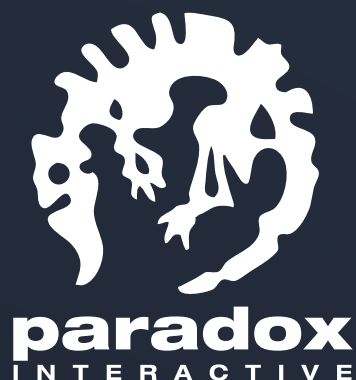
	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
PC	389 954	413 358	1 678 253
Console	56 954	50 345	218 810
Mobile	18 174	10 091	41 766
Other	17 695	2 302	34 076
Total	482 777	476 096	1 972 906

Prepaid revenue amounted to MSEK 191.5 (MSEK 204.5) at the end of the period. Of these, MSEK 176.2 is expected to be reported as revenue during the next 12-month period, and MSEK 15.3 within 24 months.

The revenues for the quarter include MSEK 89.6 (MSEK 91.5) which were included in prepaid revenue at the beginning of the period.

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

	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Cost of goods sold	150 557	110 679	460 407
Selling expenses	1 075	445	4 506
Administrative expenses	1 986	2 775	8 585
Total	153 617	113 899	473 498



ABOUT PARADOX INTERACTIVE

Paradox Interactive is one of the premier developers and publishers of strategy and management games for PC and consoles. The players are located all over the world but some of the biggest markets are North America, Western Europe and Asia.

The game portfolio consists of popular franchises such as Stellaris, Europa Universalis, Hearts of Iron, Crusader Kings, Cities: Skylines, Prison Architect, the Surviving games, Age of Wonders and Victoria. Paradox Interactive also owns the World of Darkness brand catalogue.

Paradox Interactive's headquarters is on Södermalm in Stockholm and is listed on Nasdaq First North Premier Growth Market.