



ANNUAL REPORT 2024

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

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ABOUT PARADOX INTERACTIVE

Paradox Interactive is one of the premier developers and publishers of strategy and management games on PC and consoles. The group today consists of publishing and six studios in six countries that develop gaming experiences for the company's six million monthly active users.

The players are located all over the world but some of the biggest markets are North America, Western Europe, and Asia. Paradox's game portfolio consists of popular franchises such as Age of Wonders, Cities: Skylines, Crusader Kings, Europa Universalis, Hearts of Iron, Prison Architect, Stellaris, the Surviving games, and Victoria. Paradox Interactive also owns the World of Darkness brand catalog.

The games are developed by Paradox Development Studio which consists of PDS Black, PDS Gold, PDS Teal and PDS Purple in Stockholm. Internationally, games are developed by Triumph Studios in Delft, Playrion Game Studio in Paris, Iceflake Studios in Tampere, Haemimont Games in Sofia and Paradox Tinto in Barcelona. Paradox also collaborates with multiple external studios.

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

HISTORY

Paradox Interactive emerged from Swedish board game history and was, until the early 2000s, the video game section of Target Games. In 2004, the business became independent and Paradox Interactive stood on its own two feet, with seven employees. Since then, the company has created games that have been enjoyed for endless hours around the world and have grown with studios in several countries.





COMMENTS BY THE CEO

2024 has confirmed the strength of our long-term strategy – to build upon our core in long-lived strategy and management games. Many of our titles have reached new, impressive milestones during the year, despite several of them being launched a long time ago. It is a result of our continuous focus on high-quality content, close dialogue with our players, and a clear, long-term development plan.

Even though we have chosen to postpone or discontinue projects that were outside our core competence – decisions that have impacted this year's results – it has simultaneously strengthened our conviction on what we do best and how we should direct our resources going forward.

We remain steadfast in Paradox's mission: to create games that are fun, interesting, and challenging for our players. It is the foundation of our strong cash flows and good margins – and it is the foundation on which we build our growth. Therefore, we are focusing even more clearly on what we know we do well and what our players like the most.

This also means a greater focus on our internal studios, which with their experience and specialised expertise have the potential to take our games to the next level. The acquisition of Haemimont Games that we completed after year-end is an important step in this direction – it's a studio we know well, that shares our vision, and that strengthens our capacity in one of our most exciting growth areas: management games.

At the same time as we are finalising projects outside of our traditional comfort zone, we have more clearly focused on game projects that are closer to our core. This transformation is already underway, and it creates better conditions for both quality and profitability going forward.

During the year, we have also made several important improvements. We have strengthened our publishing operations, reshaped our work with third-party development, improved our risk management, and created better conditions for our internal

development. At the same time, Paradox Arc continues to be our creative testbed, where we explore new ways to broaden our range of engaging games – in a financially sound manner.

Considering how the industry has developed, these changes are particularly important. While many developers and projects have faced significant challenges with a series of closures and cutbacks as a result, we stand strong and can act with a long-term view. This accentuates the importance of safeguarding our strong franchises and continuing to build our close relationship with the players.

Looking towards 2025, we are full of energy and anticipation. We have a lot of exciting content coming – from highly anticipated expansions to new titles from Paradox Arc – and not least, new major games being released by Paradox Interactive. And looking even further into the future, we have a very strong pipeline of both sequels and new IPs that we look forward to talking more about.

Fredrik Wester, CEO



BUSINESS MODEL

The company's main focus areas are strategy and management games that are released for PC and console according to a so-called premium model. The development of games and downloadable content is done primarily by employed staff in fully owned game studios and to a lesser extent by external partner studios.

New games are developed for several years before they are released and the releases are preceded by marketing campaigns aimed at the intended players. After the games' release, downloadable content is often developed that deepens and broadens the games' systems, and mechanics, or provides more opportunities for the player. This extends the longevity of the game and, simultaneously creates a stable revenue stream from the game for several years. The games are mainly distributed through platform operators and other distribution partners.

An important component of the games are the brands and the other intangible assets that the games are based on. These intangible assets are developed by the company's employees or are acquired from other companies, which provide creative control.

The company's intangible assets enable new games to be developed at a lower risk since there is an established and often engaged player base in place. Moreover, the intangible assets provide opportunities for exploring new revenue streams through licensing and partnerships for new games, new forms of entertainment, and new technologies.

FINANCING

Game development, marketing and organisation are financed by the cash flow from operating activities. This enables the company to grow in a sustainable manner and with good profitability.

THE PEOPLE BEHIND THE GAMES

To make and sell intellectually challenging games with a long lifespan, a creative and skilled staff in many different disciplines with the right preconditions for collaboration is required. Game development is a creative process where Paradox strives to give employees creative freedom and responsibility in a collaborative work environment that is characterised by well-being, safety, and personal development.



GROWTH STRATEGY

STOCK UP

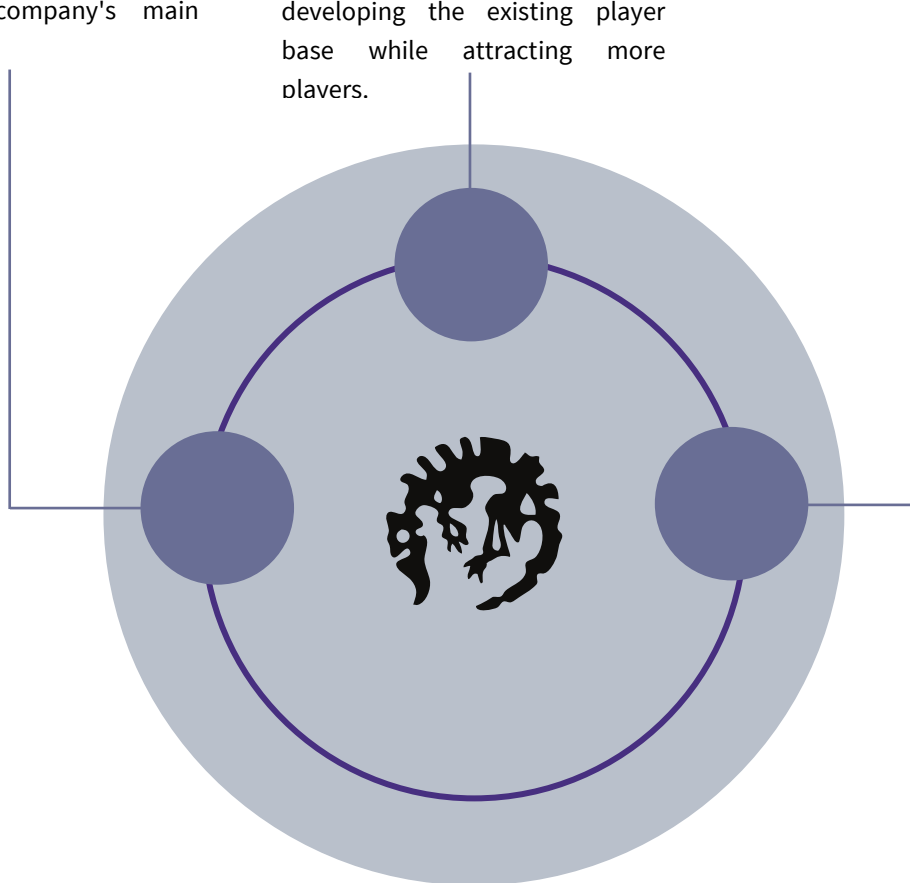
By expanding the company's game portfolio with primarily self-developed titles, Paradox wants to add more games that have a long lifespan. The focus is on developing new franchises within the company's main segments.

DIG IN

By continuing to develop the company's long-lived core games with new content, sequels, improving player services and offering more ways to enjoy the games, the company can grow by developing the existing player base while attracting more players.

BREAK OUT

Through smaller investments in experimental and externally developed projects in adjacent game segments, Paradox seeks to find new and untested games with strong growth potential.



Paradox has three strategic focus areas to grow its player base and turnover: Dig in, Stock up and Break-out. All areas aim to strengthen and expand the important core business with long-lived games and revenues.

All focus areas rely on the staff's creativity, development cadence and quality awareness. Decentralized decision-making close to games and players ensures that the company takes advantage of the developers' skills and creativity and develops content that players demand.



THE GAMES MARKET

Paradox publishes and develops games for the global gaming market. For the most part, the group releases games for PC, but also for consoles, and has a strong presence in the North American, Western European markets and in Asia. The games are mainly in the strategy and management segments. Games are mainly sold via digital platform owners such as Valve, Sony and Microsoft.

THE GAMES MARKET IN GENERAL

In August 2024, the analytics firm Newzoo estimated that the global gaming market's revenue amounted to USD 187.7 billion in 2024, which is an increase of 2.1 percent compared to the previous year. The expectation is that the gaming market will continue to grow in the coming years. Newzoo has estimated that the gaming market will have a turnover of 213 billion USD by 2027.

According to Newzoo, PC was the strongest growing segment in 2024, and the segment's total revenue grew with 4 percent on an annual basis and is estimated to make up 23 percent of the market's total revenue. Furthermore, mobile is expected grow its revenue by 3 percent on an annual basis in 2024. Mobile continues to be the largest segment and accounts for 49 percent of the market's total revenue. Console was the second largest segment during 2024 in total revenue. The segment decreased its revenue by 1 percent during the year and is expected to make up 28 percent of the market's total revenue.

By the end of 2024, there will be approximately 3.4 billion players worldwide according to Newzoo, a growth of about 5 percent compared to 2023. In the segments, the amount of PC players grew with 4 percent whereas the number of mobile players grew with almost 4 percent and the amount of console players by approximately 2 percent annually.

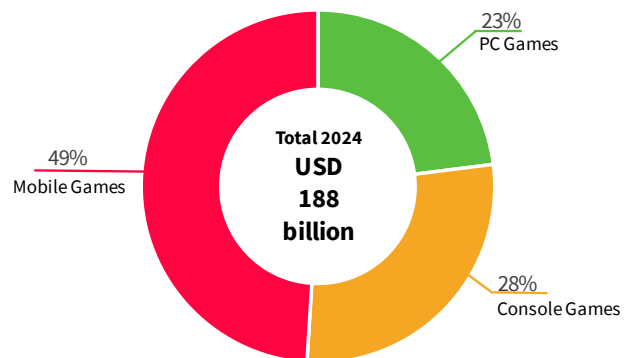
Although all regions continue to grow in the number of players, the Asia-Pacific region continues to be the largest region with 53 percent of the global player base and has seen a continued growth of 4 percent year on year. Overall, Newzoo predicts that the global

player base will grow to approximately 3.8 billion players by 2026.

PARADOX'S SEGMENT

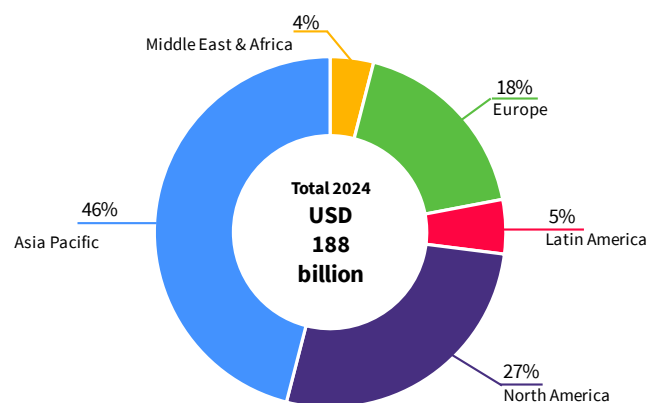
Generally, 2024 has been defined by releases of major titles in all genres. This has caused competition for players' attention, especially on major distribution platforms, to increase noticeably. Likewise, players are more selective with their purchases. That said, demand for Paradox games has continued to be strong, judging by this year's sales.

SEGMENT BREAKDOWN OF GLOBAL GAME REVENUES



Source: Newzoo Global Games Market Report 2024 (August 2024)

REGIONAL BREAKDOWN OF GLOBAL GAME REVENUES



Source: Newzoo Games Market Reports and Forecasts (July 2024)



VALUE CHAIN

Paradox's products, game development and global reach as a publisher give the company a strong position in many parts of the gaming industry's value chain. In every part of the value chain, Paradox strives for sustainable operations; read more on pages 40–46.



The IP owner holds the rights to intangible assets. Paradox owns most of its intangible assets; including Age of Wonders, Cities: Skylines, Crusader Kings, Europa Universalis, Hearts of Iron, Prison Architect, Stellaris, the Surviving games, and Victoria.



Paradox has, after the acquisition of Haemimont Games, six proprietary development studios and well-established relationships with several partner studios that develop new titles, sequels within the company's franchises, adapt existing titles to new platforms, or produce new downloadable content for existing titles.



As a publisher, Paradox evaluates, finances and markets games developed by the company's studios as well as external studios. Paradox publishes games through the main label Paradox Interactive and the experimental label Paradox Arc.



Players buy and play games through distribution platforms. Paradox has well-established collaborations with the biggest players such as Valve, Microsoft, Sony, and Epic.



The number of players in 2024 amounted to 3.4 billion (according to Newzoo). Paradox continuously strives to create a stronger community around the games and thereby strengthen the players' engagement. By the end of the year Paradox's had six million Monthly Active Users.







GAME DEVELOPMENT

Paradox game development focuses on creating new content for its most popular titles while developing new base games.

In the past year, Paradox has developed new content for all of the company's core games, for example Götterdämmerung for Hearts of Iron IV, Sphere of Influence for Victoria 3, Roads to Power for Crusader Kings III, Machine Age for Stellaris and Winds of Change for Europa Universalis IV. In total, Paradox and its partner studios have released 22 expansions for its active titles, complemented by several major free updates to systems and features.

In June, the launch of Life by You was cancelled since the game was deemed unable to meet expectations. This led to ceasing operations of the wholly owned development studio Paradox Tectonic.

CONTINUED FOCUS ON THE CORE

In 2024, the focus has continued to be on strengthening the development of the company's core games. During the year, new sub studios of Paradox Development Studio were created to better focus on the development of active games and projects.

Paradox's studios have also implemented parallel development to meet player expectations and ensure the quality of all releases. Several studios have employed external development support, such as Abrakam who developed Grand Archive and Cosmic Storms for Stellaris. Other studios have worked closely with their modders by developing Content Creator Packs, smaller DLC that are co-developed by modders and the studio. During the year, Hearts of Iron IV released its first.

The company's development studios are actively experimenting with new tools for game development, including AI.

ACCESSIBILITY AND MULTIPLAYER

In recent years Paradox has focused on making it easier to start playing its more complex titles and increasing the games' value for players.

The ambition is to continuously make the games easier to appreciate even for completely new players, without losing the depth that characterises the games. Among other things, this is done through better user interfaces, better introductions to the games, better instructions and a greater breadth of guides and other material. In 2024 Legends of Crusader Kings III was introduced. An initiative to showcase the range of possibilities and options regarding both game mechanics and storytelling.

Multiplayer continues to be an important area of development for Paradox, as it provides an additional social dimension and extends the lifespan of the games. In the past year, several studios have continuously updated their multiplayer functionality.



INTERVIEW

PETER NICHOLSON – GAME DIRECTOR, HEARTS OF IRON IV

Hearts of Iron IV has had a strong year. Looking back, what stands out to you and the team?

2024 was the first year where the long-term business strategy came to fruition, and to satisfying results. We've managed to double our release cadence, greatly increase the value and scope of content delivered to players, and break records in more or less every KPI.

The Götterdämmerung DLC was one of Hearts of Iron IV's most successful releases ever, why?

Most importantly, it gave the players what they wanted. Secondly, we were able to create an extremely cohesive core fantasy for the expansion - every feature, narrative, and marketing beat fed into the same fantasy: the whole became greater than the sum of its parts. Lastly, our companion War Effort updates have allowed us to focus on stability and maintenance outside of the primary development cycle - Götterdämmerung launched into a stable, performative environment with a much-reduced technical risk.

There's been a number of free updates in 2024, what are the major changes you made to the game?

Our free updates have focused on maintenance, stability, and general fixes. In addition to this we've begun augmenting older content in an effort to make sure there's always something to come back for.

You have a very active community, how have you worked with community feedback?

Shaping a community's understanding is not a reactive task, it's one that requires persistence, and patience. I consider it a duty to be out there soliciting as much feedback as possible and engaging with fans as a member of the community rather than as a faceless entity.

What does the future hold for Hearts of Iron IV?

It's our plan to use the resounding success of 2024 to springboard the next phase of Hearts of Iron's expansion. While I can't give too much away, it is safe to say we won't be resting on our laurels.





GAME PILLARS

In order to create strategy and management games that can be explored and experienced again and again, all development of the company's core games is based on five guiding Game Pillars. They ensure that the games offer deep experiences that give the player many opportunities and interesting challenges.



AGENCY

Paradox games give players the freedom to live out their fantasies, create their own stories and express themselves and their creativity. From customization options, game rules and modding to emergent stories and rewriting history, Paradox titles are not linear, plot driven experiences.



LIVING WORLDS

Paradox games feature dynamic, reactive worlds where other forces seem to be pursuing their own goals beyond the control of players. No two game sessions will be the same and players will experience new stories every time they play.



INVITING

Paradox games have compelling themes with a clear promise. Players are enticed to make the effort of learning our games. Which are approachable enough to keep players engaged, onboarding them in their worlds and gameplay systems in a smooth and rewarding way.



CEREBRAL

Paradox games challenge the player's mind before their reflexes. Incredible depth rewards the player's curiosity and intelligence. Our games are hard to master; there is always more to discover. Moreover, players can "nerd out" on the themes and subject matters even when not playing.



ENDLESS

One does not simply "finish" a Paradox game. Either you keep coming back for another playthrough or there is no end state at all. Paradox games provide engagement for a long time.





PUBLISHING

Publishing is responsible for the games' marketing, sales and commercial development and consists of two units: Paradox Interactive and Paradox Arc. The main label Paradox Interactive works closely with internal studios and major third-party developers within the company's core segments. The experimental publisher Paradox Arc's task is to find, continuously evaluate and launch smaller and experimental titles in segments that are outside of Paradox Interactive's focus areas.

PARADOX INTERACTIVE

In the past year, the main publisher has worked intensely with marketing and launching DLC and new titles from third party developers. In 2024 Paradox Interactive launched the two new games Millenia and Foundry, released 15 DLC from partner studios, 22 DLC from wholly owned studios and in total published 297 SKU across all platforms.

During the year, significant efforts were made to create strong publishing business that can withstand future challenges: work with third party developers has been restructured, technical skills and development-oriented roles have been added, the community organisation has been reinforced and business- and marketing roles have been directed to be closer to the developers and players.

GROW PARADOX'S CORE

One of publishing's major focus areas is to support the company's active titles in their growth. That is done through the sale of new DLCs, (re)packaging the games' often extensive DLC catalogue, better pricing, localisation to new markets and strengthening the relationship with distribution partners, in order to reach new audiences and provide more ways to partake in the games. In the past year, Hearts of Iron IV has for example released its first Expansion pass, and Stellaris has introduced a subscription model for its DLC catalogue on Steam.

In order to provide players with exciting experiences Paradox has increasingly strived to develop content together with its players. For example, creators and modders for Cities: Skylines and Cities: Skylines II have collaboratively created Creator Packs that contain new music or new buildings.

During the year the company has also developed its range of game related merchandise.

PARADOX ARC

Paradox Arc searches for cost-effective games that are deemed to have higher risk but good potential and which can eventually become part of Paradox's core portfolio. In 2024 the publisher launched several new titles; Tlatoani: Aztec Cities was released in early access and Surviving the Abyss, Mechabellum, Space Trash Scavenger and Nexus 5X was released in version 1.0.



INTERVIEW

NICOLE SAVAGE – MANAGER FOR PRODUCT LAUNCH

What does Product Launch do?

Our goal is to make everyone else look good. We're a centralized team that coordinates with nearly every department—developers, producers, first-party partners, marketing, sales, and external studios. Often described as the "spider in the web," we ensure all the moving parts of a release come together seamlessly.

Our job is to navigate the rule laden part of publishing so everyone else can focus on what they do best. By identifying risks early, we're able to help teams avoid pitfalls and deliver better, more polished games. With nearly 1,000 updates and launches a year, the work is essential. We learn from every release, share insights across teams, and make sure no detail falls through the cracks.

In the past years, many of our projects entered the release phase. What does that entail for your team?

The release phase is where all of the hard work pays off. By the time a game gets here, we've already spent months (or years!) managing compliance, certifications, and coordination across departments.

This is the phase where we're finalizing submissions, troubleshooting last-minute issues, and making sure everything is ready for launch day. It's a whirlwind of activity - a little chaotic, sometimes nerve-wracking, but in the end, incredibly fulfilling.

Can you provide some insight into your work with compliance, what are the major developments in the past year?

Compliance might not be glamorous, but it's absolutely essential, ensuring our games meet the technical and legal standards required by platforms and regulatory bodies worldwide. In simple terms,

compliance means making sure our games meet platform requirements and function properly on every system they release on.

This can include making sure PlayStation trophies unlock correctly, ensuring Xbox cloud saves sync properly, or that Nintendo Switch games display the right controller prompts. It also covers accessibility standards, in-game purchase regulations, and online safety rules to ensure we provide a seamless and fair experience for players.

A key part of this process is our Compliance Designer, who specialises in navigating the compliance jungle. They guide through the maze of requirements and policies, ensuring a smooth path to certification and release.

Some recent developments that we have been working with are ensuring that cross platform multiplayer support is possible in some of our console games. Additionally, we are also working on making sure we can have mods in a selection of our console games.

To increase proactivity and work more effectively, we have taken on new challenges in the past year, such as accessibility requirements, stricter data protection rules, and updates required by next-generation consoles. It's a constant effort that we undertake together with our distribution partners.

Age ratings remain a large topic for publishers, how do you work with the different standards available?

We keep a close eye on trends, like stricter rules around in-game purchases and interactivity, and prepare for new regional requirements as we expand into markets like Asia.

For long-lived titles, ensuring updates and expansions adhere to the original rating is part of our





broader focus on risk mitigation. By planning thoughtfully, we maintain consistency with established classifications while supporting developers' creative freedom. Our age rating specialist works with boards like ESRB and PEGI to make sure everything stays compliant without compromising the vision for our games.

Almost all of our sales are via distribution platforms such as Steam, how do you work with our distribution partners?

We work closely with Steam, Xbox, PlayStation, and others to ensure smooth operations, from build submissions to store pages. We prioritise our collaboration with these partners and ensure that we always have good and open communications. Our centralised team helps Paradox as a publisher stay agile, navigate evolving platform requirements, and continuously improve how we bring games to players.



THE PLAYERS

Paradox exists to create experiences that players love, and the players' sustained engagement strengthens the games' financial longevity and helps Paradox secure recurring and stable revenue over time. They are a source of feedback, ideas, content and energy that make the games even better and long lasting.

The company always strives to strengthen the relationship with, and the engagement of, its players. This is mainly done by offering the players various services and functions as well as building a community around the games.

PLAYER SERVICES

Mods

User-generated content is a key factor in creating player value. That players have the freedom to adapt and improve the games themselves is a strength that drives both game experience and sales. Therefore, the company provides access to the game's code to enable players to make changes to, among other things, mechanics and graphics. As of 2024, Paradox's active games had close to 500,000 mods available.

In 2024 Paradox Interactive has, among other things, attended ModCon, a player-driven convention that showcases new mods made for Paradox games. Furthermore, the company has closely collaborated with content creators in the Cities community in order to develop eight free Region Packs for Cities: Skylines II. Paradox also has its own modding platform where players, whether using PC or console, can download and use the same mods.

Multiplayer

The ability to play with or against each other is becoming increasingly popular and adds an extra dimension to game experience. To continue to promote multiplayer, Paradox has during the year arranged tournaments, for example a world championship for Hearts of Iron IV, and updated multiplayer functionality in several games.

Wikis

Paradox Wiki serves as a knowledge bank for those who want to immerse themselves in Paradox games, by collecting information, guides and strategies. Paradox employs moderators who ensure the quality of the content and develop the Wikis so that they continue to maintain a good level. In 2024, the Wiki pages had approximately 98 million page views.

PLAYER DIALOGUE

Forums

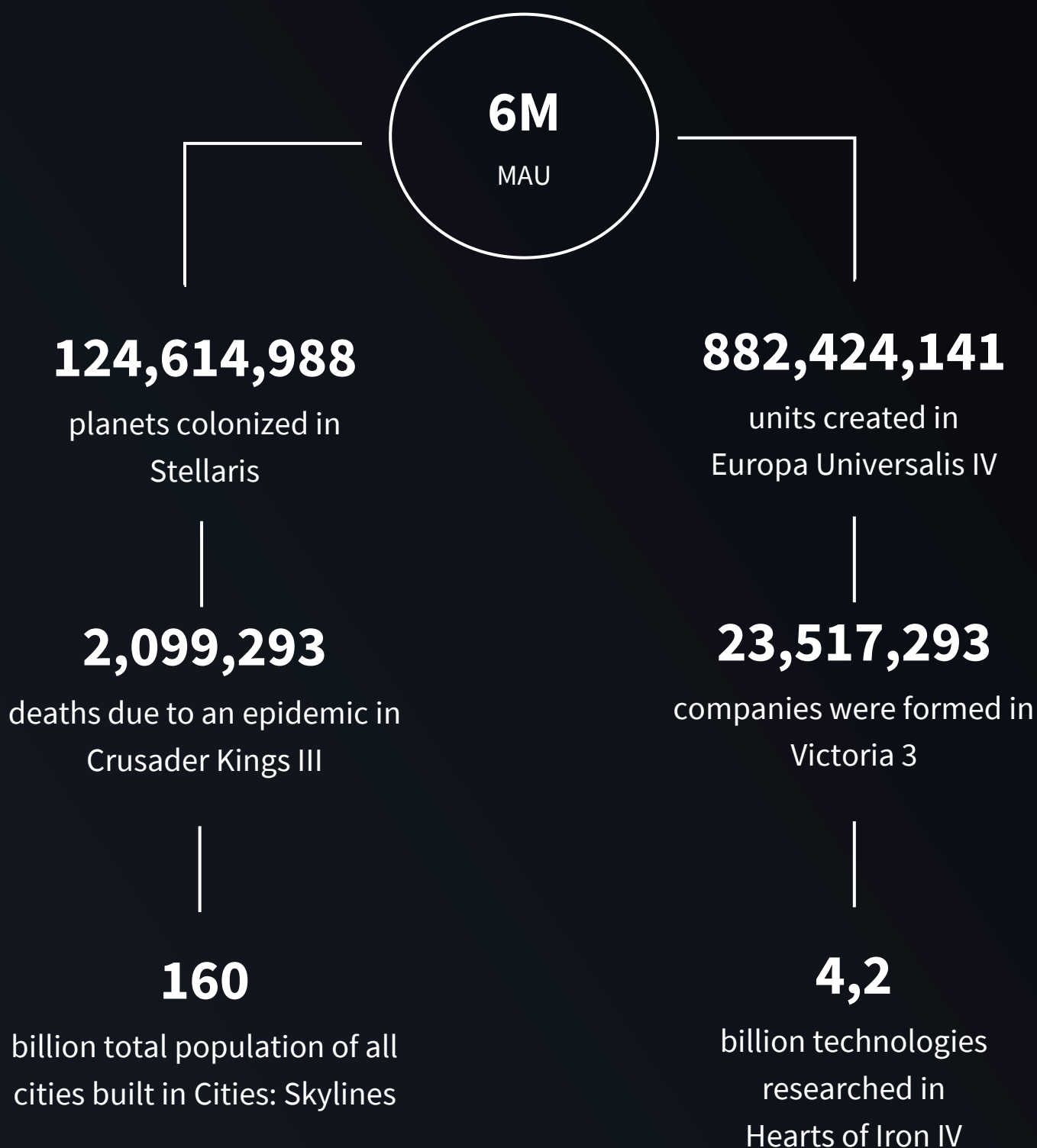
The Paradox forum is one of the company's most important places to build a community around its games. Players can immerse themselves in the games, get inspiration, share insights, game strategies, mechanics and at the same time connect with others who share their interests. Equally important is that Paradox developers can directly discuss with, and receive feedback from, players, for example when they share Developer Diaries about upcoming updates to the games. In total, the forums had around 65 million page views during the year.

Player meetups and streams

To strengthen its community and create more natural meeting places for fans, Paradox annually conducts various player meet-ups, where developers, content creators and players can interact with each other, learn about game news and broaden their interest in Paradox games. During the year, Grandest Lan was held for both Europa Universalis IV, where players met in a multi-day role-playing event and experienced medieval diplomacy. Player meetups were arranged for Crusader Kings III players. On YouTube and Twitch, daily live broadcasts are made where the games are showcased, new releases are presented, campaigns are made together with fans and personal meetings and conversations take place with game developers and other guests.



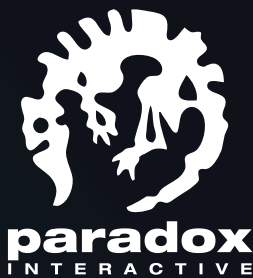
THE PLAYERS IN NUMBERS





ORGANISATION

In 2024, Paradox has continued to focus its organization, in line with the company's strategic direction. During the year, Paradox Tectonic was closed. In addition, the internal studio organization at Paradox Development Studio has been further and more clearly focused. Paradox has employees in several countries, but the majority are based in Sweden. At the beginning of 2025, Haemimont Games, based in Sofia, Bulgaria, was acquired.



PARADOX INTERACTIVE

Stockholm, Sweden

Founded: 1999, but current company registered in 2004

Description: Paradox Interactive is a global publisher of strategy and management games for PC and console and publishes the group's proprietary titles as well as titles from third-party developers. The game catalogue dates to 1999 with players hailing from all over the world. The publishing business also develops the games' communities, manages the company's business development and the licensing business that is linked to the company's intangible assets.



PARADOX DEVELOPMENT STUDIO

Stockholm, Sweden

Founded: 1995, but current company registered in 2007

Description: Paradox Development Studio is the game studio behind successful strategy games such as Crusader Kings, Europa Universalis, Hearts of Iron, Stellaris and Victoria. The studio has developed globally recognised strategy games since 1995. The studio consists of five sub-studios: PDS Green, PDS Teal, PDS Purple, PDS Black and PDS Gold.

Developed games: Crusader Kings, Europa Universalis, Victoria, Hearts of Iron, Stellaris and several other titles.



PARADOX TINTO

Barcelona, Spain

Founded: 2020

Description: Paradox Tinto is currently developing new content for Europa Universalis IV as well as Project Caesar.

Developed games: Project Caesar



ICEFLAKE STUDIOS

Tampere, Finland

Founded: 2007

Description: Iceflake Studios develops management games for both PC and consoles. The studio was acquired in 2020 during the development of *Surviving the Aftermath*, which was released in 2021.

Developed games: *Surviving the Aftermath*.



PLAYRION GAME STUDIO

Paris, France

Founded: 2010

Description: Playrion is Paradox's mobile game studio, focused on the management genre. The studio was acquired in 2020 and in 2022 they released *Airport Simulator: First Class*, which they support with live updates and new features.

Developed games: *Airlines Manager*, *Airport Simulator: First Class*.



TRIUMPH STUDIOS

Delft, Netherlands

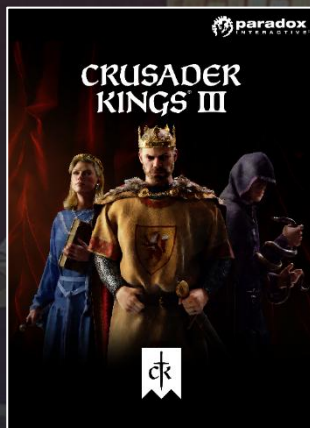
Founded: 1997

Description: Triumph Studios are the creators of the critically acclaimed *Age of Wonders* and *Overlord* series. The studio was acquired by Paradox in 2017. In May 2023 they released *Age of Wonders 4* and have continued to expand the game with DLC.

Developed games: *Age of Wonders*, *Age of Wonders: Planetfall*, *Overlord*.

GAMES

At the end of the year, Paradox's portfolio consisted of 14 games; eight strategy games, five management games and a deck builder. In 2024, Paradox Interactive expanded its portfolio with two games: *Millennia* and *Foundry*. The post-release development of *Star Trek: Infinite* was finalised. The biggest titles, in terms of revenue and number of players were: *Cities: Skylines*, *Cities: Skylines II*, *Crusader Kings III*, *Hearts of Iron IV* and *Stellaris*. Moreover, Paradox Arc's portfolio consisted of five games at the end of the year.



CRUSADER KINGS III

Release date: 1 September 2020

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

Price: USD 49.99

Description: An Heir is Born in Crusader Kings III. Crusader Kings III is the newest generation of Paradox Development Studio's beloved medieval role-playing grand strategy game. Expand and improve your realm, whether a mighty kingdom or modest county. Use marriage, diplomacy, and war to increase your power and prestige in a meticulously detailed map that stretches from Spain to India, Scandinavia to Central Africa.

Publisher: Paradox Interactive

Developer: Paradox Development Studio

Releases 2024: Legends of the Dead (PC), Roads to Power (PC), Wandering Nobles (PC), Legacy of Persia (PC), Tours & Tournaments (XBOX/PS), Friends and Foes (XBOX/PS)



EUROPA UNIVERSALIS IV

Release date: 13 August 2013

Platforms: PC

Price: USD 39.99

Description: The empire building game Europa Universalis IV gives you control of a nation to guide through the years to create a dominant global empire. Rule your nation through the centuries, with unparalleled freedom, depth, and historical accuracy. True exploration, trade, warfare, and diplomacy will be brought to life in this epic title rife with rich strategic and tactical depth.

Publisher: Paradox Interactive

Developer: Paradox Development Studio and Paradox Tinto

Releases 2024: Winds of Change (PC)



HEARTS OF IRON IV

Release date: 6 June 2016

Platforms: PC

Price: USD 49.99

Description: Victory is at your fingertips! Your ability to lead your nation is your supreme weapon, the strategy game Hearts of Iron IV lets you take command of any nation in World War II. It is time to show your ability as the greatest military leader in the world. Will you relive or change history?

Publisher: Paradox Interactive

Developer: Paradox Development Studio

Releases 2024: Trial of Allegiance (PC), Götterdämmerung (PC)



STELLARIS

Release date: 9 May 2016

Platforms: PC, Xbox One, PlayStation 4

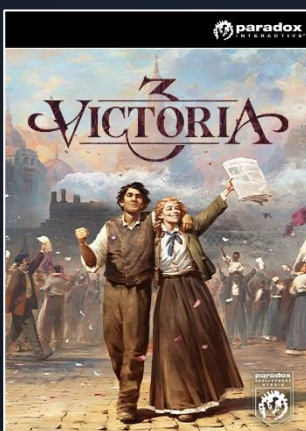
Price: USD 39.99

Description: Get ready to explore, discover and interact with a multitude of species as you journey among the stars. Discover buried treasures and galactic wonders as you spin a direction for your society, creating limitations and evolutions for your explorers. Alliances will form and wars will be declared.

Publisher: Paradox Interactive

Developer: Paradox Development Studio

Releases 2024: Machine Age (PC), Cosmic Storms (PC), Grand Archive (PC), First Contact (XBOX/PS), Galactic Paragons (XBOX/PS)



VICTORIA 3

Release date: 25 October 2022

Platforms: PC

Price: USD 49.99

Description: Build your ideal society in the tumult of the exciting and transformative 19th century. Balance the competing interests in your society and earn your place in the sun in Victoria 3. Lead dozens of world nations from 1836-1936. Agrarian or Industrial, Traditional or Radical, Peaceful or Expansionist, the choice is yours.

Publisher: Paradox Interactive

Developer: Paradox Development Studio

Releases 2024: Sphere of Influence (PC), Pivot of Empire (PC)



AGE OF WONDERS 4

Release date: 2 May 2023

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

Price: USD 49.99

Description: Rule a fantasy realm of your own design! Explore new magical realms in Age of Wonders' signature blend of 4X strategy and turn-based tactical combat. Control a faction that grows and changes as you expand your empire with each turn!

Publisher: Paradox Interactive

Developer: Triumph Studios

Releaser 2024: Primal Fury (PC/XBOX/PS), Eldritch Realms (PC/XBOX/PS), Ways of War (PC/XBOX/PS)



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



MILLENNIA

Release date: 26 Mars 2024

Platforms: PC

Price: USD 39.99

Description: Create your own nation in Millennia, a historical turn-based 4X game that challenges your strategic prowess across 10,000 years of history, from the dawn of humanity to our possible futures.

Publisher: Paradox Interactive

Developer: C Prompt Games

Releases: Ancient Worlds (PC), Atomica Ambitions (PC)



EMPIRE OF SIN

Release date: 1 December 2020

Platforms: PC, PC, Xbox Series One, Playstation 4, Nintendo Switch

Price: USD 39.99

Description: Empire of Sin, the strategy game from Romero Games and Paradox Interactive, puts you at the heart of the ruthless criminal underworld of 1920s Prohibition-era Chicago. It's up to you to hustle, charm and intimidate your way to the top of the pile and do whatever it takes to stay there.

Publisher: Paradox Interactive

Developer: Romero Games



AIRPORT SIMULATOR: FIRST CLASS

Release date: 12 October 2022

Platforms: iOS, Android

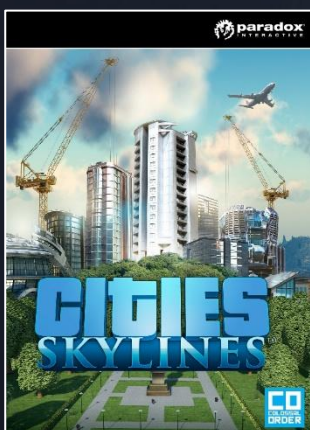
Price: Free, in game purchases

Description: Airport Simulator: First Class allows players to build, develop, and manage the operations of an entire airport. From initial planning and construction through upgrades and additions, players' airports can grow into massive international hubs.

Publisher: Paradox Interactive

Developer: Playrion Game Studio

Releases 2024: Continuous updates.



CITIES: SKYLINES

Release date: 10 March 2015

Platforms: PC, Xbox One, Playstation 4, Nintendo Switch, Playstation 5, Xbox series X|S

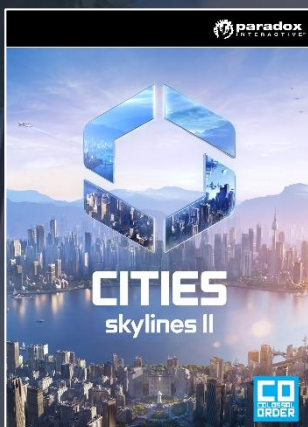
Price: USD 27.99

Description: Cities: Skylines is a modern take on the classic city simulation. The game introduces new game play elements to realize the thrill and hardships of creating and maintaining a real city whilst expanding on some well-established tropes of the city building experience.

Publisher: Paradox Interactive

Developer: Colossal Order

Releases 2024: Content Creator Pack: Mountain Village (PC, XBOX/PS), Content Creator Pack: Maps Pack 3 (PC/XBOX/PS)



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. 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

Releases 2024: Creator Pack: Modern Architecture (PC), Creator Pack: Urban Promenades (PC)



FOUNDRY

Release date: 2 May 2024 (Early Access)

Platforms: PC

Price: USD 29.99

Description: Build a factory optimized to perfection or an artistic masterpiece in an infinite voxel world. Mine and harvest resources, automate your ever-growing production lines and manage complex systems while researching your way to mechanical mastery.

Publisher: Paradox Interactive

Developer: Channel 3 Entertainment



SURVIVING MARS

Release date: 15 March 2018

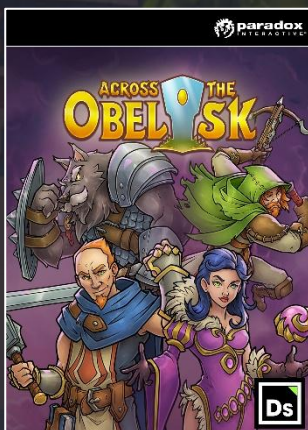
Platforms: PC, Xbox One, Playstation 4

Price: USD 29.99

Description: The sci-fi and colony builder game Surviving Mars offers an alien challenge where you build one of humanity's first colonies on Mars. Build infrastructure, explore and investigate your surroundings and improve your chances of survival, while unlocking the many mysteries hidden in this alien world.

Publisher: Paradox Interactive

Developer: Haemimont Games



ACROSS THE OBELISK

Release date: 16 August 2022

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

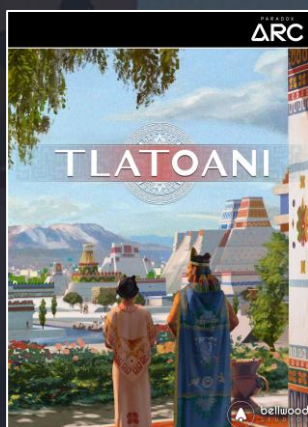
Price: USD 19.99

Description: Across the Obelisk is a coop RPG deckbuilding roguelite. Play solo or with your friends, choose your heroes, unlock items and cards, craft your deck and face powerful enemies in deep tactical combat.

Publisher: Paradox Interactive

Developer: Dreamsight Games

Releases 2024: The Obsidian Uprising (PC/XBOS/PS), Nenukil, The Engineer (PC/XBOX/PS)



TLATOANI: AZTEC CITIES

Release date: 12 October 2022 (Early Access)

Platforms: PC

Price: USD 19.99

Description: Give rise to wonders of the Aztec Civilization as you build your own magnificent metropolis in this ancient city builder. From humble beginnings, trade manage and conquer to become Tlatoani.

Publisher: Paradox Arc

Developer: Perspective Games, Bellwood Studios



STARDEUS

Release date: 12 October 2022 (Early Access)

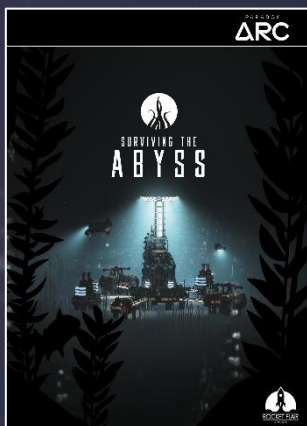
Platforms: PC

Price: USD 29.99

Description: Stardeus is a deep colony sim set on a broken starship manned by drones and hibernating human survivors. As the AI, have your drones repair your ship, save your crew, and travel the stars in this beautiful simulation.

Publisher: Paradox Arc

Developer: Kodo Linija



SURVIVING THE ABYSS

Release date: 5 November 2024

Platforms: PC

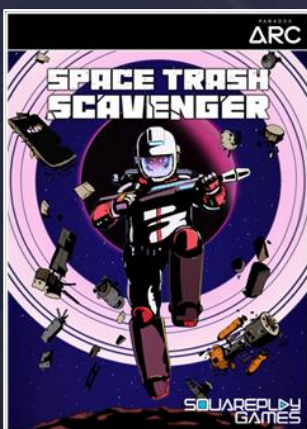
Price: USD 19.99

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 2024: Version 1.0



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

Releases 2024: Version 1.0



NEXUS 5X

Release date: 18 April 2024

Platforms: PC

Price: USD 14.99

Description: Nexus 5X 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 seven other players, plotting, battling and backstabbing your way to galactic dominance.

Publisher: Paradox Arc

Developer: Whatboy Games

Releases 2024: Version 1.0



MECHABELLUM

Release date: 26 September 2024

Platforms: PC

Price: USD 14.99

Description: Mechabellum is an epic auto-battler taking place on the newly colonized planet of Far-Away. You're the Commander of an army of mechs fighting it out in massive PvP battles. Customize and level up your units, strategically place them on the battlefield and watch them destroy your enemies.

Publisher: Paradox Arc, new publisher after year-end.

Developer: Game River

Releases 2024: Version 1.0



ADMINISTRATION REPORT

The Board and the CEO of Paradox Interactive AB (publ), 556667-4759, hereby present the annual report for the financial year 2024.

INFORMATION ABOUT THE OPERATIONS

Paradox Interactive is one of the premier developers and publishers of strategy and management games on PC and consoles. The group today consists of publishing and six studios in six countries that develop gaming experiences for the company's six million monthly active users. The players are located all over the world but some of the biggest markets are North America, Western Europe, and Asia.

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

The games are developed by Paradox Development Studio in Stockholm, Triumph Studios in Delft, Playrion Game Studio in Paris, Iceflake Studios in Tampere, and Paradox Tinto in Barcelona. In addition, Paradox collaborates with several external partner studios.

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

The parent company is based in Stockholm.

SIGNIFICANT EVENTS DURING THE YEAR

New games were released as below;

- Millennia, developed by C Prompt Games, was released to PC.
- Foundry, developed by Channel 3 Entertainment, was released in Early Access to PC.
- Tlatoani, developed by Perspective Games and Bellwood, published by Paradox Arc was released in Early Access.
- Space Trash Scavenger, developed by SquarePlay Games and published by Paradox Arc, was released in version 1.0.

Downloadable content was released as below;

- Across the Obelisk – The Obsidian Uprising, Nenukil, the Engineer
- Crusader Kings III – Legends of the Dead, Roads to Power, Wandering Nobles
- Hearts of Iron IV – Trial of Allegiance, Götterdämmerung
- Age of Wonders 4 – Primal Fury, Eldritch Realms, Ways of War
- Cities: Skylines – Mountain Village, Map Pack 3
- Cities: Skylines 2 – Beach Properties, Urban Promenades, Modern Architecture
- Millennia – Ancient Worlds, Atomic Ambitions
- Stellaris – The Machine Age, Cosmic Storms, Grand Archive
- Victoria 3 – Sphere of Influence, Pivot of Empire
- Europa Universalis IV – Winds of Change

The following games and downloadable content were ported to console;

- Across the Obelisk was released to Nintendo Switch
- Crusader Kings III – Friends & Foes, Tours and Tournaments
- Stellaris – Galactic Paragons, First Contact

Other events;

- The launch of the game Life by You, developed by Paradox Tectonic, was cancelled which resulted in a write-down of all capitalized development costs of MSEK 208.0.
- The game Mechabellum, developed by Game River and published by Paradox Arc, left early access and was released in version 1.0 to PC. After the release it was decided to sell the game back to the developer.

EXPECTED FUTURE DEVELOPMENT

In the coming year, continued strong profitability is expected. Three announced games are awaiting release; Vampire: the Masquerade - Bloodlines 2, developed by Hardsuit Labs and The Chinese Room, Prison Architect 2, developed by Double Eleven and Escape the Mad Empire, developed by XperimentalZ Games. Development is also underway on several yet to be announced games.

REVENUES AND PROFIT

Turnover amounted to MSEK 2,200.9 (MSEK 2,642.1), a decrease of 17 % compared to the previous year. The revenue for the year is mainly attributable to Cities: Skylines, Cities: Skylines II, Crusader Kings III, Hearts of Iron IV, and Stellaris.

Cost of goods sold amounted to MSEK 1,203.6 (MSEK 1,567.3), attributable to game development, development support, operation and maintenance of games, costs for licenses, trademarks, and similar rights, and revenue-based contingent consideration to development studios and other rights holders.

Amortisation on released games amounts to MSEK 403.7 (MSEK 677.8). Amortisation has decreased mainly because the comparison period included amortisation of the Lamplighters League of MSEK 149.6.

Write-downs for the period within cost of goods sold amount to MSEK 208.0 (MSEK 185.4). The write-downs refer to Life by You. The comparative period's write-downs refer mainly to The Lamplighters League, amounting to MSEK 170.9

Amortisation of licenses, trademarks and similar rights amounts to MSEK 55.1 (MSEK 82.5)

In addition to amortisations and write-downs within the item, a total of MSEK 505.2 (SEK 586.8 million) 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 a decrease in royalties compared to the comparative period as a result of the previous year's release of



Cities: Skylines II, developed by external game developer Colossal Order.

Non-capitalised development costs are at the same level as in the comparison period. Costs for development support, operation and maintenance of games are also at the same level as in the comparison period.

Selling expenses for the period amounted to MSEK 223.9 (MSEK 291.1). Costs have decreased primarily as a result of cost reductions in relation to previous year's releases of Cities: Skylines II and The Lamplighters League.

Administration costs for the period amounted to MSEK 99.7 (MSEK 99.2). Costs for administration are generally unchanged over time and are relatively unaffected by the rest of the business.

Other operating income amounted to MSEK 58.3 (MSEK 20.9), and other operating expenses to MSEK -10.7 (MSEK -47.4). Other operating income and other operating expenses mainly consist of exchange rate movements in foreign currency on the group's cash and cash equivalents, operating receivables, and operating liabilities during the year.

Operating profit amounted to MSEK 721.4 (MSEK 657.9). Financial items amounted to MSEK 35.9 (MSEK 29.9). Financial items mainly consist of calculated interest on lease liabilities and interest received from cash and cash equivalents. Previous year, the shares in the associated company Hardsuit Labs were sold to Keywords Studios, which affects financial items by MSEK 0.0 (MSEK 15.4).

Profit after financial items amounted to MSEK 757.3 (MSEK 687.8), and profit after tax amounted to MSEK 584.6 (MSEK 530.6).

FINANCIAL POSITION

Capitalised development amounted to MSEK 1,454.3 (MSEK 1,463.2) at the end of the period. The financial statement line refers to both games that have not yet been completed and games that have been released and subsequently been amortised.

Licenses, brands, and similar rights amounted to MSEK 52.7 (MSEK 105.5).

Goodwill amounted to MSEK 23.1 (MSEK 22.4), attributable to the acquisition of Iceflake Studios.

Right-of-use assets for offices amounted to MSEK 69.7 (MSEK 112.5).

Accounts receivable at the end of the period amounted to MSEK 280.1 (MSEK 358.2).

Cash and cash equivalents at the end of the period amount to MSEK 1,469.4 (MSEK 1,098.0).

Equity amounts to MSEK 2,909.6 (MSEK 2,620.5).

Long-term leasing liabilities amount to MSEK 33.9 (MSEK 76.0), consisting of liabilities for office premises.

Deferred tax liabilities amount to MSEK 163.5 (MSEK 144.0) mainly attributable to untaxed reserves and intangible assets from acquisitions.

Short-term lease liabilities amount to MSEK 30.9 (MSEK 32.6), consisting of short-term liabilities for office premises.

Accrued expenses and prepaid income amount to MSEK 326.1 (MSEK 493.9) at the end of the period. Prepaid income has decreased compared to the previous year mainly because of the releases of downloadable content for Cities: Skylines II. Royalty accruals to game developers have also decreased compared to the previous year.

CASH FLOW

The period's cash flow from operating activities amounted to MSEK 1,123.5 (MSEK 1,451.8), primarily attributable to the operating profit, adjusted for depreciation, amortisation and write-down. Cash flow from investment activities amounted to MSEK -403.2 (MSEK -848.3), mainly referring to investments in gaming projects. Cash flow from investment activities includes effects from investments in bonds amounting to MSEK 200.5 (MSEK -195.3). Cash flow from financing activities amounted to MSEK -355.2 (MSEK -249.0) mainly relating to dividend to shareholders amounting to MSEK -316.9 (MSEK -211.2) and amortisation of lease liabilities for office premises.

RESEARCH AND DEVELOPMENT

The group conducts research and development within game development for the group's internally as well as externally developed game projects. Internally developed games are developed in the group's subsidiaries Paradox Development Studio, Triumph Studios, Iceflake Studios, Playrion Game Studio, and Paradox Tinto. For external game projects, third-party studios are contracted for the development work that takes place. The costs mainly consist of personnel costs and, to some extent, directly attributable overheads. There are two categories of games in the company's operations - proven and unproven. Proven games are capitalised after the prototype stage while unproven games are capitalised after the alpha stage. This means that the research phase for proven games is the period up to the pre-production phase, while unproven games are still considered to be in the research phase during the pre-production phase. During the game project's research phase, the costs are taken on an ongoing basis. As soon as the development phase has begun, the costs are capitalised as balanced expenses for development work. When a game is completed and released to the market, it is amortised using the amortisation method that best reflects the economic benefits of the game.

PARENT COMPANY

The parent company consists of 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 them 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.

The parent company's turnover for the year amounted to MSEK 2,214.8 (MSEK 2,647.8). Operating profit amounted to MSEK 455.6 (MSEK 282.0). Profit after financial items amounted to MSEK 432.6 (MSEK 331.1). Group contributions received from subsidiaries amounted to MSEK 140.0 (MSEK 220.0), and the change in tax allocation reserves amounted to MSEK -150.0 (MSEK -120.0). Profit after tax amounted to MSEK 307.9 (MSEK 333.5).



SIGNIFICANT RISKS AND UNCERTAINTIES

Dependence on key personnel and employees

Paradox is highly dependent on its employees' experience and competence. Recruiting and retaining competent staff is a precondition for the group to continue to perform and act competitively in the market. If the group loses key personnel, it could in the short term have negative consequences in terms of delays in the project, dropped connections, and ultimately affect the consolidated financial position and results.

Dependence on a few distributors

Group sales are largely conducted through a few digital platforms. That the platforms can continue to provide the digital platforms is a precondition for the group to continue to generate revenue from them. If any key platform owner for some reason were forced to take down its platform it could in the short-term lead to a loss of income, and a longer interruption could affect the group's financial position and results. Paradox is also dependent on whether the financial information provided by the distributors is complete and Paradox relies largely on those revenues reflecting the players' actual purchases.

Delay of game projects

Delays in planned and ongoing game projects can have a negative impact on cash flow, revenue, and operating margins. Delays can occur in both internal projects and projects where an external partner is responsible for development.

Cancellation of unfinished game projects under development

If an ongoing game project is deemed to be discontinued before completion, this may have a negative impact on cash flow, revenue, and operating margins. The termination of unfinished game projects can occur in both internal projects and projects where an external partner is responsible for development. For risk concentration, see note 20.

Low revenues from new game launches

At the launch of new games, the risks are that these are not received positively. This can lead to losses in revenue, lower margins, and reduced cash flows. In addition, capitalised development costs risk to be impaired.

Exchange rate fluctuations

The group's revenues are mainly in USD, while the reporting currency is SEK. Although the group has costs in USD as hedging, the exposure of the group is affected by long-term exchange rate fluctuations. At the end of the year no hedging has been made. For financial risk management, see note 42 financial risk management.



FIVE-YEAR SUMMARY

	2024	2023	2022	2021	2020
Revenues, KSEK	2,200,943	2,642,107	1,972,906	1,447,456	1,793,794
Operating profit, KSEK	721,364	657,868	887,146	307,453	632,108
Profit after financial items, KSEK	757,303	687,759	884,440	303,926	628,030
Profit after tax, KSEK	584,628	530,625	708,709	247,770	490,575
Operating margin	33%	25%	45%	21%	35%
Profit margin	34%	26%	45%	21%	35%
Equity/assets ratio	82%	73%	73%	66%	60%
Cash, KSEK	1,469,356	1,098,025	747,506	599,724	767,561
Equity, KSEK	2,909,640	2,620,455	2,292,377	1,661,563	1,508,158
Total assets, KSEK	3,532,350	3,580,126	3,141,427	2,522,693	2,518,068
Number of shares by the end of the period before dilution	105,623,025	105,623,025	105,619,209	105,600,000	105,600,000
Number of shares by the end of the period after dilution	105,623,025	105,885,175	105,619,209	105,853,350	105,889,000
Average number of shares before dilution	105,623,025	105,621,117	105,609,605	105,600,000	105,600,000
Average number of shares after dilution	105,656,190	106,153,901	105,723,810	105,755,565	105,839,159
Equity per share before dilution, SEK	27.55	24.81	21.70	15.73	14.28
Equity per share after dilution, SEK	27.55	24.75	21.70	15.70	14.24
Earnings per share before dilution, SEK	5.54	5.02	6.71	2.35	4.65
Earnings per share after dilution, SEK	5.53	4.99	6.70	2.34	4.64
Dividend per share, SEK	5.00	3.00	2.00	1.00	1.00
Average number of employees	587	649	672	716	567

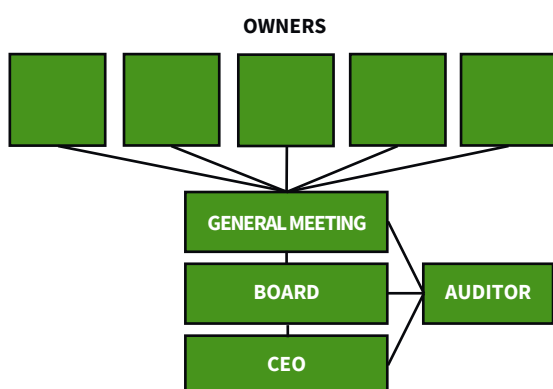
For definition of key figures, see note 41.



CORPORATE GOVERNANCE REPORT

Paradox Interactive AB (publ) is a Swedish public limited liability company and is governed based on Swedish law and internal rules and regulations. Swedish Code of Corporate Governance (the Code) is applicable for Swedish companies with shares listed on a regulated market in Sweden. Nasdaq First North Growth Market where the company is listed is not a regulated market but requires companies to apply the Code. Companies must not comply with all rules in the Code and has the option to apply alternative solutions believed to better fit their purposes, as long as any discrepancies are reported and the alternative solution is described and reasons behind it explained (the principle of comply or explain) in the corporate governance report. The report is contained in the administration report and has been reviewed by the auditor. The audit is reported in the audit report on page 75.

CORPORATE GOVERNANCE MODEL



IMPORTANT EXTERNAL REGULATIONS

- The Companies Act
- Accounting legislation, Bookkeeping Act, Annual Accounts Act
- Nasdaq First North Growth Market – Rulebook
- The Swedish Code of Corporate Governance (the Code)

IMPORTANT INTERNAL REGULATIONS

- Articles of association
- Rules of procedure for the Board of Directors
- Insider policy
- Communication policy
- Finance policy
- Other policies, guidelines, and manuals

CORPORATE GOVERNANCE FOUNDATION

Corporate governance at Paradox Interactive is concerned with ensuring that the company is managed sustainably, responsibly, and as effectively as possible. This is done by having an efficient organizational structure, good internal control, and risk management, as well as correct and transparent internal and external reporting.

SHARES AND SHAREHOLDERS

The share capital of Paradox Interactive AB (publ) consists of one and the same share class. The total number of shares amounts to 105,623,025 shares, where one share carries one vote at general meetings. The number of shareholders was 16,689 as of December 31, 2024. The largest shareholders at the end of 2024 were Westerinvest AB (Fredrik Wester) 33.4%, Investment AB Spiltan 15.3% and Tencent Holdings Limited 10.1%.

Shareholders make the decisions about the company's governance by establishing the Articles of Association at the annual general meeting (AGM), which indicate the direction of the business, and appoint the board and the chairman of the board, whose task is to manage Paradox's business on behalf of the shareholders.

GENERAL MEETING

The general meeting is the highest decision-making body in which shareholders exercise their influence over the company. The general meeting is held annually within six months of the end of the financial year. Time and place of the AGM are published at the latest in connection with the third interim report. Each shareholder also has, independent of the number of shares, the right to have a matter addressed at a general meeting on a request to be submitted to the Board of Directors in good time so that the matter can be included in the notice of the meeting. Notice to the AGM and Extraordinary General Meeting where a change in the articles of association is to be resolved, must be made no earlier than six weeks and not later than four weeks ahead of the general meeting. Notice to other extraordinary general meetings must be made no earlier than six weeks and not later than two weeks ahead of the general meeting. Notice of a general meeting shall be made by an announcement in the Official Gazette (Sw. Post- och Inrikes Tidningar) and by making the notice available on the company's website. The company shall advertise in Svenska Dagbladet that notice has been made. Shareholders wishing to participate in a general meeting must be entered in a transcript or other publication of the complete share register covering the status five days ahead of the general meetings and give notice of attendance to the company no later than the day specified in the notice of the general meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve, or New Year's Eve and must not be earlier than the fifth weekday prior to the general meeting. Shareholders or proxies may be accompanied by not more than two assistants, but only if the shareholder notifies the company of the number of assistants in the manner stated in the notice of the general meeting. The general meeting's decision is made by a simple majority of the votes cast. However, some decisions, such as amendments to the Articles of Association, require qualified majority voting.

At the annual AGM the following matters shall be addressed:

1. Election of a chairman of the meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons to verify the minutes.
5. Determination whether the meeting has been duly convened.



6. Presentation of the published annual report and audit report, and, if applicable, consolidated annual report and consolidated audit report.
7. Resolutions on adoption of the income statement and balance sheet and, if applicable, the consolidated income statement and the consolidated balance sheet, on the disposition of the company's profit or loss as shown in the adopted balance sheet, on discharge of liability of members of the board and the CEO when applicable.
8. Determination of the fees to be paid to the Board of Directors and the auditors.
9. Election of the Board of Directors and, if applicable, audit company or auditors and possible auditor deputies.
10. Other matters that may be brought before the meeting pursuant to the Swedish Companies Act or the Articles of Association.

Annual general meeting 2024

The AGM 2024 was held on May 15 in Stockholm. At the meeting 64 % of the votes and thus the same proportion of shares were presented. The following decisions were taken:

The AGM adopted the balance sheet and the income statement for the parent company and the group. The AGM resolved to pay dividends to the shareholders of SEK 3 per share in accordance with the proposal from the board of directors.

The board and the CEO were discharged from liability for the financial year 2023. The AGM decided in accordance with the nomination committee's proposal on the re-election of Håkan Sjunnesson, Fredrik Wester, Mathias Hermansson, Linda Höglund and Andras Vajlok as board members and the re-election of Håkan Sjunnesson as chairman of the board, at least for the time until the end of the 2025 AGM, and that the board within shall elect a new chairman in the event that such chairman's assignment ends prematurely.

The annual general meeting decided in accordance with the nomination committee's proposal that remuneration to the board members should be paid in the amount of SEK 700,000 to the chairman of the board and SEK 350,000 to each of the other board members, and that compensation should be paid in the amount of SEK 85,000 to the chairman of the audit committee and SEK 55,000 to the remuneration committee chairman, as well as 75 percent of the respective chairman's fee to the other members of the committees. Finally, the annual general meeting decided in accordance with the nomination committee's proposal that fees to the company's auditor should be paid according to an approved fee.

The AGM decided, in accordance with the nomination committee's proposal, to adopt the principles for the nomination committee ahead of the 2025 AGM.

The AGM decided in line with the board's proposal to authorise the board to decide on a new issue of shares, convertibles and/or warrants.

The AGM decided to approve the board's proposal for the introduction of the Employee Stock Option Program 2024/2028 and directed a new issue of warrants as well as approval of the transfer of warrants for the fulfillment of the company's commitments under

the warrant program as well as securing social security contributions.

Attendance on the Annual General Meeting

Year	% of votes	% of capital
2024	64	64
2023	70	70
2022	66	66
2021	70	70
2020	73	73

Annual General Meeting 2025

The 2025 Annual General Meeting takes place on May 14 in Stockholm. Notice of the general meeting will be available on the company's website www.paradoxinteractive.com together with all required documents for the AGM.

The nomination committee ahead of the AGM 2025

The task of the nomination committee shall be to present proposals regarding the chairman of the annual general meeting, number of board members, board and auditor fees, composition of the board, chairman of the board, rules for the nomination committee prior to the annual general meeting next year, and the election of an auditor before the 2025 annual general meeting. The chairman of the board must be a member of the nomination committee and be responsible for convening the nomination committee. The members of the nomination committee shall be appointed by the chairman of the board contacting the three shareholders with the largest number of votes as of September 30, 2024, who shall each appoint a representative to, together with the chairman of the board, constitute the nomination committee for the period until the next annual general meeting has been held or, as the case may be, until that a new election committee has been appointed. If any of the three shareholders with the largest number of votes chooses to waive their right to appoint a representative, the right passes to the shareholder who, after these shareholders, has the largest shareholding until the election committee is fully formed.

The nomination committee also has the option of appointing one more member to represent the smaller shareholders. If a member leaves the nomination committee before its work is completed, a replacement must, if deemed necessary, be appointed by the same shareholder who appointed the departing member or, if this shareholder no longer belongs to the three largest shareholders in terms of votes, by the new shareholder who belongs to this group. The composition of the nomination committee must be made public as soon as it is appointed and no later than six months before the annual general meeting. In the event that a change in the ownership structure occurs after the nomination committee has been assembled in such a way that one or more of the shareholders who appointed members of the nomination committee no longer belong to the three largest shareholders in terms of number of votes, the composition of the nomination committee can also be changed accordingly if the nomination committee deems that so is required.

If there are no special reasons, however, no changes shall take place in the composition of the election committee if only marginal changes in the number of votes have taken place or if a change occurs less than three months before the annual general meeting. At its first meeting, the nomination committee shall appoint its



chairman, who shall not be the chairman of the board. The nomination committee shall have the right to obtain resources from the company upon request, such as secretarial functions in the nomination committee, and have the right to charge the company with costs for recruitment consultants if deemed necessary.

The nomination committee's proposal, its reasoned statement to the proposed board and information about proposed board members are published in connection with the call to the annual general meeting.

Members of the nominating committee

Per Håkan Börjesson, chairman (appointed by Investment AB Spiltan)

Håkan Sjunnesson (chairman of the board)

Oscar Ingdahl (appointed by Westerinvest AB)

James Mitchell (appointed by Tencent Holdings Limited)

BOARD OF DIRECTORS

The board is the highest decision-making body after the shareholders' meeting and the company's highest executive body.

Work of the board of directors

According to the Swedish Companies Act, the board is responsible for the management and organisation of the company, meaning that it among other tasks should decide on targets and strategies, ensure routines and systems for the evaluation of the decided targets, continuously evaluate the financial position and development of Paradox and evaluate the executive management. The board is also responsible for ensuring that the annual report, group accounts and the interim reports are produced at the appropriate time. In addition, it appoints the CEO. The board members are elected each year at the AGM until the end of the next AGM.

Composition of the board

According to the articles of association, the board, to the extent it is elected by the general meeting, must consist of a minimum of five and a maximum of eight members. The chairman of the board is elected by the annual general meeting and has special responsibility for the management of the board's work and that the board's work is well organised and carried out efficiently. At the 2024 AGM, the current board was re-elected, represented by the following AGM-elected members; Fredrik Wester, Håkan Sjunnesson, Andras Vajlok, Mathias Hermansson and Linda Höglund as regular members. During the year, the composition of the board met the code's requirements regarding independent members. This means that the majority of the board members elected by the general meeting are independent in relation to the company and company management, of which three are also independent in relation to the company's major shareholders.

Duties of the board of directors

- The board members must give the board assignment enough time and care.
- The members must independently assess the matters that the board has to consider and present opinions and take positions arising therefrom. Each board member must act independently and with integrity and for the benefit of both the company and the shareholders.

- The members must request additional information that is considered necessary for the board to be able to make well-founded decisions.
- The board members must obtain such information about the operations of Paradox and the group, its organisation, the market, etc., as is required for the assignment.
- New board members must participate in the introduction and further training that is required and that the chairman and board members mutually deem sufficient.

Chairman of the board

The chairman of the board is appointed by the annual general meeting. The chairman's task is to organise and lead the board's work so that it is conducted efficiently and that the board fulfills its commitments. Håkan Sjunnesson was appointed at the 2024 AGM as chairman of the board for the period until the next AGM.

Rules of procedure and board meetings

The Board's work is further controlled by the written rules of procedure that the board annually reviews and determines at the constituent meeting. The rules of procedure regulate the board's working methods, tasks, decision-making within the company, the Board's meeting agenda, the chairman's duties, and an appropriate division of tasks between the board and the CEO. An instruction for financial reporting and instructions to the CEO are also decided at the statutory board meeting. The board shall also ensure that the company's external communication is characterised by transparency and is accurate, relevant, and clear. The board is also responsible for establishing the necessary guidelines and other policy documents, such as communications policy and insider policy.

The board's work in 2024

The board's rules of procedure describe, among other things, which items must be found on the agenda at each board meeting, constituent board meeting, and which items must be found at one or more of the board meetings during the year. In 2024, the board held fourteen meetings, one of which is a constituent meeting, and four for the establishment of interim or year-end reports. Ordinary board meetings usually contain information from the CEO, including information linked to the operational position, significant events for the group and as well as financial statements for the period. Key points in the board meetings in 2024 have been questions about, but not exclusively, investment strategies, acquisitions, interim and annual reports, dividend proposals.

Composition of the board and attendance in 2024

Name	Board meetings	Audit committee	Remuneration committee
Håkan Sjunnesson	14/14	5/5	2/2
Fredrik Wester	14/14	-	-
Mathias Hermansson	12/14	4/5	2/2
Linda Höglund	14/14	-	2/2
Andras Vajlok	14/14	5/5	-

Evaluation of the board of directors and CEO

The board shall annually evaluate the work by the board with the purpose to develop the board's routines and efficiency. The results of the evaluation shall be presented to the nomination committee. The board shall continuously evaluate the work of the managing



director. At least once every year, the board shall handle this matter in particular, whereby no person from the company management shall be present.

Remuneration to the board

Remuneration to the board members shall be SEK 700,000 to the chairman of the board and SEK 350,000 to each of the other board members, and compensation shall be SEK 85,000 to the chairman of the audit committee and SEK 55,000 to the chairman of the remuneration committee, as well as 75 percent of the respective chairman's remuneration to other members of the committees.

Board meetings 2024

5/2 2024	Regular meeting	Approval of the year-end and interim reports.
15/2 2024	Regular meeting	Reviewing fixed items.
12/4 2024	Regular meeting	Reviewing fixed items. Approval of the annual report.
17/4 2024	Regular meeting	Reviewing fixed items.
24/4 2024	Regular meeting	Approval of interim report.
15/5 2024	Constituent meeting	Adoption of policies, guidelines, and instructions. Confirmation members and chairman of the Audit committee and the Remuneration committee.
7/6 2024	Regular meeting	Evaluation of game projects.
14/6 2024	Regular meeting	Reviewing fixed items.
17/6 2024	Regular meeting	Evaluation of game projects.
24/7 2024	Regular meeting	Approval of interim report.
4/9 2024	Regular meeting	Reviewing fixed items.
16/10 2024	Regular meeting	Reviewing fixed items.
30/10 2024	Regular meeting	Approval of interim report.
18/12 2024	Regular meeting	Reviewing fixed items.

BOARD COMMITTEES

Audit committee

In connection with the constituent board meeting the board appointed an audit committee consisting of at least three members. The committee's responsibilities are, among other things, to monitor the company's financial reporting and prepare the board's work on quality assurance of the same, to monitor the company's internal control, internal audit and risk management regarding financial reporting, and to establish guidelines for the procurement of additional services from the company's auditor. In addition, the committee shall assist the nomination committee in the preparation of proposals for election of auditors and auditor fees, and continuously meet the company's auditor. All audit committee meetings are minuted and the protocols are given to the board together with a verbal report in connection with the board's decision-making.

Remuneration committee

In connection with the constituent board meeting the board appointed a remuneration committee consisting of at least three members who are not working operationally in the company. The committee's task is to prepare the board's decisions on matters concerning remuneration principles and remuneration and other conditions of employment for senior management. Further, the

committee shall monitor and evaluate current and during this year completed programs for variable remuneration to the senior management and monitor and evaluate the application of the guidelines for remuneration to senior executives which will be adopted by the AGM. The remuneration committee must also monitor and evaluate programs for variable remuneration for company management, the application of guidelines for remuneration to senior executives and current remuneration structures and remuneration levels in the company.

Audit

The auditor shall review the annual report and accounts, and the work conducted by the CEO and board. Following the end of each financial year, the auditor presents a review report and a group audit report to the AGM. According to the articles of association of Paradox, the company shall appoint a maximum of two auditors with or without a maximum of two deputies or a registered audit company. At the AGM 2024 Öhrlings PricewaterhouseCoopers AB was appointed as the auditor of Paradox.

CEO and Senior management

The CEO is appointed by the board and is primarily responsible for the company's management and daily operation. The division of labor between the board and CEO is stated in the Rules of Procedure for the board and instructions for the CEO. The CEO is also responsible for preparing reports and compiling information from management prior to board meetings and presents the material in board meetings. According to the instructions for financial reporting, the CEO is responsible for the financial reporting of the company and must therefore ensure that the board receives sufficient information to enable the board to evaluate the Paradox financial position. The CEO shall keep the board informed of the development of Paradox operations, the volume of sales, the company's results and financial position, liquidity and credit situation, key business events and other circumstances that cannot be assumed to be insignificant to the company's shareholders to the board's knowledge.

Important matters addressed by the CEO and senior management in 2024 included:

The CEO and senior management have presented interim reports on a recurring basis, presented proposals for investments in new game projects, presented the status of the ongoing game development, and proposals for approval of gaming project phases.

REMUNERATION TO CEO AND SENIOR MANAGEMENT

Guidelines last determined by the AGM 2022

Remuneration for senior executives may consist of a fixed cash salary, variable cash compensation, pension benefits and other customary benefits. Senior executives are also covered by the group-wide profit-sharing program, on terms that may not be more favorable than those that apply to all employees. The general meeting can in addition - and independently of these guidelines - decide on, for example, share and share price-related compensation.

Pension benefits, including health insurance, to senior executives must be defined as premiums according to the company's collective agreement ITP1. As a general rule, the fixed salary is reviewed once a year and must take into account the individual's qualitative performance. The remuneration is based on the individual's



commitment and performance in relation to pre-set goals, both individual and joint goals for the entire company.

Remuneration for senior executives must be market-based. In order to determine what is a market-based total compensation and to evaluate prevailing compensation levels, annual comparisons are made with relevant industries and markets. The result of these forms an important input variable when deciding on total compensation for senior executives and other employees.

The variable cash compensation must be linked to predetermined and measurable criteria that can be financial or non-financial. The goals must be designed to promote the company's business strategy and long-term interests, including its sustainability agenda, by, for example, having a clear connection to the business strategy. When the measurement period for fulfillment of criteria for the payment of variable cash compensation has ended, it must be assessed and determined by the board to what extent the criteria have been fulfilled.

The employment conditions and salary of the company's employees have been considered when preparing the board's proposal for these compensation guidelines through information on employees' total compensation and its components, increase and rate of increase over time. The basis has formed part of the remuneration committee's and the board's decision basis when evaluating the reasonableness of the guidelines and the limitations that follow from the guidelines.

Both the company and the CEO must observe a nine-month notice period. For other senior executives, both parties must observe a six-month notice period. In addition, senior executives are not entitled to any compensation in connection with the termination of their employment.

The board has established a remuneration committee. The members of the remuneration committee are independent in relation to the company and company management. The company's CEO is not present at the board's consideration of and decisions on compensation-related issues that concern the person concerned. The committee's duties include preparing the board's decision on proposals for guidelines for remuneration for senior executives. The guidelines shall apply until new guidelines are adopted by the general meeting. The remuneration committee must also monitor and evaluate programs for variable remuneration for company management, the application of guidelines for remuneration to senior executives and current remuneration structures and remuneration levels in the company.

The board may decide to temporarily depart from the guidelines in whole or in part, if in an individual case there are special reasons for it and a departure is necessary to satisfy the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above, the remuneration committee's tasks include preparing the board's decisions on remuneration matters, which include decisions on deviations from the guidelines.

BOARD OF DIRECTORS

HÅKAN SJUNNESSON

Position: Vice chairman of the board, elected as board member in 2010.

Born: 1956

Education: M.Sc. in Business and Economics from Stockholm School of Economics.

Other current assignments: Chairman of the board in Qvalia Group AB, AktivBo Group AB, Resitu Medical AB and Coolstuff AB. Member of the board in NuvoAir Holdings Inc, Captario AB, and Clira AB.

Previous assignments: Investment Manager Spiltan Invest, Managing Partner Nordic Countries Monitor Group, Vice President & Country Manager Gemini Consulting.

Shareholding: 3,091,437 shares - through company.

Independence: Independent in relation to the company and senior management. Not independent in relation to major shareholders, employee of Spiltan Invest.

FREDRIK WESTER

Position: Board member. Elected in 2010.

Born: 1974

Education: International Civil Economics Program, Business School of Gothenburg 1993-1998, International Business Studies at Hokkaido Tokai Daigaku, Sapporo, Japan 1997-98.

Other current assignments: CEO Paradox Interactive. Board member of Q-Group AB and Stark Futures SL.

Shareholding: 35,235,937 shares - through company.

Independence: Not independent in relation to the company and senior management. Not independent in relation to major shareholders.

LINDA HÖGLUND

Position: Board member. Elected in 2020.

Born: 1973

Education: Master of Science in Business and Economics, Stockholm School of Economics.

Other current assignments: CFO Jobandtalent S.L., Non-executive IC member Luminar Ventures AB. Board member CINT AB.

Previous assignments: COO Klarna Bank AB, CFO/General Partner Luminar Ventures AB, CFO Grab, CFO Klarna AB, CFO Electronic Arts Games Europe, CFO Digital Illusions AB, CFO/Co-founder BlueFactory AB, Analyst Investment banking Goldman Sachs.

Shareholding: -

Independence: Independent in relation to the company and senior management. Independent in relation to major shareholders.

MATHIAS HERMANSSON

Position: Board member. Elected in 2019.

Born: 1972

Education: Business Administration, Gothenburg School of Economics and University of Edinburgh.

Other current assignments: CEO at NC Management AB, CFO and Vice President Voi Technology AB. Board member Aityr AB.

Previous assignments: CFO Veoneer Inc and Modern Times Group MTG AB. Executive Chairman at MTGx AB. Board member at CTC Media Inc, Turtle Entertainment GmbH, and MTG eSports Holding AB. Chairman of Viaplay AB, MTG Sport AB, MTG TV AB, Nice Entertainment AB and MTG Radio AB.

Shareholding: 1,000 shares - direct ownership.



Independence: Independent in relation to the company and senior management. Independent in relation to major shareholders.

ANDRAS VAJLOK

Position: Board member. Elected in 2021.

Born: 1971

Education: Bachelor of Science in Economics and Business. Administration at the School of Business, Economics and Law at the University of Gothenburg.

Other current assignments: Board member of Aldeon Invest, Unibap, Besedo, Jumpgate, Renewable Ventures Nordic, Besedo, The Gifted Company, Gazella and Silfverlok Invest.

Previous assignments: CFO of Paradox Interactive, and Head of Post Trade Solutions Equities of Nasdaq.

Shareholding: 100,000 - through company.

Independence: Independent in relation to the company and senior management. Independent in relation to major shareholders.

SENIOR MANAGEMENT

ALEXANDER BRICCA

Position: Chief Financial Officer (CFO)

Born: 1976

Education: Business Law Master's Degree and Business Administration Bachelor's degree, Linköping University, 2000.

Other current assignments: Board member Alyssa AB.

Previous assignments: CFO Viaplay AB, Board member of Stillfront Group AB, CFO Voddler Group AB, Investment Manager Deseven Capital AB, Business lawyer Bricca Affärsjuridik AB, Corporate legal counsel ECI Net AB.

Shareholding: 3,103 shares - direct ownership. 97,000 warrants – direct ownership.

CHARLOTTA NILSSON

Position: Chief Operations Officer (COO)

Born: 1970

Education: EMBA, Stockholm School of Economics, and MSc in Physics, and Bachelor's degree in Finance at Umeå University.

Other current assignments: Board member Industrifonden, Nordnet, Advisense and Dataspelsbranschen.

Previous assignments: Vice President Tieto Oy P&L, CEO at SIS, EVP at Vizrt (publ), MD at Ardeno AB, Deputy MD at Epsilon Hightech Innovation.

Shareholding: 97,000 warrants – direct ownership.

MATTIAS LILJA

Position: Chief of Staff (COS) and Deputy CEO

Born: 1972

Education: BSc in Physiotherapy, Uppsala University and History of Science and Ideas, Umeå University.

Other current assignments: Chairman of the Board, Free League Publishing.

Previous assignments: Partner Free League Publishing, Chief Operating Officer, Chief Production Officer, EVP of Studios and other studio and game development roles at Paradox Interactive.

Shareholding: 1,094 shares - direct ownership, 74,500 warrants – direct ownership.

HENRIK FÅHRAEUS

Position: Chief Creative Officer (CCO)

Born: 1973

Education: MSc in Technology and MSc in Education, Luleå University.

Other current assignments: -

Previous assignments: Creative Director, Game Director, Design Director, Producer, and other Game Design related roles at Paradox Interactive.

Shareholding: 33,768 shares, 83,100 warrants - direct ownership.

MATTIAS RENGSTEDT

Position: Chief Business Officer (CBO)

Born: 1980

Education: BSc in Electrical Engineering, Chalmers University of Technology and MSc in Business Administration, Gothenburg School of Business, Economics and Law.

Other current assignments: -

Previous assignments: VP of Sales Paradox Interactive, Commercial Manager Paradox Interactive, Commercial Product Manager ASSA ABLOY, Product Manager Atlas Copco and Group Solutions Manager Niscayah Group.

Shareholding: 13,000 shares - direct ownership, 50,000 warrants – direct ownership.

DANIEL GRIGOROV

Position: Chief Growth Officer (CGO)

Born: 1977

Education: Master of Laws, LL. M., BSc in Business Administration Stockholm University, 1996–2003.

Other current assignments: Board member of Qiiwi Games.

Previous assignments: EVP of Third-Party Development, VP of Business Development and several roles within business development at Paradox Interactive. Co-founder and producer at Hi-Bit Studios and Managing Director at IGN Entertainment Nordic.

Shareholding: 36,500 warrants – direct ownership.

INTERNAL CONTROL

The company has not established a special function for internal audit. Instead, the board undertakes the task. Internal control includes control of the Paradox organisation, procedures, and activities. The aim is to ensure reliable and accurate financial reporting, that the company and group's financial statements are prepared in accordance with the law and applicable accounting standards, and that other requirements are followed. The internal control system also aims to monitor the compliance with the company's policies, principles, and instructions. In addition, the protection of the company's assets is monitored, and the company's resources are used in a cost-effective and timely manner. Furthermore, internal control is conducted through evaluation of implemented information and business systems, and through risk analysis.

INFORMATION AND COMMUNICATION

The company follows a formulated policy regarding internal and external communications. Policies and guidelines are considered essential to ensure accurate accounting, reporting and disclosure. Financial communication takes place through the annual report, interim reports, press releases and on the company's website www.paradoxinteractive.com.



SUSTAINABILITY REPORT

Sustainability is a central part of Paradox's value creation for players, employees, owners, partners, and the societies in which the company operates. Robust and forward-looking sustainability efforts contribute to sound operations, governance and create the conditions for long-term growth in harmony with society. This report constitutes the statutory sustainability report in accordance with the Swedish Annual Report Act.

SUSTAINABILITY TARGETS

Paradox contributes to sustainable development by reducing negative effects from the company's activities, both within its own operations and in its value chain, and by enhancing the positive contribution of its games and operations to peoples' everyday lives.

The starting point for Paradox's sustainability efforts is the 17 UN Sustainable Development Goals. Of these, the company deems that goals 3, 8, 10 and 12 are particularly significant, as their development affects Paradox and the company in turn can have an impact on them.

3. Good health and well-being

By enabling a healthy workplace and work environment, a clear and inclusive corporate culture and increasing the accessibility of its games, Paradox continuously works towards this goal.

8. Decent work and economic growth

As a global employer Paradox has a great responsibility to act to create the best conditions for the company's employees. By offering good working conditions, a safe and healthy working environment, opportunities for personal development, and ongoing reinvestment in the company's operations and future, Paradox works towards this goal. The goal also includes working with the company's supply chain on an ongoing basis.

10. Reduced inequalities

Paradox is convinced that everyone's idiosyncrasies and differences are what create a healthy, engaging, and motivating workplace as well as a player community. By giving employees equal opportunities, the company works towards increased equality, inclusion, creativity, and the ability to innovate. Accessibility is a key term for Paradox, where the games and platforms are available to everyone and contributes to community building and to exploring interests on equal terms.

12. Responsible consumption and production

Paradox has an impact on society, environment and climate through its purchases and collaborations. Through responsible purchasing, good use of resources, efficient operations and governance, the company strives to contribute to responsible consumption and production.

FOCUS AREAS FOR SUSTAINABLE GROWTH

To ensure that efforts are in accordance with the four essential goals of the 17 UN Sustainable Development Goals, Paradox focuses its sustainability efforts into four main areas: High Performing Teams, Responsible Gaming, Long-Term Economic Value and Sustainable Operations. The company's materiality analysis was evaluated and

updated 2022. The sustainability report describes Paradox's view on, and initiatives within, High-performing Teams, Responsible Gaming and Sustainable Operations. Long-Term Economic Value is described in more detail on pages 6-7, as it is closely linked to Paradox's strategic direction.

SUSTAINABILITY GOVERNANCE

Paradox's ambition is to integrate sustainable business in its daily operations; by supporting employees in feeling ownership of aspects of sustainability that are close to one's work assignments, a good collaboration with suppliers and partners, and support from corporate service functions. The company's Board of Directors is responsible for the preparation of the Sustainability Report and approves and evaluates the work of Senior Management.

The day-to-day governance is done by Senior Management, which is responsible for conducting a long-term and sustainable business by deciding on strategy, goals and relevant policies that support sustainable business operations. Sustainability governance is based on the following policies and guidelines:

- The Employee Handbook and Work Environment Policy
- Code of Conduct for all employees. A Code of Conduct for suppliers was developed in 2023 and implementation began.
- Sustainability Policy
- Whistleblower Policy
- Anti-corruption Policy

STAKEHOLDER DIALOGUE

Paradox has several stakeholders who influence or are affected by the company's operations. An important part of the sustainability work is to continuously have a dialogue with and understand the most important stakeholders which are players, distribution partners, employees, and owners. Paradox currently has various dialogues with stakeholders through, for example, employee development dialogues, involvement in player networks, board meetings, dialogues with suppliers, and ongoing dialogues with analysts and shareholders. In 2024, Paradox has, among other things, maintained ongoing dialogue with media about the company's development, invited players to events, and continuously informed investors and shareholders about the company's development, business model and game development.





SUSTAINABILITY RISKS

AREA	EXPLANATION	MITIGATION
High-performing teams	Personnel-related risks are that employees are exposed to unsustainable stress, poor psychosocial conditions, are discriminated against and/or harassed, are excluded in the workplace, or do not have the opportunity to raise work-related problems. It affects well-being, which can have long-term health consequences that affect both work and private life. For the company, it risks affecting the employees' creativity, commitment and group dynamics, which affects the ability to create and sell games. Likewise, it affects the ability to recruit new talent, which affects Paradox's ability to grow.	Paradox monitors and controls overtime, provides conditions for good psychosocial health and strives to create a safe and inclusive workplace. The company offers regular education, training, and benefit programs to employees. In addition, a whistleblower system is in place in order to be able to identify differential treatment and discrimination.
Responsible gaming	Toxic behaviour creates an unhealthy and excluding environment around the company's games. This means that fewer people may want to take part in the company's important player communities, which means that the games risk losing popularity, which affects the company's revenue negatively. Furthermore, Paradox runs the risk of receiving less feedback and having worse interactions with players, which could negatively affect the games' long-term development. Toxic behaviour on player forums also risks affecting the well-being of both employees and players; employees who interact with players in their work may have a worse work environment and players may be excluded from one of their interests due to offensive posts, racism, sexism or similar. Games with high complexity risk reducing their availability, which can affect the company's revenue and exclude players. Too much gaming as measured in time and/or money in the individual's everyday life can lead to negative effects such as reduced well-being and important social or personal financial tasks not being carried out.	Paradox has zero tolerance for all forms of toxic behaviour and has Community Management teams as well as terms of use to counteract offensive posts. The company also offers employees training in social media and player contact. Paradox strives for a more beginner-friendly design in its core games with better in-game startup guides. The company also works to increase the accessibility of the games through guides as well as guidelines for the company's game development. The premium model is based around the player paying once for access to content, and microtransactions that encourage spontaneous purchases are generally not used.
Regulatory risks connected to sustainability	In light of Paradox's multinational operations and public nature, the company risks being affected by various sustainability-related regulations at local and regional levels. Failure to comply with applicable laws and regulations can lead to fines as well as a loss of confidence from important stakeholders such as shareholders. Likewise, climate change and developments in other areas of sustainability are likely to lead to more regulations and policy initiatives that may also affect Paradox's operations.	Paradox continuously monitors regulatory developments and ensures that the company complies with applicable laws and regulations that are related to sustainability.



AREA	EXPLANATION	MITIGATION
Sustainable operations	The actions of suppliers and partners have a direct impact on Paradox's operations if they do not act in a sustainable manner, as this entails risks that are social and/or business ethical. The risks include everything from Paradox receiving an inferior result from the business relationship with the stakeholder to Paradox's reputation being affected. Furthermore, unsustainable actions by a supplier or partner can affect their employees and the societies in which the supplier or partner operates in a negative way.	Paradox works continuously to identify risks that arise in and of its supplier relationships. The company examines, for example, suppliers and partners, including through site visits. In 2023, a Code of Conduct for suppliers has been developed and started to be implemented.
	Environmental and climate-related risks include that the business has a large footprint, especially when purchasing goods and services. Climate change affects all societies and people and thus the conditions for all business. In the long term, climate change can affect electricity and energy consumption, which affects the conditions for Paradox products that are dependent on computers, consoles and servers. There are also reputational risks linked to the climate issue that can negatively affect owners, partners, players and employees' view of the company.	Paradox produces annual climate statement to continuously evaluate its climate footprint. Furthermore, the company tries to minimise air travel in favour of digital meetings, extend the lifetime of equipment, reduce paper handling and work with suppliers who have a focus on sustainability.
	The foremost business-ethical risk associated with Paradox's operations is small-scale corruption. Corruption risks deteriorating relationships, ending current and future relationships and leading to decisions that are neither business like nor have the company's best interests in mind.	All expenses are approved by a manager and a whistleblower system is in place to better detect irregularities. A Code of Conduct that further clarifies Paradox's view on corruption for employees has been implemented. In addition, the company has established an Anti-Corruption Policy in which departments with external contacts are educated.

HIGH-PERFORMING TEAMS

Amazing gaming experiences are created by creative, skilled and dedicated teams. Paradox therefore has a strong focus on creating the right preconditions to enable them to perform.

Paradox's operations are to be built on a strong foundation of security, trust, inclusion and player focus. Through constant dialogue between company management, unions, managers and employees, Paradox strives to create a work environment that provides the best conditions for developing new gaming experiences.

To promote creativity and productivity, the company strives for good individual physical and mental well-being and frequent development of competence.

Measuring employee well-being and trust

In order to get an understanding of the employees' view of the work environment and their trust in the company, Paradox conducts monthly surveys with the aim of being able to identify risk areas early and quickly implement improvements. Paradox measures this mainly through the engagement score and staff turnover; both are followed up on a monthly basis.

In the engagement score, Paradox has the tech industry as a benchmark in the measurement tool Peakon. To ensure that the company can attract and retain expertise, the long-term goal is to have an engagement score that is in the upper quartile of the tech industry, which means that the company strives for a result of 8.0 on the index's ten-point scale. In 2024, Paradox's engagement index decreased to 7.6 (7.9). The result is slightly below the company's long-term goals and is an effect of announced workplace changes at the end of the year. There is continued strong focus on creating a good working environment for all employees.

Paradox strives to have a long-term staff turnover of 10 percent as it indicates that the company retains competence but has a healthy influx of new talent. In 2024, staff turnover was at a lower level than before, at 14.5 percent (25 percent).

Employee health

A safe and good working environment that enables well-being and performance is a given. Paradox therefore places great emphasis on maintaining and improving the working environment and strengthening the employees' well-being.

In order to create the preconditions for good mental and physical health, Paradox implements various health initiatives for its



employees, offers therapeutic support with external behavioural scientists as well as wellness allowances, also, sick leave is followed up on an ongoing basis. Furthermore, activities are arranged that encourage social bonding and community, which the company considers to be an important dimension of well-being. The company collaborates with safety representatives and unions to continuously improve the working environment. The company's game development projects are also planned so that they are carried out as far as possible without overtime work. In 2024, Paradox has developed its procedures for identifying and responding to the misuse of alcohol, drugs, and gambling. Likewise, all Swedish managers have been offered training in the subject. In addition, the company's managers have been trained in neurodiversity.

	2024	2023	2022	Goal 2025
Attendance rate	97 %	98 %	97 %	≥ 97 %
My workload is sustainable	7.6	7.8	7.9	≥ 8,0

The attendance rate is calculated on the basis of employees' general sick leave during a calendar year. The questions from the employee survey are answered on a 10-point scale where 10 stand for completely agree, 5 for partially agree and 1 for do not agree at all. To be in the upper quartile of the engagement index, Paradox strives for a result that is equal to or greater than the stated target score.

Paradox is slightly below its long-term goal, which is an effect of reorganization of work towards the end of the year. The company will strive to ensure that employees have a good balance between work and leisure. In 2025, the company will continue to focus further on promoting healthy habits and exercise.

Career development and personal growth

For Paradox, a meaningful workplace means, among other things, that employees have many paths to development and self-fulfilment on both a personal and professional level. Therefore, Paradox focuses on the continuous development of employees, where education, career development and impact on commercial decisions are important components.

Within Paradox, a large part of the work takes place in small groups, which makes it important that everyone can take responsibility for, and lead, their own work. Therefore, employees are offered leadership development in different stages depending on their role. In parallel, occupation-specific training is offered depending on the employee's role and skills.

Through systematic training and skills development, the company ensures that all leaders have the knowledge to give their teams the support necessary to handle challenges. Managers are offered, among other things, so-called toolbox trainings to support them in their role as managers, through, for example, training in work environment, salary setting, rehabilitation, and leadership. In addition, the leadership training Great Leaders is offered. During 2024, all employees are also offered training in Self Leadership. Furthermore, the company has encouraged internal informal exchange between managers, through conferences, case assignments, and inspirational lectures."

To ensure that all employees have the opportunity to discuss their development and salary, development talks are conducted twice a year, salary reviews once a year and follow-up discussions in between. Furthermore, Paradox tries as much as possible to recruit internally to give employees the opportunity to take on greater responsibility in their existing field or take on new challenges in other fields.

Game development is a creative and iterative process that requires a breadth of skills that interact. In order for the work to be meaningful and that employees are given the opportunity to grow on a personal and professional level, Paradox strives for the work to take place in small autonomous teams with short decision paths so that everyone has the opportunity to get an outlet for their skills and bring forth their ideas.

	2024	2023	2022	Goal 2025
Internal recruitments	18 %	21 %	25 %	≥ 25 %
I see a path for my career development [...]	7.1	7.2	7.1	≥ 7,3
My manager encourages and supports my development	8.3	8.3	8.4	≥ 8,2

Internal recruitments are calculated on the basis of all internal appointments made to all recruitments made during the year. Positions appointed without internal advertising are not include. The questions from the employee survey are answered on a 10-point scale where 10 stand for completely agree, 5 for partially agree and 1 for do not agree at all. To be in the upper quartile of the engagement index, Paradox strives for a result that is equal to or greater than the stated target score.

In 2024, the number of internal recruitments decreased by approximately 3 percentage points compared to 2023, which is an effect of reorganization during the year that led to many positions that would otherwise have been advertised being filled. At the same time, employees' views on career development changed marginally (-0.1), and development support from managers is unchanged, each on a ten-point scale and remains in line with the company's long-term goals. The decreased internal recruitment is explained by the fact that the company in several cases made direct recruitments for internal positions without them being advertised externally or internally, in connection with reorganisations

Diversity and inclusion

The making and selling of fantastic games require different approaches and ideas, which is why Paradox strives to have good diversity and inclusion. Paradox has both a gender equality plan, an action plan and a policy on harassment and victimization that are created to ensure that measures are taken in the event of any shortcomings and that the risk of discrimination is minimized. The company wants to assess people based on their skills, treat everyone with respect, and give everyone equal rights and opportunities regardless of gender, ethnicity, age, sexual orientation, transgender identity or expression, religion, or other beliefs, as well as disabilities.



These policies are managed and followed up by the company's Human Resources department. Internal training is conducted with all managers and employees with group responsibilities to ensure that they have satisfactory knowledge in the area. All employees have the opportunity to submit feedback or complaints anonymously, either directly to the Human Resources department, an external firm, safety representatives, union representatives or through employee surveys.

In 2024, the company has continued with its active measures, including offering all of the company's employees training in identifying and handling harassment in the workplace, with further training steps for managers and HR employees. In addition, the company has deepened training efforts in dominance techniques for preventive purposes. 2025, the systematic work continues with training employees and managers, developing case management, and measuring the result through an annual survey. More information about the outcome of the work for 2024 is available in a separate report.

On Paradox Interactive's Board of Directors, one of five board members is a woman, and at the end of 2024 one out of six members of Senior Management was a woman. The group language is English and in most cases language skills in Swedish are not a requirement for employment.

The proportion of women in the group amounted to 23 percent in 2024 compared to 22,5 percent in 2023. A good and strong diversity and equality are important for Paradox's development and the company will continue to work to be a very good and attractive employer. To ensure the ability to both attract and retain female employees, Paradox focuses on the treatment of female employees, in terms of equal treatment and conditions for salary and career development. The starting point is that continued systematic work in these areas strengthens the company's attractiveness. Metrics and goals are based on the legal genders, where the long-term goal is to have an equally high level between women and men.

	Gender	2024	2023	2022	Goal 2025
I am rewarded fairly (e.g., salary, promotion) for my contribution to Paradox Group	Woman	6.7	7.1	6.8	≥ 7,1
	Man	6.9	6.8	6.7	≥ 7,1
People from all backgrounds are treated fairly at Paradox Group	Woman	7.7	8.2	8.0	≥ 8,5
	Man	8.4	8.4	8.4	≥ 8,5

The questions from the employee survey are answered on a 10-point scale where 10 stand for completely agree, 5 for partially agree and 1 for do not agree at all. To be in the upper quartile of the engagement index, Paradox strives for a result that is equal to or greater than the stated target score.

In the question 'I am rewarded fairly [...]', women are slightly less satisfied than men with, for example, salary and promotion, which is a decrease since last year. In 2024, the work on salary mapping continued, where unjustified salary differences between genders, based on seniority level and role, are adjusted. The work progresses

systematically on an annual basis, and during the year, fewer unjustified salary differences were identified compared to 2023

In terms of equal treatment, the result for women has increased marginally (+ 0.1) compared to 2022. However, to a greater extent than women, men still feel that people from all backgrounds are treated fairly, which is an area that the company will continue to work on in 2024 and beyond.

In regard to equal treatment, the result for women has decreased (- 0.5) compared to 2023. To a greater extent, men perceive that people from all backgrounds are treated fairly when compared to women respondents, which is an area that the company will continue to work on in 2025 and beyond.

RESPONSIBLE GAMING

Paradox games and the community that forms around them give players an opportunity to explore and express their interests, regardless of background or circumstances. They provide a social exchange, intellectual stimulation, and opportunity to discuss the games they love with each other and the developers. It is also a community that has a large impact on Paradox's operations.

Paradox, in turn, has the ability to influence the discussion between and with players as they revolve around Paradox games and often take place in channels and on platforms that Paradox owns. By countering toxic behaviour in digital channels, making games accessible to more people, and designing and charging for content in a way that doesn't encourage unsustainable gaming, Paradox wants to promote responsible gaming.

Work against toxicity

Paradox strives to offer everyone a safe and pleasant environment around its games, where those who are interested feel welcome to share their commitment to the company's games with others. In order for the company's player communities to grow in a constructive and safe way, Paradox has zero tolerance for any form of toxic behaviour in the company's channels, which includes racism, sexism, harassment, discrimination, hate speech, bullying or threats as well as attacks against players, the community and the company's employees. The company strives to keep these owned channels, primarily Paradox Forum and Discord, free from such behaviour by regulating it in the terms of use for games and forums, having dedicated staff who moderate the company's platforms, and having a privacy policy. Players are also encouraged to report offensive behaviour on the company's player platforms.

In 2024, the work against toxic forum behaviour has continued, including by developing moderation of the company's platforms and channels and training staff.

Accessibility

Paradox wants to encourage and welcome players to try the company's games, take part in the community around them and get in touch with the company. Paradox facilitates accessibility by:

- Simplifying for new players
- Player contact and transparency
- Protecting privacy
- Guidelines for game development



Simplifying for new players

Many of Paradox's games have a high level of complexity. To make it easier to learn and immerse oneself in the games, the company offers a spectrum of instructional guides; including dedicated Wikis, guides on the forums, and contracted content creators on YouTube and Twitch who create and update beginner's guides for the games.

Furthermore, the company has continued to develop user-friendly design, to make the games easier to learn.

Encouraging player contact and transparency

The company strives for transparency and inclusion in all contacts with players. Game developers, senior executives and other functions make themselves available to players in everything from presentation of and discussions about game and content design to presentation of interim reports. The goal is to continuously take in views and thoughts, and transparently explain the company's decisions and direction. During 2024, multiple presentations were held with game developers as well as the company's management. The company also continues to offer personal customer support to help players get started or fix problems that have arisen.

Protecting privacy

The company's privacy policy regulates the protection of players' privacy and personal data. This is supported by the internal IT policy which is reviewed annually.

Guidelines for game development

The games often take place during controversial periods in history and may therefore contain topics that are sensitive. The company has guidelines for how development teams should approach sensitive topics in game development. Paradox does not allow the games to be used as an excuse for behaviour that is unacceptable today and therefore handles the topics with caution.

Gaming addiction

For many, Paradox games are a medium for relaxation, intellectual challenge, interest exploration and social exchange. Like all entertainment media, however, playing too much, based on the individual's everyday life, can lead to negative effects. Paradox wants to avoid that.

The company's main business model is based on the player paying an upfront cost for access to the content, which is then available without a time limit or additional transactions. Furthermore, the same content cannot be purchased multiple times. This enables game time to be spread out and impulsive purchases to be avoided.

SUSTAINABLE OPERATIONS

Paradox's impact on society occurs partly through the company's daily operations, and partly through the activities carried out by suppliers, distributors, and other stakeholders. Paradox strives to limit the negative impact that its business operation has on the societies in which the company operates by reducing its climate footprint and environmental impact, promoting good business ethics, and using its influence in the value chain to promote serious actors working in line with the UN Global Compact.

Influence in the supply chain

As a party to agreements, Paradox is often directly dependent on the actions of its stakeholders, but also indirectly in that the actions of its stakeholders can influence other stakeholders such as society

and the media. Paradox works in various ways to ensure that all suppliers act in line with the internationally agreed human rights, among other things by requiring contractual counterparties to comply with applicable laws and regulations, for example in relation to labour legislation. In addition to this, emphasis is placed on the professional reputation of counterparties, in order to avoid collaboration with parties that do not apply acceptable conditions. In relation to large counterparties, primarily in game development, the company strives to visit the counterparties before signing agreements.

Climate footprint

Paradox strives to reduce the company's impact on climate change, which changes the living conditions of all people and all businesses. Even though computer game companies have a relatively limited impact on the climate, as product development and sales are done digitally, purchases are made, employees travel, and premises are rented. Furthermore, the companies' products require the player to have access to hardware such as computers or consoles. These require a certain amount of electricity consumption during use.

In order to map the company's climate impact, an annual climate footprint calculation is carried out in accordance with the Greenhouse Gas protocol (GHG protocol). Paradox currently has no emissions within Scope 1 as the company does not have a company-owned vehicle fleet or stationary combustion of fuel. The company has not been able to include all of Scope 3 in its calculations. For example, it was not possible to measure the players' electricity consumption when they play one of Paradox's games on computer or console.

Emissions per category

Paradox's total emissions decreased to 275 tCO₂e (739 tCO₂e). In terms of areas of emissions, business travel is the largest with emissions of 143 tCO₂e (343 tCO₂e), followed by electricity and heating with emissions of 97 tCO₂e (275 tCO₂e), and then purchased goods and services with emissions of 34 tCO₂e (117 tCO₂e).

Distribution per category, market-based reporting, tCO₂e

Category	2024	2023	2022
Business travel	143	343	220
Electricity and heating *	97	274	278
Purchased goods and services	34	117	166
Servers	1	5	6
Total	275	739	670

** Electricity and heating include the direct emissions from electricity and heat generation within Scope 2 as well as upstream emissions from the use of electricity and heat within Scope 3.*

Emissions per Scope

Scope 2

Within Scope 2, Paradox emits 72 tCO₂e (220 tCO₂e), mainly through the company's offices. International offices account for the largest climate footprint, while offices in Sweden account for a smaller portion due to the availability of green electricity and heating. The change from 2023 is mainly due operations in Umeå, Malmö, Seattle, and Berkeley having completely vacated their premises, which has significantly reduced consumption and associated emissions.



To reduce the impact, Paradox works with property owners who have a distinct focus on sustainability, for example the group headquarters in Stockholm uses green electricity and district heating, which has a large impact on the climate footprint.

Scope 3

The majority of Paradox's emissions are in Scope 3. Business travel is the company's single largest climate-influencing factor within this Scope. The reduction is mainly due to fewer medium- and long-distance trips, as the number of passenger kilometers has decreased from approximately 1,300,000 to approximately 520,000. The reduction is due to lower event attendance and the fact that the company has not organized any global staff conference during the year.

The purchase of IT equipment for the company's operation and employees is the second largest climate influencing factor within Scope 3 with 34 tCO₂e (117 tCO₂e). The reduction can be explained by fewer purchases made during the year, since fewer offices are being operated.

Upstream emissions from the use of electricity and heat are the third largest climate influencing factor within Scope 3 with 25 tCO₂e (54 tCO₂e). The reduction is attributable, among other things, to better data for certain offices as well as office premises being vacated.

Servers account for the smallest emissions within Scope 3, however, it was not possible to obtain data from all the company's cloud providers, so the emissions are likely to be greater than reported.

To ensure reasonable travel, Paradox favours train travel and public transport whenever possible. To reduce emissions created by the company's IT purchases, the company works with well-established suppliers of both hardware and server capacity that have a strong focus on sustainability and products that are well developed from a climate and environmental perspective. Furthermore, the company has decided to extend the life of all IT equipment to avoid excessive consumption that affects the company's climate footprint.

Impact per Scope, location-based reporting, tCO₂e

Scope	2024	2023	2022
2	65	154	165
3	195	512	450
Total	260	666	615

Impact per Scope, market-based reporting, tCO₂e

Scope	2024	2023	2022
2	72	220	214
3	202	519	457
Total	275	739	670

Environmental impact

Paradox works to limit the company's environmental impact by minimising the physical part of its operations and transferring as much of its operations as possible to the digital medium. To the extent that travels are required, for example to game fairs, Paradox minimizes the number of travellers to reduce the environmental impact and external meetings should as far as possible be held via a digital platform instead of having physical meetings.

Furthermore, Paradox acts to minimise the use of paper by using e-signing systems for agreements and other digital document management systems to the extent possible. The environmentally friendly technology that Paradox primarily is involved in spreading and developing is the transition from games in physical distribution, to games in completely digital form that are downloaded from the internet. This transition in part contributes to reducing the environmental impact from the production of the physical products and in part to reducing the environmental impact from the transport of the physical products and has been widely spread in the gaming market. Paradox sells over 95 % of its games in digital form.

Business ethics

Paradox's long-term growth and success depends on the company's relations with players, employees and other stakeholders being good. Especially when Paradox is in a growth phase, the company is dependent on attracting new players, new staff, new development studios and new partners. The cornerstone of good relationships is acting in a business-ethical way since it is the starting point for all business relationships and transactions that are based on trust.

Anti-corruption

Part of business ethics is to counter corruption. Although Paradox believes that corruption is not widespread in the gaming industry, a proactive approach is ensured via an Anti-corruption Policy as well as education in anti-corruption for teams with frequent external contacts.

All expenses must be approved by the relevant person's manager and by the Finance Department, in order to have control over which payments are made by the employees with Paradox funds and thereby counteract the possibility of bribes or the like. The company also has guidelines in the form of an Employee Handbook and manuals for managers, a Code of Conduct and an Anti-corruption Policy as a support for how employees should act in a business-ethical way. The company also has a whistleblower system to increase the probability to notice and remedy actions that are not business ethical. In 2024, no whistleblower reports were received that staff acted unethically or corruptly.



THE SHARE, OWNERSHIP, DIVIDEND POLICY AND ALLOCATION OF PROFITS

The Share

According to the Articles of Association, the share capital shall be not less than SEK 500,000 and no more than SEK 2,000,000 at a minimum of 100,000,000 shares and at the most 400,000,000 shares. At the end of the year, the share capital amounts to SEK 528,096 by a total of 105,619,209 shares. Each share has a par value of SEK 0.005. The shares are of the same class and are issued in accordance with Swedish law and are denominated in Swedish kronor (SEK). Each share entitles the holder to one vote at the general meeting and each shareholder has the right to vote for all shares owned by the shareholder in the company.

Ownership

At the end of 2024 Paradox Interactive AB's largest shareholders are Westerinvest AB 33.4% (Fredrik Wester), Investment AB Spiltan 15.3%, Tencent Holdings Limited 10.1%.

Dividend policy

Paradox's dividend policy is based on the principle that the total dividend should be adjusted to trends in profitability and liquidity, taking into account the group's development, investments, acquisitions and financial position. As long as the group is in a growth phase, this means that the profits are mainly reinvested in the business.

Allocation of profits

The following is at the disposal of the AGM:

Share premium reserve	29,748,416
Retained earnings	566,011,438
Profit for the year	307,901,972
	903,661,825

The board of directors proposes

Distribution to shareholders SEK 3.00 per share	316,869,075
and a special dividend of SEK 2.00 per share	211,246,050
Retained earnings be carried forward	375,546,700
	903,661,825

In the light of good cash flow and strong liquidity in general, the board of directors makes this proposal for a dividend. It is not to be interpreted as a departure or change regarding the company's growth ambitions or strategy, the dividend policy continues to apply going forward.

The board therefore considers that the proposed dividend is justifiable considering the requirements that the business' nature, scope and risks place on the size of the parent company and group equity, consolidation- and investment needs, liquidity and financial position.

Regarding the group's and parent company's results and financial position, reference is made to the following income statements, balance sheets and supplementary information.



INCOME STATEMENT, GROUP (KSEK)

	Note	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Revenues	5	2,200,943	2,642,107
Cost of goods sold	7, 8, 9, 10	-1,203,649	-1,567,321
Gross profit		997,294	1,074,786
Selling expenses	7, 8, 9, 10	-223,881	-291,180
Administrative expenses	7, 8, 9, 10, 11	-99,653	-99,225
Other income	12	58,294	20,916
Other expenses	13	-10,690	-47,428
Operating profit		721,364	657,868
Profit from shares in associated companies	15	-	15,440
Financial income	16	42,103	25,086
Financial expense	17	-6,165	-10,635
Profit after financial items		757,303	687,759
Tax expense	19	-172,675	-157,134
Profit for the year		584,628	530,625

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

Earnings per share attributable to parent company shareholders (SEK):

- before dilution	43	5.54	5.02
- after dilution	43	5.53	4.99

OTHER COMPREHENSIVE INCOME, GROUP (KSEK)

	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Profit for the year	584,628	530,625
OTHER COMPREHENSIVE INCOME		
<i>Items that may be reclassified to profit or loss</i>		
Translation differences	9,511	2,493
Total comprehensive income for the year	594,139	533,118

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



BALANCE SHEET, GROUP (KSEK)

	Note	2024-12-31	2023-12-31
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalised development	20	1,454,313	1,463,202
Licenses, brands and similar rights	21	52,655	105,532
Goodwill	22	23,137	22,350
Total intangible fixed assets		1,530,104	1,591,084
Tangible fixed assets			
Property and equipment	23	8,318	13,034
Right-of-use assets	24, 25	69,679	112,515
Total tangible fixed assets		77,998	125,549
Financial assets			
Other long term assets	28	18,736	18,691
Total financial assets		18,736	18,691
Total fixed assets		1,626,838	1,735,323
Current assets			
Current receivables			
Accounts receivable	29	280,056	358,219
Tax assets		62,136	63,251
Other receivables		10,466	70,420
Prepaid expenses and accrued revenues	30	83,498	57,837
Bonds	31	–	197,051
Total current receivables		436,156	746,778
Cash and cash equivalents	32	1,469,356	1,098,025
Total current assets		1,905,512	1,844,803
TOTAL ASSETS		3,532,350	3,580,126



BALANCE SHEET, GROUP (KSEK)

	Note	2024-12-31	2023-12-31
EQUITY AND LIABILITIES			
Equity	33		
Share capital		528	528
Share premium reserve		29,748	29,748
Reserves		32,194	22,684
Retained earnings including profit for the year		2,847,170	2,567,495
Total equity		2,909,640	2,620,455
Long term liabilities			
Lease liabilities	25	33,911	75,997
Deferred tax liabilities	35	163,460	144,044
Total long term liabilities		197,372	220,041
Current liabilities			
Accounts payable		45,842	52,481
Current tax liabilities		852	95,427
Lease liabilities	25	30,875	32,583
Other liabilities	36	21,697	65,275
Accrued expenses and prepaid revenues	37	326,073	493,864
Total current liabilities		425,339	739,630
Total liabilities		622,710	959,671
TOTAL EQUITY AND LIABILITIES		3,532,350	3,580,126



EQUITY, GROUP (KSEK)

	Note	Share capital	Other capital contributed	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 year		-	-	-	530,625	530,625
Other comprehensive income						
Exchange differences		-	-	-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
Dividend		-	-	-	-211,238	-211,238
Total transactions with owners		0	206	-	-200,260	-200,054
AT THE END OF THE PERIOD 2023-12-31	33	528	29,748	22,684	2,567,495	2,620,455
At the beginning of the period 2023-01-01		528	29,748	22,684	2,567,495	2,620,455
Profit for the year		-	-	-	584,628	584,628
Other comprehensive income						
Exchange differences		-	-	9,511	-	9,511
Total other comprehensive income		-	-	9,511	-	9,511
Total comprehensive income		-	-	9,511	584,628	594,139
Transactions with owners						
Share-based payments staff		-	-	-	11,915	11,915
Dividend		-	-	-	-316,869	-316,869
Total transactions with owners		-	-	-	-304,954	-304,954
AT THE END OF THE PERIOD 2024-12-31	33	528	29,748	32,194	2,847,170	2,909,640

There is no minority interest in the group. All equity is therefore attributable to parent company shareholders.



CASH FLOW, GROUP (KSEK)

		2024-01-01 2024-12-31	2023-01-01 2023-12-31
	Note		
Current operations			
Operating profit		721,364	657,868
Adjustment of depreciation, amortisation and write-downs		710,513	990,312
Other adjustments		12,002	6,079
Interest received		38,705	25,086
Interest paid	25	-6,165	-10,635
Tax paid		-248,071	-184,436
Cash flow from current operations before changes in working capital		1,228,348	1,484,275
Changes in working capital			
Change in current receivables		112,792	-138,630
Change in current liabilities		-217,620	106,196
Cash flow from current operations		1,123,520	1,451,842
Investing activities			
Cash flow from sales of associated companies		-	53,174
Investments in capitalised development		-602,509	-676,045
Investments in licenses, brands and similar rights		-	-27,103
Investments in equipment		-1,161	-3,050
Investments in bonds		-	-336,355
Sales of bonds		200,450	141,100
Cash flow from investing activities		-403,220	-848,278
Financing activities			
Amortisation of lease liability	25	-38,300	-37,722
Paid dividend		-316,869	-211,238
Cash flow from financing activities		-355,169	-248,960
Cash flow for the year		365,130	354,604
Cash and cash equivalents at the beginning of the year		1,098,025	747,506
Exchange rate effect		6,202	-4,084
Cash and cash equivalents at the end of the year	32	1,469,356	1,098,025



INCOME STATMENT, PARENT COMPANY (KSEK)

	Note	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Revenues	5	2,214,766	2,647,805
Cost of goods sold	7, 8, 9, 10	-1,499,633	-1,962,066
Gross profit		715,133	685,739
Selling expenses	7, 8, 9, 10	-208,704	-272,670
Administrative expenses	7, 8, 9, 10, 11	-97,960	-99,437
Other income	12	56,892	15,260
Other expenses	13	-9,718	-46,926
Operating profit		455,642	281,967
Profit from shares in subsidiaries	14	-58,750	-
Profit from shares in associated companies	15	-	35,381
Financial income	16	36,429	20,769
Financial expense	17	-704	-7,003
Profit after financial items		432,618	331,113
Appropriations	18	-10,000	100,000
Tax expense	19	-114,716	-97,573
Profit for the year and total comp income for the year		307,902	333,541
OTHER COMPREHENSIVE INCOME, PARENT COMPANY (KSEK)			
Comprehensive income		-	-
Total comprehensive income for the year		307,902	333,541

Profit for the year and comprehensive income for the year is attributable to the shareholders of the parent company



BALANCE SHEET, PARENT COMPANY (KSEK)

	Note	2024-12-31	2023-12-31
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalised development	20	984,669	1,098,525
Licenses, brands and similar rights	21	23,340	34,855
Total intangible fixed assets		1,008,009	1,133,379
Tangible fixed assets			
Property and equipment	23	1,715	6,143
Total tangible fixed assets		1,715	6,143
Financial assets			
Shares in subsidiaries	27	203,908	305,812
Other long term assets	28	17,393	17,393
Total financial assets		221,301	323,204
Total fixed assets		1,231,024	1,462,726
Current assets			
Current receivables			
Accounts receivable	29	272,841	350,400
Receivables from group companies		198,836	19,144
Tax assets		35,600	58,560
Other receivables		5,102	65,968
Prepaid expenses and accrued revenues	30	89,747	64,945
Bonds	31	–	197,051
Total current receivables		602,125	756,068
Cash and cash equivalents	32	1,131,589	780,059
Total current assets		1,733,714	1,536,126
TOTAL ASSETS		2,964,738	2,998,853



BALANCE SHEET, PARENT COMPANY (KSEK)

	Note	2024-12-31	2023-12-31
EQUITY AND LIABILITIES			
Equity	33		
<i>Restricted equity</i>			
Share capital		528	528
Capitalised development reserve		984,669	1,098,525
<i>Non-restricted equity</i>			
Share premium reserve		29,748	29,748
Retained earnings		566,011	423,566
Profit for the year		307,902	333,541
Total equity		1,888,859	1,885,908
Untaxed reserves	34	755,000	605,000
Current liabilities			
Accounts payable		35,954	43,965
Liabilities to group companies	39	22,681	25,393
Other liabilities	36	4,282	4,122
Accrued expenses and prepaid revenues	37	257,962	434,465
Total current liabilities		320,879	507,944
TOTAL EQUITY AND LIABILITIES		2,964,738	2,998,853



EQUITY, PARENT COMPANY (KSEK)

	Note	Capitalised development reserve	Share premium reserve	Retained earnings	Total equity
At the beginning of the period 2023-01-01		1,408,095	29,542	314,256	1,752,422
Profit for the year		–	–	333,541	333,541
Other comprehensive income		–	–	–	–
Total comprehensive income		–	–	333,541	333,541
Transfer to capitalised development reserve		-309,571	–	309,571	–
Transactions with owners					
Premiums when redeeming warrants		–	1,008	–	1,008
Re-purchase of warrants		–	-802	–	-802
Sharebased payments to employees		–	–	10,978	10,978
Dividend		–	–	-211,238	-211,238
Total transactions with owners		–	206	-200,260	-200,054
AT THE END OF THE PERIOD 2023-12-31	33	1,098,525	29,748	757,107	1,885,908
At the beginning of the period 2024-01-01		1,098,525	29,748	757,107	1,885,908
Profit for the year		–	–	307,902	307,902
Other comprehensive income		–	–	–	–
Total comprehensive income		–	–	307,902	307,902
Transfer to capitalised development reserve		-113,856	–	113,856	–
Transactions with owners					
Sharebased payments to employees		–	–	11,918	11,918
Dividend		–	–	-316,869	-316,869
Total transactions with owners		–	–	-304,951	-304,951
AT THE END OF THE PERIOD 2024-12-31	33	984,669	29,748	873,914	1,888,859



CASH FLOW, PARENT COMPANY (KSEK)

	Note	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Current operations			
Operating profit		455,642	281,967
Adjustment of depreciation, amortisation and write-downs		387,872	679,980
Other adjustments		11,918	7,397
Interest received		33,031	18,973
Interest paid		-704	-3
Tax paid		-91,756	-164,725
Cash flow from current operations before changes in working capital		796,003	823,588
Changes in working capital			
Change in current receivables		113,623	-157,314
Change in current liabilities		-446,757	252,887
Cash flow from current operations		462,869	919,161
Investing activities			
Cash flow from sales of associated companies		-	53,174
Investments in capitalised development		-258,074	-335,236
Investments in licenses, brands and similar rights		-	-27,103
Investments in equipment		-	-1,457
Investments in subsidiaries		43,154	-
Investments in bonds		-	-336,355
Sales of bonds		200,450	141,100
Cash flow from investing activities		-14,470	-505,877
Financing activities			
Received group contributions		220,000	130,000
Paid dividend		-316,869	-211,238
Cash flow from financing activities		-96,869	-81,238
Cash flow for the year		351,530	332,046
Cash and cash equivalents at the beginning of the year		780,059	448,013
Cash and cash equivalents at the end of the year	32	1,131,589	780,059



NOTES (KSEK)

NOTE 1. GENERAL INFORMATION

Paradox Interactive is a global developer and publisher of computer games.

The parent company Paradox Interactive AB (publ) with corporate identity number 556667-4759 is a public limited company registered in Sweden, based in Stockholm. The address of the Head office is Magnus Ladulåsgatan 4, 118 66, Stockholm.

The annual report for the year that ended December 31, 2024, including comparative figures, was approved for publication by the Board of Directors on April 4, 2025, see note 44.

NOTE 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements were prepared in accordance with the Annual Accounts Act, RFR 1 - Supplementary Accounting Rules for Groups and International Financial Reporting Standards (IFRS), as adopted by the European Commission for application within the EU.

The preparation of financial statements in conformity with IFRS requires the use of some important estimates for audit purposes. Furthermore, it requires management to make certain judgments in applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

New and amended standards adopted by the group

Some accounting pronouncements which have become effective from January 1, 2024, and have therefore been adopted do not have a significant impact on the group's financial results or position.

Standards, amendments, and interpretations to existing standards that are not yet effective and have not been adopted early by the group

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 1 January 2024 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Basis of preparation

The group's financial statements have been prepared on an accrual basis and under the historical cost convention. Monetary amounts are expressed in Swedish currency, SEK, and are rounded to the nearest thousands, unless stated otherwise.

Principles of consolidation

The consolidated financial statements include the parent company and subsidiaries' operations until December 31, 2024. All subsidiaries have a closing date on December 31.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

All intercompany transactions and balances are eliminated upon consolidation, including unrealised gains and losses on transactions between group companies. In cases where unrealised losses on intra-group sales of assets are reversed upon consolidation, the impairment needs of the underlying assets are also assessed from a group perspective. Amounts recognised in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the group's accounting policies. Earnings and other comprehensive income for subsidiaries acquired or divested during the year are reported from the date the acquisition or divestment takes effect, as applicable.

Business combinations

The group applies the acquisition method in accounting for business combinations. The consideration transferred by the group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, and the equity interests issued by the group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Contingent considerations are classified either as equity or financial liabilities. Amounts classified as financial liabilities are revalued at fair value each period. Any revaluation gains and losses are reported in the income statement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Investments in associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method. The carrying amount of the investment in associates is increased or decreased to recognise the group's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the group. Unrealised gains and losses on transactions between the group and its associates are eliminated to the extent of the group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The operation is assessed in its entirety, as a segment. The chief operating decision maker is the company's CEO and is responsible for allocating resources and assessing the performance of the operating segments.



Foreign currency translation

The consolidated financial statements are presented in the currency SEK, which is also the parent company's functional currency.

Transactions in foreign currencies are translated to the functional currency, SEK, based on the prevailing exchange rates at the transaction date. Profits and losses in foreign currency resulting from settlement of such transactions and due to the revaluation of monetary items using the closing rate are recognised as other operating income and other operating expenses.

Non-monetary items are translated not on the closing day but are valued at historic cost restated at the transaction date.

In the group's financial statements, all assets, liabilities, and transactions of Group entities with a functional currency other than the SEK are translated into SEK upon consolidation. The functional currencies of entities within the group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into SEK at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into SEK at the closing rate. Income and expenses have been translated into SEK at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

Revenue

Revenue primarily relates to revenue from the provision of interactive content through agreements with platform operators such as Valve, Sony, and Microsoft.

Interactive content consists of software revenue from computer games played either offline or online, or a combination of offline and online. Software revenue is also obtained for downloadable content for computer games sold.

In assessing whether an income should be reported, the group follows a 5-step process:

- Identify the contract with the customer
- Identify the performance obligations
- Determination of the transaction price
- Allocate the transaction price to the performance obligations
- Recognise revenue as the performance obligation is satisfied.

Revenue from the sale of software for computer games and online services is recognised when the group fulfils the performance commitments by transferring control of the computer games and services to the customer. The transaction price of an agreement does not include amounts received on behalf of third parties, e.g., sales taxes such as sales tax, VAT, and similar taxes.

Revenue from the sale of software for computer games is made through the provision of a license to an intangible asset to be able to play the game offline, i.e., no internet connection is required to access the game or its content. The revenue related to the provision of the license is recognised as revenue at the time the control of the games is transferred to the customer.

Some software that can be played offline may also include gaming-related services that are provided over time and are dependent on an Internet connection. Game-related services can, for example, refer to multiplayer functionality, chat functions, etc. The Group makes ongoing assessments for games that can be played offline with regard to any significant performance commitment that is made up of the online services for the game. If the group's provision of the online services constitutes a significant performance commitment in addition to the provision of the offline game, the transaction price is allocated to several performance commitments. To the performance commitment relating to the offline game, revenue is recorded when the customer receives control of the license, and to the performance commitment relating to the online service, the revenue is accrued over an estimated period for the use of the service.

Currently, the group has not classified any revenue attributable to performance commitments for the provision of gaming-related services.

Revenue from computer games that can be played offline is mainly obtained from digital downloading. Revenue is usually recorded when the game can be downloaded by the end-user on a digital platform. Revenue from pre-orders and season passes is recorded based on when download of the game or content to the game can be made by the end user.

In some cases, the group enters into agreements with customers that include guaranteed revenue amounts and sales-based royalties in addition to the guarantee amounts in exchange for the provision of a gaming license in certain markets and / or certain platforms. These arrangements may include several performance commitments, including the provision of the license, rights to additional game releases and downloadable content, updates, and royalty payments from sales to the end user. Establishing performance commitments and transaction prices for guaranteed revenue amounts requires significant estimates and assessments by group management.

The group recognises a contractual debt when it has received compensation for unfulfilled performance commitments and recognises these amounts as prepaid income in the statement of financial position. Similarly, if the group fulfils a performance commitment before the consideration is received, the group reports either a contract asset or accrued income in the statement of financial position, depending on whether anything other than the time aspect is decisive for when compensation is due.

Cost of goods sold

Cost of goods sold refers to the cost of game development, operation, and maintenance of games, as well as royalties to external game developers and other rights holders.

**Selling expenses**

Selling expenses refer to costs in sales, marketing, and PR.

Administrative expenses

Administrative expenses refer to costs for central support functions.

Other operating income and other operating expenses

Other operating income and other operating expenses are reported as income and expenses that are outside ordinary activities. The item mainly includes exchange rate gains and losses in operations as well as revaluation of contingent considerations reported in the income statement.

Income tax

The tax expense reported in the income statement consists of the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. Calculation of current tax is based on tax rates enacted or substantively enacted at the reporting date. Deferred income tax is calculated using the liability method, on temporary differences.

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the financial year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

Other intangible fixed assets**Initial recognition of intangible assets***Capitalised development expenditure*

Expenditure on the research phase of a project to develop computer games is expensed in the period in which they arise.

Expenses directly attributable to a project's development phase are recognised as intangible assets provided they meet the following requirements:

- The development expenditure can be measured reliably
- That the project is technically and commercially feasible
- That the group has the intention and sufficient resources to complete the project
- The group have the ability to use or sell the software
- That the software will generate probable future economic benefits

Development expenditures that do not meet the criteria for capitalisation are expensed as incurred.

Directly attributable expenses include personnel costs incurred in the process of software development along with an appropriate portion of relevant overheads and external development costs invoiced.

Licenses, brands, and similar rights

Licenses, brands, and similar rights that meet the conditions to be reported separately in a business combination are accounted for as intangible assets and are initially measured at fair value.

Reporting in subsequent periods

All finite-lived intangible assets, including capitalised internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line or degressive basis over their estimated useful lives. The choice of depreciation method is made for each game based on how the financial benefits of the games are expected to be consumed. Current games that apply a degressive method are depreciated by 1/3 during the first month of the period, 1/3 during month 2-6, and 1/3 during month 7-18. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing.

The following useful lives are applied:

- Brands 5–10 years
- Capitalised development 1,5 years

Internally developed software that has not yet been completed, and that has been activated, are not amortised but assessed for impairment.

Depreciation and write-downs of licenses, brands and similar rights, and capitalised development expenditure are included in cost of goods sold.

Subsequent expenditure on the maintenance of software and brands are expensed as incurred.

Property and equipment

IT equipment in the form of servers and other fixtures is initially recognised at cost. Thereafter, valuation at cost is reduced by accumulated depreciation and write-downs.

Depreciation of tangible fixed assets is linear of cost. The following useful lives are applied:

- Servers: 5 years
- Other property and equipment: 5 years

Significant estimates of useful life are updated as necessary, but at least once per year.

Right-of-use assets

The group makes the use of leasing arrangements principally for the provision of office space. The rental contracts for offices are typically negotiated for terms of between 1 and 7 years and some of these have extension terms. The group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all the economic benefits of an identified asset for a period in exchange for consideration.



At lease commencement date, the group recognises a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability.

The group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate.

After initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The amount of the remeasurement of the lease liability is reflected in an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

Payments under leases can also change when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review. The lease liability is remeasured only when the adjustment to lease payments takes effect and the revised contractual payments for the remainder of the lease term are discounted using an unchanged discount rate.

The group has elected to account for short-term leases and leases of low-value assets using the practical expedients. These leases relate to items of office equipment such as desks, chairs, and certain IT equipment. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Impairment testing of intangible and tangible fixed assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units, CGU: s). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever

events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value, less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the group's latest approved forecast. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors. Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

Except for goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

Financial instruments

Recognition and measurement at initial recognition

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flow from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

Classification and initial measurement of financial instruments

All financial assets are initially measured at fair value adjusted for transaction costs where applicable.

Financial assets are classified into the following categories:

- amortised cost
- fair value through profit or loss
- fair value through other comprehensive income

In the periods presented the corporation does not have any financial assets categorised as fair value through profit or loss or fair value through other comprehensive income.

The classification is determined by both:

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are classified as financial expenses or financial income, except for impairment of trade receivables classified within selling expenses.



Subsequent measurement of financial assets

Financial assets measured at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions, and are not designated as fair value through profit or loss:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Impairment of financial assets

The group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and accrued revenue. To measure the expected credit losses, trade receivables and accrued revenue have been grouped based on shared credit risk characteristics and the days past due. The accrued revenue relates to unbilled work and has substantially the same risk characteristics the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for accrued revenue.

Classification and subsequent measurement of financial liabilities

The group's financial liabilities include trade and other payables and other long-term liabilities.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the group designated a financial liability at fair value through profit or loss.

Financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value recognised in the income statement are included in financial income or financial expense, alternatively other income or other expenses.

Cash and cash equivalents

Cash and cash equivalents consist of demand deposits at banks and similar institutions, together with other short-term highly liquid investments maturing within 90 days from the date of acquisition and that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

Equity

Share capital represents the par value of the shares issued.

Translation reserve is comprised of foreign currency translation differences arising from the translation of financial statements of the group's foreign entities into SEK.

Share premium includes any premiums received on the issue of new share capital. Any transaction costs associated with the issue of new shares are deducted from the premium, taking into account any income tax effects.

Retained earnings include all retained earnings and share-based compensation for the current and prior periods.

All transactions with the parent company owners are presented separately in equity.

Post employment benefits and short-term employee benefits

Post employment benefits

The group has only defined contribution pension plans. The group has no legal or constructive obligations to pay further fees in addition to the payment of the fixed amount recognised as an expense in the period in which the related personnel services are received.

Short-term benefits

Short-term employee benefits, including vacation pay liabilities are included in the items other liabilities and accrued expenses, valued at the undiscounted amount that the group expects to pay because of the unused entitlement. Short-term benefits are expensed in the period in which they are members and staff services were obtained.

Share-based employee remuneration

The group operates equity-settled share-based remuneration plans for its employees. All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to retained earnings. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

Social security contributions attributable to share-based employee remuneration for purchased services is expensed over the periods during which the services are performed. The provision that arises shall be revalued at each reporting date based on a calculation of



the contributions that may be paid when the instruments are exercised.

Provisions and contingent liabilities

Provisions for product warranties, legal disputes, loss of contract or other claims are recognised when the group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be needed, and the amount can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated amount required to settle the present obligation, based on the most reliable information available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is significant.

No liability is recognised if the outflow of financial resources due to existing obligations is unlikely. Such situations are reported as contingent liabilities unless the probability of an outflow of resources is remote.

Cashflow analysis

The cash flow statement is prepared using the indirect method. The reported cash flow includes only transactions involving cash payments.

NOTE 3. PARENT COMPANY ACCOUNTING PRINCIPLES

The Annual Report for the Parent Company has been prepared in accordance with the Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendation RFR 2. RFR 2 states that the parent company in its annual accounts must apply International Financial Reporting Standards (IFRS) as adopted by the EU, to the extent possible within the framework of the Annual Accounts Act and taking into account the relationship between accounting and taxation. The recommendation specifies the exceptions and additions required in relation to IFRS.

The parent company applies the principles presented in the consolidated financial statements note 2, with the exceptions specified as follows. The principles have been applied to all periods indicated in the parent company's annual report.

Shares in subsidiaries

Shares in subsidiaries are recognised in the parent company using the cost method, less any impairment losses. Cost includes acquisition-related costs and any additional contingent liabilities.

Income tax

In the parent company, due to the relationship between accounting and taxation, the deferred tax liability on untaxed reserves is recognised as part of the untaxed reserves.

Fund for development expenses

Capitalised development expenditure is allocated to a fund for development expenditure. The fund is restricted equity and dissolve at the same rate as the company does depreciation or amortisation of capitalised development work.

Classification and presentation

Parent company income statement and balance sheet are presented in the form prescribed in the Swedish Annual Accounts Act. The main difference to IAS 1 concerns the presentation of equity and the occurrence of provisions as a separate heading in the balance sheet.

NOTE 4. KEY ESTIMATES AND ASSUMPTIONS

When preparing financial reports, the board of directors and the managing director must, in accordance with applied accounting and valuation principles, make certain estimates, assessments and assumptions that affect the accounting and valuation of assets, provisions, liabilities, revenues and expenses. The areas where such estimates and judgments can be of great importance to the group, and which may thus affect the income statement and balance sheets in the future, are described below.

Significant estimates

The following are the significant judgments company management make when applying the group's accounting policies that have the most significant effect on the financial statements.

Revenue recognition

Since the sale of games to the end user is done through platform holders such as Valve, Sony and Microsoft, assessments are made as to whether the group acts as the principal in the sale to the end user or whether the platform holder is considered the principal towards the end user and the platform holder is the group's customer. If the group acts as the principal, the revenue is reported based on the revenue from the end user with an outgoing cost item for the platform holder's fee, unlike if the platform holder is the principal and the revenue is reported net after deduction of the platform holder's fee. A company is considered to be the principal if you control the product or service before it is transferred to the customer. Indications used to evaluate who controls the goods or services before being transferred to the customer include, but are not limited to the following;

- The agreed terms between the parties involved providing the goods or services
- Who has the main responsibility for fulfilling the promise to provide the goods or services
- Who can, in their own opinion, determine the price of the game against customers

Several of the indicators are mixed and may vary by platform operator. Based on an evaluation of the specified factors for each platform holder, the group has currently made an assessment that it is not the principal in transactions with the end users, which results in revenue being reported based on what the Group receives in compensation from the platform holder.

See note 5 for additional information.

**Capitalised development costs for game development**

The division between research and development phases of new development of software and determining whether the requirements for capitalisation of development costs are met requires assessments. The group categorises new activations into two categories: proven and unproven. It is the group's assessment that proven games reach the development phase and can be activated after the prototype phase is completed, while unproven games reach the development phase and can only be activated after the alpha phase. After activation the group management monitors whether the reporting requirements for development costs continue to be fulfilled and if there are indications that the capitalised expenses may be subject to impairment. See note 20 for additional information.

Uncertainties in the estimates

Below is information on estimates and assumptions which have the most significant effect on recognition and measurement of assets, liabilities, income, and expenses. The outcome of these can differ significantly.

Contingent consideration Triumph Holding BV

The contingent consideration as part of the acquisition of Triumph Holding BV is based on projected revenues up to and including 30 April 2026. The earn-out is conditional on the sellers' continued employment with the company and is recognised as a cost under cost of goods sold when it arises.

Impairment of non-financial assets and goodwill

To assess impairment, management calculates the recoverable value of each asset or cash-generating unit based on expected future cash flows using an appropriate interest rate to discount the cash flow. Uncertainties lie in assumptions about future operating results and determination of an appropriate discount rate. See note 20-22, 27 for additional information on testing performed.

Useful lives of depreciable assets

Group management makes a review each closing day of its estimates of useful lives of depreciable assets, based on how long the group expects to use the assets. The uncertainty of these estimates depends on how well the launch of the game is received by the market and may affect the useful life. See note 20-21 for amortisation of intangible assets.



NOTE 5. SEGMENT REPORTING

Group management has established operating segments based on the information that is processed by the CEO, and which form the basis for making strategic decisions. The business consists of a single segment. The revenue breakdown is illustrated below;

The group's and the parent company's revenues from customers based on where the platform partner is based are divided into the following geographical areas;

	Group		Parent company	
	2024	2023	2024	2023
USA	1,905,078	2,285,109	1,868,249	2,226,981
Sweden	65,395	49,873	117,726	106,215
Rest of Europe	192,576	258,575	190,898	271,297
Rest of the World	37,893	48,550	37,893	43,313
Total	2,200,943	2,642,107	2,214,766	2,647,805

During the year, KSEK 1,868,033 (KSEK 1,902,519) of the group's revenue came from one and the same platform - Steam.

An analysis of the group's revenue divided into major product categories is as follows;

	Group		Parent company	
	2024	2023	2024	2023
PC	1,924,843	2,202,494	1,924,713	2,202,613
Console	204,225	310,562	204,225	310,562
Mobile	50,980	65,756	681	1,372
Other	20,895	63,295	85,147	133,258
Total	2,200,943	2,642,107	2,214,766	2,647,805

Prepaid income amounted to KSEK 145,114 (KSEK 252,719) at the end of the period. Of these, KSEK 145,114 is expected to be reported as revenue during the next 12-month period, and KSEK 0 within 24 months.

The income for the year includes KSEK 156,417 (KSEK 194,440) which was included in prepaid income at the beginning of the year.

NOTE 6. AVERAGE NUMBER OF EMPLOYEES

Average number of employees

	2024		2023	
	Number	Of whom men	Number	Of whom men
Parent company				
Sweden	181	122	173	118
Subsidiaries				
Sweden	266	216	299	244
Netherlands	40	35	37	32
USA	13	8	59	41
Finland	27	20	23	17
France	28	24	29	25
Spain	32	29	29	26
Total for the group	587	453	649	503

Directors and senior executives

	2024		2023	
	Number	Of whom men	Number	Of whom men
Board of Directors	5	4	5	4
CEO and other senior executives	6	5	6	5

NOTE 7. SALARIES AND EMPLOYEE BENEFITS

Expenses recognised for employee compensation:

	Group		Parent company	
	2024	2023	2024	2023
Salaries - Board and senior management	17,408	15,851	15,023	13,728
Salaries - other employees	401,754	468,604	120,486	111,582
Pensions - Board and senior management	2,123	2,416	1,814	2,093
Pensions - other employees	32,680	32,497	12,570	11,320
Other social costs	113,386	117,924	46,586	43,072
Total	567,351	637,292	196,479	181,796

The group only has defined contribution pension plans.

NOTE 8. SENIOR EXECUTIVE REMUNERATION

Costs and obligations regarding pensions and the like to the board, CEO, and other senior executives:

2024		Salaries/ fees	Variable compensation	Other benefits	Pensions	Share based payments	Total
Board & senior management							
Chairman of the Board							
Håkan Sjunnesson	840	-	-	-	-	-	840
Board member Mathias Hermansson	455	-	-	-	-	-	455
Board member Linda Höglund	391	-	-	-	-	-	391
Board member Andras Vajlok	414	-	-	-	-	-	414
CEO							
Fredrik Wester	0	-	-	-	-	-	0
Other senior executives							
(5)	9,869	2,704	6	2,123	3,729	18,431	
Total	11,969	2,704	6	2,123	3,729	20,531	

2023		Salaries/ fees	Variable compensation	Other benefits	Pensions	Share based payments	Total
Board & senior management							
Chairman of the Board							
Håkan Sjunnesson	800	-	-	-	-	-	800
Board member Mathias Hermansson	433	-	-	-	-	-	433
Board member Linda Höglund	395	-	-	-	-	-	395
Board member Andras Vajlok	373	-	-	-	-	-	373
CEO							
Fredrik Wester	0	-	-	0	-	-	0
Other senior executives(5)	9,262	1,160	11	2,416	3,419	16,267	
Total	11,262	1,160	11	2,416	3,419	18,267	

The chairman of the board receives KSEK 700 in board fees and other board members receive KSEK 350. Chairman of the audit committee Håkan Sjunnesson receives KSEK 85 and members of the audit committee Andras Vajlok and Mattias Hermansson receive KSEK 64. Chairman of the remuneration committee Håkan Sjunnesson receives KSEK 55 and members of the remuneration committee Linda Höglund and Mattias Hermansson receive KSEK 41.

Outstanding pension obligations regarding the board and CEO amount to KSEK 0 (KSEK 0). The CEO has an agreed notice period of nine months, without severance pay. Other senior executives have a mutual notice period of 6 months.



NOTE 9. SHARE-BASED EMPLOYEE REMUNERATION

Employee stock option program 2024/2028

The annual general meeting on May 15, 2024, decided to introduce an employee stock option program aimed at employees in the group. A total of 527,000 options were subscribed with the right to subscribe for an equal number of shares in Paradox Interactive AB (publ). At the end of the period, the number of outstanding employee options amounted to 515,000.

Allotted employee options were issued free of charge at a market value of SEK 9.76 according to a valuation based on the Black & Scholes model. The exercise price for the options was set at SEK 200.61, and subscription of shares can take place 30 days after the publication of the company's Interim Report for the second quarter of 2027, the third quarter of 2027, and the first quarter of 2028 respectively. The exercise price corresponded to 120% of the average share price during the period April 25 to May 1, 2024. Vesting of options is conditional on continued employment in the company. Personnel-related costs excluding social security contributions for the program amount to KSEK 841 (KSEK 0) during the year. If these options are fully subscribed, the parent company's equity will be increased by KSEK 103,314.

Employee stock option program 2023/2027

The annual general meeting on May 17, 2023, decided to introduce an employee stock option program aimed at employees in the group. A total of 520,000 options were subscribed with the right to subscribe for an equal number of shares in Paradox Interactive AB (publ). At the end of the period, the number of outstanding employee options amounted to 487,500.

Allotted employee options were issued free of charge at a market value of SEK 55.82 according to a valuation based on the Black & Scholes model. The exercise price for the options was set at SEK 300.53, and subscription of shares can take place 30 days after the publication of the company's Interim Report for the second quarter of 2026, the third quarter of 2026, and the first quarter of 2027 respectively. The exercise price corresponded to 120% of the average share price during the period April 28 to May 5, 2023. Vesting of options is conditional on continued employment in the company. Personnel-related costs excluding social security contributions for the program amount to KSEK 8,233 (KSEK 4,745) during the year. If these options are fully subscribed, the parent company's equity will be increased by KSEK 146,508.

Employee stock option program 2022/2026

The annual general meeting on May 10, 2022, decided to introduce an employee stock option program aimed at employees in the group. A total of 527,500 options were subscribed with the right to subscribe for an equal number of shares in Paradox Interactive AB (publ). At the end of the period, the number of outstanding employee options amounted to 402,500.

Allotted employee options were issued free of charge at a market value of SEK 31.08 according to a valuation based on the Black & Scholes model. The exercise price for the options was set at SEK 236.39, and subscription of shares can take place 30 days after the publication of the company's Interim Report for the second quarter of 2025, the third quarter of 2025, and the first quarter of 2026 respectively. The exercise price corresponded to 120% of the

average share price during the period May 3 to May 9, 2022. Vesting of options is conditional on continued employment in the company. Personnel-related costs excluding social security contributions for the program amount to KSEK 3,012 (KSEK 4,448) during the year. If these options are fully subscribed, the parent company's equity will be increased by KSEK 95,147.

Employee stock option program 2021/2025

The annual general meeting on May 18, 2021, decided to introduce an employee option program aimed at employees in the group. A total of 497,350 options were subscribed with the right to subscribe for an equal number of shares in Paradox Interactive AB (publ). At the end of the period, the number of outstanding employee options amounted to 236,050 with the right to subscribe for the same number of shares in Paradox Interactive AB (publ).

Allotted employee options were issued free of charge at a market value of SEK 30.08 according to a valuation based on the Black & Scholes model. The exercise price for the options was set at SEK 214.82, and subscription of shares can take place 30 days after the publication of the company's Interim Report for the second quarter of 2024, the third quarter of 2024, and the first quarter of 2025 respectively. The exercise price corresponded to 120% of the average share price during the period May 11 to May 17, 2021. Vesting of options is conditional on continued employment in the company. Personnel-related costs excluding social security contributions for the program amount to KSEK -170 (KSEK 1,786) during the year. If these options are fully subscribed, the parent company's equity will be increased by KSEK 50,708.

Summary of issued warrants:

	Group	
	2024	2023
As at January 1	1,212,150	1,109,200
Granted during the year	527,500	520,000
Exercised during the year	-	-3,816
Forfeited during the year	-98,600	-147,200
Re-purchased during the year	-	-266,034
As at December 31	1,641,050	1,212,150
Vested and exercisable at December 31	-	262,150

NOTE 10. DEPRECIATION, AMORTISATION, AND WRITE-DOWNS PER FUNCTION

	Group		Parent company	
	2024	2023	2024	2023
Cost of goods sold	-698,446	-980,561	-383,444	-675,392
Selling expenses	-3,870	-3,119	-	-121
Administrative expenses	-8,198	-6,633	-4,428	-4,467
Total	-710,513	-990,312	-387,872	-679,980

NOTE 11. REMUNERATION TO THE AUDITOR

	Group		Parent company	
	2024	2023	2024	2023
PwC				
Audit	976	944	976	944
Tax advice	46	58	46	58
Total	1,022	1,002	1,022	1,002

NOTE 12. OTHER INCOME

	Group		Parent company	
	2024	2023	2024	2023
Exchange gains	40,109	10,134	39,691	9,554
Other income	18,185	10,782	17,201	5,706
Total	58,294	20,916	56,892	15,260



NOTE 13. OTHER EXPENSES

	Group		Parent company	
	2024	2023	2024	2023
Exchange loss	-10,580	-47,428	-9,718	-46,926
Other expenses	-110	-	-	-
Total	-10,690	-47,428	-9,718	-46,926

NOTE 14. PROFIT FROM SHARES IN SUBSIDIARIES

	Parent company	
	2024	2023
Dividend from subsidiaries	43,154	-
Write-downs	-101,904	-
Total	-58,750	-

Write-downs refer to Harebrained Schemes and Playrion Game Studio. See note 27 for performed impairment testing.

NOTE 15. PROFIT FROM SHARES IN ASSOCIATED COMPANIES

	Group		Parent company	
	2024	2023	2024	2023
Result from sales of shares	-	15,440	-	35,381
Total	-	15,440	-	35,381

The change is attributable to the sale of Seattle-based Hardsuit Labs.

NOTE 16. FINANCIAL INCOME

	Group		Parent company	
	2024	2023	2024	2023
Interest income	37,791	22,491	33,030	18,973
Other financial income	4,312	2,595	3,399	1,796
Total	42,103	25,086	36,429	20,769

Of which interest income from group companies - -

NOTE 17. FINANCIAL COST

	Group		Parent company	
	2024	2023	2024	2023
Interest expense lease	-1,878	-2,623	-	-
Other interest expense	-4,287	-8,012	-704	-7,003
Total	-6,165	-10,635	-704	-7,003

Of which interest expense to group companies - -

NOTE 18. APPROPRIATIONS

	Parent company	
	2024	2023
Group contributions received	140,000	220,000
Transfer to tax allocation	-150,000	-120,000
Total	-10,000	100,000

NOTE 19. INCOME TAX

The major components of tax expense for the year and the relationship between the expected tax expense based on the Swedish effective tax rate of 20.6% (20.6%) and the reported tax expense in the income statement is as follows:

	Group		Parent company	
	2024	2023	2024	2023
Profit before tax	757,303	687,759	422,618	431,113
Tax according to applicable tax rate	-156,004	-141,678	-87,059	-88,809
Tax attributable to prior years	-1,096	-6,663	-1,096	-3,341
Adjustment for differences in foreign tax rates	-368	-3,241	-	-
Other	-2,153	-1,594	-2,153	-1,594
Other non-taxable income	282	7,411	9,168	7,409
Other non-deductible items	-13,335	-11,368	-33,576	-11,237
Recognised tax expense	-172,675	-157,134	-114,716	-97,573

Specification of recognised tax expense:

Current tax				
On net profit	-150,628	-138,155	-111,467	-92,637
Adjustment on prior year tax	-1,096	-6,663	-1,096	-3,341
Other	-2,153	-1,594	-2,153	-1,594
Deferred tax				
Change in temporary differences	-18,798	-10,722	-	-
Tax reported in the income statement	-172,675	-157,134	-114,716	-97,573

NOTE 20. CAPITALISED DEVELOPMENT

	Group		Parent company	
	2024	2023	2024	2023
Opening accumulated cost	4,057,904	3,383,569	3,351,683	3,016,447
Activated development	602,510	676,045	258,074	335,236
Exchange rate differences	5,162	-1,710	-	-
Closing accumulated cost	4,665,576	4,057,904	3,609,757	3,351,683
Opening amortisation	-1,969,283	-1,292,853	-1,639,191	-1,179,814
Exchange rate differences	-3,738	1,409	-	-
Amortisation	-403,688	-677,839	-163,885	-459,377
Closing accumulated amortisation	-2,376,709	-1,969,283	-1,803,076	-1,639,191
Opening accumulated write-downs	-625,419	-440,440	-613,967	-428,538
Exchange rate differences	-1,091	451	-	-
Write-downs	-208,045	-185,430	-208,045	-185,430
Closing accumulated write-downs	-834,555	-625,419	-822,012	-613,967
Closing residual value	1,454,312	1,463,202	984,669	1,098,525

Impairment testing of capitalised development is carried out per game for the entire game portfolio. The recoverable amount per game was determined based on value-in-use calculations, which included a detailed three-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives of the games using a declining growth rate. The present value of the expected cash flow for each game is determined by applying a discount rate that corresponds to the market's assumption of the



time value of money and specific risks of the games. All discount rates amounted to 18% (18%) during the year. Write-downs for the year amount to KSEK 208,045 (KSEK 184,530). Write-downs for the year refer to the cancellation of Life by You, developed by Paradox Tectonic. Previous years write-downs mainly refer to The Lamplighters League, developed by Harebrained Schemes, amounting to KSEK 170,810. At the end of the year, the three largest games in development account for 67% (60%) of the total amount.

NOTE 21. LICENSES, BRANDS AND SIMILAR RIGHTS

	Group		Parent company	
	2024	2023	2024	2023
Opening accumulated cost	534,052	511,585	203,768	176,665
Addition	-	27,103	-	27,103
Exchange rate differences	17,676	-4,637	-	-
Closing accumulated cost	551,728	534,052	203,768	203,768
Opening accumulated depreciations	-418,595	-342,159	-158,988	-129,245
Exchange rate differences	-15,425	5,905	-	-
Depreciation	-55,128	-82,340	-11,515	-29,744
Outgoing accumulated depreciations	-489,148	-418,595	-170,503	-158,988
Opening accumulated write-downs	-9,925	-9,925	-9,925	-9,925
Closing accumulated write-downs	-9,925	-9,925	-9,925	-9,925
Closing residual value	52,655	105,532	23,340	34,855

Impairment testing of licenses, brands and similar rights is carried out per game based on the games to which the rights refer. The recoverable amount per game was determined based on value-in-use calculations, which included a detailed three-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives of the games using a declining growth rate. The present value of the expected cash flow for each game is determined by applying a discount rate that corresponds to the market's assumption of the time value of money and specific risks of the games. All discount rates amounted to 18% (18%) during the year. Write-downs for the year within the item amount to KSEK 0 (KSEK 0).

NOTE 22. GOODWILL

	Group	
	2024	2023
Opening accumulated cost	22,350	22,415
Exchange rate differences	787	-65
Closing accumulated cost	23,137	22,350
Closing residual value	23,137	22,350

During the annual impairment test, goodwill is allocated to the cash-generating units that are expected to benefit from the synergy effects from the business combinations where goodwill arises. The goodwill is entirely attributable to current and future games developed by Iceflake Studios.

The recoverable amount for each game was determined based on value-in-use calculations, which included a detailed three-year forecast, followed by an extrapolation of expected cash flows for the games' remaining useful lives using a declining growth rate.

The present value of the expected cash flow for each game is determined by applying a discount rate that corresponds to the market's assumption of the time value of money and specific risks of the games. For the games in question, all discount rates amounted to 18% (18%) during the year.

NOTE 23. PROPERTY, PLANT AND EQUIPMENT

	Group		Parent company	
	2024	2023	2024	2023
Opening accumulated cost	70,276	67,833	47,704	46,248
Addition	1,280	3,012	-	1,457
Sales and disposals	-7,964	-121	-	-
Exchange rate difference	587	-448	-	-
Outgoing accumulated cost	64,179	70,276	47,704	47,704
Opening accumulated depreciations	-57,242	-50,272	-41,562	-36,132
Disposals	8,019	58	-	-
Exchange rate difference	-355	382	-	-
Depreciation	-6,283	-7,411	-4,428	-5,430
Outgoing accumulated depreciations	-55,861	-57,242	-45,989	-41,562
Closing residual value	8,318	13,034	1,715	6,143

NOTE 24. RIGHT-OF USE ASSETS

	Group	
	2024	2023
Opening accumulated cost	265,793	254,028
Acquisition	-	14,280
Divestment	-20,900	-1,665
Exchange differences	775	-850
Outgoing accumulated cost	245,668	265,793
Opening accumulated depreciations	-153,278	-117,910
Depreciations	-37,637	-37,675
Divestment	15,274	1,665
Exchange differences	-348	643
Outgoing accumulated depreciations	-175,989	-153,278
Closing residual value	69,679	112,515

NOTE 25. LEASES

	Group	
	2024	2023
Short term	30,875	32,583
Long term	33,911	75,997

Changes in lease liabilities are presented below;

	Group	
	2024	2023
Opening balance	108,580	140,461
Amortisation as part of cash flow	-38,301	-37,722
Translation difference	-5,493	5,841
Closing balance	64,786	108,580

The group's cash flow includes interest on the lease liabilities in the current business amounting to KSEK 1,878 (KSEK 2,623).

The group rents offices for publishing operations and development studios. Except for short-term lease agreements and for lease agreements for which the underlying asset has a low value, a right of use and a lease liability are reported in the statement of financial position. Variable lease fees that do not depend on an index or price (e.g., lease fees based on the group's turnover) are excluded in the initial calculation of lease liability and assets. The



group classifies its rights of use in the category rights of use as part of tangible fixed assets, see note 24.

At the end of the year, the group has four office premises classified as right-of-use assets. Remaining maturity amounts to 0–4 years, with an average remaining maturity of 2 years. All agreements are signed with an extension option, four of the agreements have variable fees related to the index. One of the agreements has the option of termination during the agreement period.

The lease liability is guaranteed by the underlying asset being pledged as security for the liability. Future minimum lease payments amount to the following:

Minimum lease fees	Within	2-3 years	4-5 years	After	Total
2024-12-31	1 year			5 years	
Lease fees	31,979	31,876	2,480	–	66,335
Financial expenses	-1,104	-400	-45	–	-1,549
Present value	30,875	31,476	2,435	–	64,786

Minimum lease fees	Within	2-3 years	4-5 years	After	Total
2023-12-31	1 year			5 years	
Lease fees	34,555	73,374	3,168	1,027	112,124
Financial expenses	-1,972	-1,466	-97	-9	-3,544
Present value	32,583	71,908	3,071	1,018	108,580

Lease agreements that are not recognised as a liability

The group has chosen not to report a lease liability for short-term lease agreements (leases with an expected lease term of 12 months or less) and for leases for which the underlying asset has a low value. Payments in respect of such leases are expensed on a straight-line basis. In addition, some variable leasing fees are not allowed to be recognised as lease liabilities, which is why they are also expensed on an ongoing basis. The cost of leasing fees that are not included in the calculation of the lease debt is as follows:

	Group	
	2024	2023
Short-term leases	915	2,801
Lease agreements with assets of low value	1,446	1,078
Variable lease payments	9,882	12,253
Total	12,243	16,132

NOTE 26. FINANCIAL ASSETS AND LIABILITIES

See the accounting principles for a description of each category of financial assets and liabilities and the related accounting policies. The carrying values of financial assets and liabilities are as follows:

	Amortised cost	Fair value through profit or loss	Total
2024-12-31			
Other long term receivables	18,736	–	18,736
Accounts receivables	280,056	–	280,056
Other current assets	10,466	–	10,466
Cash and cash equivalents	1,469,356	–	1,469,356
Total assets	1,778,615	–	1,778,615

Accounts payable	45,842	–	45,842
Other liabilities	21,697	–	21,697
Total liabilities	67,539	–	67,539

	Amortised cost	Fair value through profit or loss	Total
2023-12-31			
Other long term receivables	18,691	–	18,691
Accounts receivables	358,219	–	358,219
Other current assets	70,420	–	70,420
Bonds	197,051	–	197,051
Cash and cash equivalents	1,098,025	–	1,098,025
Total assets	1,742,405	–	1,742,405

Accounts payable	52,481	–	52,481
Other liabilities	65,275	–	65,275
Total liabilities	117,756	–	117,756

A description of the group's risks related to financial instruments is found in note 42.

The carrying value of financial assets and liabilities have been considered a reasonable estimate of fair value.

NOTE 27. SHARES IN SUBSIDIARIES

Name	Domicile	Shares	Book value
Triumph Holding BV	Netherlands	18,000	40,900
Paradox Development Studio AB	Sweden	100,000	90
Harebrained Holdings Inc	USA	10,000,000	40,502
Paradox Interactive Inc	USA	1,000,000	0
Playrion Game Studio SAS	France	3,150	93,957
Iceflake Studios OY	Finland	417	28,427
Paradox Tinto SL	Spain	3,000	31
World of Darkness LLC	USA	–	–
			203,908

All holdings are wholly owned by the parent company.

	Parent company	
	2024	2023
Opening accumulated cost	305,812	305,812
Write-off Harebrained Holdings Inc	-26,070	–
Write-off Playrion Game Studio SAS	-75,834	–
Outgoing accumulated cost	203,908	305,812

Impairment testing of shares in subsidiaries takes place per holding. The salvage value per holding was determined based on value-in-use calculations, which included a detailed three-year forecast, followed by an extrapolation of expected cash flows for the holdings' remaining useful periods without growth. The present value of the expected cash flow for each game is determined by applying a discount rate that corresponds to the market's assumption of the time value of money and specific risks



of the holdings. All discount rates amounted to 15% (15%) during the year.

Based on these assumptions, the value in use exceeds the reported value for all holdings. To test the sensitivity of the calculations, a sensitivity analysis has been conducted where the discount rate was increased. An increase in the discount rate of 1% (1%) would lead to an impairment requirement of KSEK 0 (KSEK 7,431).

NOTE 28. OTHER LONG TERM ASSETS

	Group		Parent company	
	2024	2023	2024	2023
Opening balance	18,691	18,695	17,393	17,393
Exchange differences	46	-4	-	-
Outgoing balance	18,737	18,691	17,393	17,393

Other long-term assets refer to deposits for rental agreements.

NOTE 29. ACCOUNTS RECEIVABLE

	Group		Parent company	
	2024	2023	2024	2023
Accounts receivable gross	280,056	358,219	272,841	350,400
Provision for expected credit loss	-	-	-	-
Total	280,056	358,219	272,841	350,400

All amounts are short-term. Book value net of accounts receivable is considered a reasonable approximation of fair value. All the group's account receivables have been reviewed for indications of a need for write-downs. No significant accounts receivable had to be written down, like the previous year. For age analysis of the group's accounts receivable, see credit risk, note 42.

NOTE 30. PREPAID EXPENSES AND ACCRUED REVENUES

	Group		Parent company	
	2024	2023	2024	2023
Prepaid rent	3,704	3,525	11,920	11,742
Prepaid royalty	33,641	23,263	33,641	23,263
Other prepaid costs	18,603	16,692	16,635	15,583
Accrued revenue	27,551	14,357	27,551	14,357
Total	83,498	57,837	89,747	64,945

NOTE 31. BONDS

	Group		Parent company	
	2024	2023	2024	2023
Opening balance	197,051	-	197,051	-
Invested	-	336,355	-	336,355
Sales	-197,051	-139,304	-197,051	-139,304
Total	-	197,051	-	197,051

Book value for bonds is considered a reasonable approximation of fair value as these are of a short-term nature. All bonds are issued in SEK. Because of this, there is no currency risk exposure. There is also no exposure to price risk because the investments will be held to maturity. Further information on the group's risk exposure can be found in note 42 Financial risk management.

NOTE 32. CASH AND CASH EQUIVALENTS

	Group		Parent company	
	2024	2023	2024	2023
Balances with banks	1,469,356	1,098,025	1,131,589	780,059
Total	1,469,356	1,098,025	1,131,589	780,059

NOTE 33. EQUITY

Share capital

The share capital in the parent company consists solely of fully paid ordinary shares with a nominal (quota value) value of SEK 0.005. All shares have the same right to dividends and repayment of invested capital and correspond to one vote at the parent company's general meeting.

	Parent company	
	2024	2023
Subscribed and paid shares:		
At the beginning of the year	105,623,025	105,619,209
Issued shares	-	3,816
Total at the end of the year	105,623,025	105,623,025

Issued shares refer to shares issued as part of the group's warrant schemes, see note 9.

Share premium reserve

Amount received for shares issued in excess of par value (share premium) is included in share premium reserve, after the deduction of registration and other charges and net of related tax benefits. Costs of new shares are recognised directly in equity amounted to KSEK 0 (KSEK 0).

Reserves

Exchange differences in translating foreign operations.

NOTE 34. UNTAXED RESERVES

	Parent company	
	2024	2023
Untaxed reserves:		
fiscal year 2020	160,000	160,000
fiscal year 2021	125,000	125,000
fiscal year 2022	200,000	200,000
fiscal year 2023	120,000	120,000
fiscal year 2024	150,000	-
Total	755,000	605,000

NOTE 35. DEFERRED TAX LIABILITIES

Reported amounts relate to temporary differences attributable to:

	Group	
	2024	2023
Untaxed reserves	155,530	124,630
Intangible assets from acquisitions	7,930	19,414
Closing balance	163,460	144,044

Deferred tax is related to untaxed reserves in the parent company, as well as deferred tax on intangible assets from acquisitions. Changes in deferred tax have been reported in the income statement.



NOTE 36. OTHER LIABILITIES

	Group		Parent company	
	2024	2023	2024	2023
Liabilities to employees	11,460	6,702	2,958	2,765
VAT liabilities	3,157	44,614	–	–
Other liabilities	7,080	13,960	1,324	1,357
Total	21,697	65,275	4,282	4,122

NOTE 37. ACCRUED EXPENSES AND PREPAID REVENUES

	Group		Parent company	
	2024	2023	2024	2023
Accrued personnel costs	118,585	104,918	50,560	47,139
Accrued royalty costs	58,287	128,466	58,287	128,466
Prepaid revenues	145,114	249,207	145,114	249,207
Other accrued costs	4,086	11,273	4,001	9,653
Total	326,073	493,864	257,962	434,465

All the reported amounts of deferred income are considered as current as the maturity is less than one year.

NOTE 38. ASSETS PLEDGED AND CONTINGENT LIABILITIES

	Group		Parent company	
	2024	2023	2024	2023
Assets pledged				
Business mortgage	19,600	19,600	19,600	19,600
Pledged bank funds	17,393	17,393	17,393	17,393
Total	36,993	36,993	36,993	36,993
Contingent liabilities	None	None	None	None

NOTE 39. TRANSACTIONS WITH RELATED PARTIES

The group's related parties include all companies within the group, the board, the CEO, and other senior executives. At the end of the year, the parent company had receivables from subsidiaries of KSEK 198,836 (KSEK 19,144), and liabilities to subsidiaries of KSEK 22,681 (KSEK 25,393). Receivables and liabilities between group companies have been eliminated in the consolidated accounts. The parent company's sales to subsidiaries during the year amounted to KSEK 64,225 (KSEK 67,946), and purchases amounted to KSEK 772,434 (KSEK 929,606). Group contributions from subsidiaries amounted to KSEK 140,000 (KSEK 220,000). Sales and purchases between group companies mainly refer to the development activities carried out in the subsidiaries. Sales and purchases between group companies have been eliminated in the consolidated accounts. Receivables and liabilities between group companies run on market terms. Outstanding balances are usually settled with cash.

Remuneration to senior executives is presented in Note 8
Remuneration to senior executives.

No other transactions with related parties have taken place during the reported periods.

NOTE 40. SUBSEQUENT EVENTS

Acquisition of Haemimont Games

Paradox Interactive has acquired 100% of the shares in the Bulgarian development studio Haemimont Games AD. The acquisition is a further step in Paradox's strategic focus on growing within the management game genre by building a strong internal capability that complements the Group's current studio organization.

The studio, with approximately 60 employees, is already working on two game development projects with Paradox, as well as another project where the studio itself has been responsible for the financing. The current management and team will continue to be active in the studio, and the ongoing projects will remain in development.

The acquisition consists of an initial cash payment and a performance-based additional purchase price of a similar amount, which will be paid out over the coming years. The acquisition is financed entirely with existing cash and cash equivalents. The purchase price, together with an acquisition analysis, will be presented in the first interim report for 2025.

NOTE 41. DEFINITIONS

The company presents certain key performance measures that are not defined by IFRS. The company believes that these measures provide valuable supplementary information for the company's stakeholders as they enable evaluation of the company's development and financial position.

Gross profit

	Group	
	2024	2023
Revenues	2,200,943	2,642,107
Cost of goods sold	-1,203,649	-1,567,321
Gross profit	997,294	1,074,786

Definition: Revenues minus cost of goods sold.

Reason for use: A measure of profitability used to demonstrate efficiency before administration costs and marketing costs.

Operating profit

	Group	
	2024	2023
Revenues	2,200,943	2,642,107
Cost of goods sold	-1,203,649	-1,567,321
Selling expenses	-223,881	-291,180
Administrative expenses	-99,653	-99,225
Other income	58,294	20,916
Other expenses	-10,690	-47,428
Operating profit	721,364	657,868

Definition: Revenues minus all costs within the business.

Reason for use: A measure of profitability used to show the performance of the operational business.

Operating margin

	Group	
	2024	2023
Revenues	2,200,943	2,642,107
Operating profit	721,364	657,868
Operating margin	33%	25%

Definition: Operating profit is a percentage of revenues.

Reason for use: A key performance used to show the profitability of the operational business.

Profit margin

	Group	
	2024	2023
Revenues	2,200,943	2,642,107
Profit after financial items	757,303	687,759
Profit margin	34%	26%



Definition: Profit after financial items as a percentage of revenues.
Reason for use: The key figure is used to show profitability after financial items.

Equity/assets ratio

	Group	
	2024	2023
Equity	2,909,640	2,620,455
Total assets	3,532,350	3,580,126
Equity/assets ratio	82%	73%

Definition: Equity as a percentage of total assets.

Reason for use: The key figure is used to demonstrate financial ability and independence to run the business.

Equity per share

	Group	
	2024	2023
Equity	2,909,640	2,620,455
Number of shares, thousands	105,623	105,623
Equity per share	27.55	24.81

Definition: Equity divided by the number of shares at the end of the period.

Reason for use: The key figure is used to demonstrate changes in shareholders' capital over time.

NOTE 42. FINANCIAL RISKS

Risk management objectives and policies

The group is exposed to various risks in relation to financial instruments. For summary information on the group's financial assets and financial liabilities divided into categories, see note 26.

The group's risk management is coordinated in close cooperation with the board and focuses on actively securing the group's short-to-medium-term cash flows by minimising the exposure to volatile financial markets.

The group does not engage in active trading of financial assets for speculative purposes and only issues a limited number of warrants to employees. The most significant financial risks to which the group is exposed are described below.

Currency risk

Exposure to changes in exchange rates arises from the group's sales to and purchases from other countries. These sales and purchases are mainly made in US dollars (USD), British pounds (GBP) and euros (EUR). The result is also affected by the translation of balance sheet items to Swedish kronor and the translation of foreign subsidiaries' results, and their balance sheet items to the group's accounting currency SEK. As a rule, the risk exposure to exchange rate changes for future cash flows is not hedged with financial instruments. However, the group's policy enables hedging after the board's approval. No currency hedging was done during the year or the previous year.

Of the group's total revenue, 2% (2%) is in Swedish kronor. Of the group's total costs, 47% (39%) are in Swedish kronor. Considering this exposure, a sensitivity analysis of income and expenses in the income statement has been carried out. If the Swedish krona had strengthened against all other currencies by 10%, the year's result would have been KSEK 92,985 (KSEK 86,422) lower.

The group's currency risk in financial instruments is primarily related to accounts receivable and trade payables and other liabilities in Sweden. As of the balance sheet date, outstanding balances net in USD amount to KSEK 237,378 (KSEK 237,374), net in EUR amount to KSEK 22,279 (KSEK 62,784). In a sensitivity analysis where the Swedish krona strengthens against the USD by 10%, the year's profit after tax is affected by KSEK -18,848 (KSEK -18,847) and in a sensitivity analysis where the Swedish krona strengthens against the EUR by 10%, the year's profit after tax is affected by KSEK -1,769 (KSEK -4,985).

Interest risk

At the end of the year, the group had no interest-bearing liabilities. Changes in the interest rate situation affect the return the group receives on cash and cash equivalents. The risk of a lower interest rate is not deemed to be significant.

Credit risk

Credit risk is the risk that a counterparty will not fulfil an obligation to the group. The group is exposed to this risk for various financial instruments, such as cash and cash equivalents in banks, accounts receivable and other receivables.

The group continuously monitors cancellations from customers and other counterparties. The group works with a few different major customers who provide the group's games on different platforms. The credit terms with these usually vary between 0 and 30 days. The ongoing credit risk is managed through a regular review of the age analysis.

The group has certain receivables that are not regulated at the agreed due date but are not considered to be unsafe. The amounts on December 31, after the specified time after the due date are:

	2024	2023
Overdue:		
Less than three months	9,828	122,388
More than three but not more than six months	317	-
More than six but not more than twelve months	535	604
More than a year	-	-
Total	10,680	122,992

The group has also analysed the effects of historical credit losses over the past three years to apply these to forward-looking expected loan losses. As there are no loan losses, the forward-looking credit loss amounts to KSEK 0 at the beginning and end of the year.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are well-known institutions with high credit ratings from external assessors.

All investments in bonds are considered to have low credit risk as the issuer of all bonds has an investment grade rating with at least credit rating AA by independent rating institutes. Taking this into account, no credit loss reserve is reported for the group's holdings in bonds.

Liquidity risk

The liquidity risk is the risk that the group will not be able to meet its payment obligations due to lack of liquidity. The group manages liquidity needs by monitoring forecasted inflows and outflows in the business. Long-term liquidity needs for a period of



36 months are identified quarterly. The net cash requirements are compared with available cash and cash equivalents to determine that there is a safety margin. The group's goal is to have cash and cash equivalents amounting to at least KSEK 200,000. This target was achieved during the reporting periods. At the end of the year, interest-bearing liabilities amounted to KSEK 0 (KSEK 0). Financial liabilities mainly consist of accounts payable and other liabilities, all within a term of 12 months. In addition to this, the group also has leasing liabilities for which the outflow of leasing fees is presented in note 25.

Capital management

At the end of the year, the group had no (0) external liabilities for financing the operations. The capital consists of equity.

NOTE 43. EARNINGS PER SHARE AND DIVIDEND

Earnings per share

Both earnings per share before and after dilution have been calculated using the profit attributable to shareholders of the parent company as the numerator, i.e., no adjustments of the result needed to be made during the period.

Reconciliation of the weighted average number of shares used to calculate earnings per share after dilution can be reconciled to the weighted average number of ordinary shares used in the calculation of earnings per share as follows:

Number of shares	2024	2023
Weighted average number of shares used to calculate earnings per share before dilution	105,623,025	105,623,025
Adjustments for calculation of diluted earnings per share:		
Options	33,165	176,331
Weighted average number of shares used to calculate earnings per share after dilution	105,656,190	105,799,356

Options granted to employees in the group's option programs are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share if the required terms would have been met up to the reporting date, and to the extent to which they are dilutive. The options have not been included in the determination of earnings per share before dilution. Details relating to the options are set out in note 9.

Dividend

During 2024, Paradox Interactive paid a dividend of KSEK 316,869 (KSEK 211,238) for the financial year 2023 to its shareholders. This corresponds to a dividend of SEK 3.00 per share (SEK 2.00 per share).

For the financial year 2024, the board proposes a dividend of KSEK 316,869, corresponding to SEK 3.00 per share and a special dividend of KSEK 211,246 corresponding to SEK 2.00 per share. As the parent company's dividend must be approved by the general meeting, no liability for the dividend is reported in the group's financial statements for 2024.



NOTE 44. APPROVAL OF THE FINANCIAL STATEMENTS

Consolidated financial statements for the reporting period ended 31 December 2024 (including comparatives) were approved by the board on April 4, 2025.

The board of directors and the CEO certify that the financial statements have been prepared in accordance with GAAP, the consolidated financial statements have been prepared under the international accounting standards referred to in European Parliament and Council Regulation (EC) No 1606/2002 of 19 July 2002 on the application of international accounting standards and give a true and fair view of the company's and the Group's position and earnings and that the management report gives a fair review of the development of the company's and group's operations, position and results and describes significant risks and uncertainties that the company and the companies included in the group face.

Stockholm 2025-04-04

Håkan Sjunnesson
Chairman of the Board

Fredrik Wester
CEO

Andras Vajlok

Mathias Hermansson

Linda Höglund

Stockholm 2025-04-04

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow
Authorised Public Accountant



AUDITOR'S REPORT

To the general meeting of the shareholders of Paradox Interactive AB (publ), corporate identity number 556667-4759

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Paradox Interactive AB (publ) for the year 2024, except for the corporate governance report and the sustainability report on pages 34–39 and 40–46 respectively. The annual accounts and consolidated accounts of the company are included on pages 30–74 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance report and the sustainability report on pages 34–39 and 40–46 respectively. The statutory administration report is consistent with other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and consolidated income statement and consolidated statement of financial position of the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 1–29. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisorsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of



Directors and the Managing Director of Paradox Interactive AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act. A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The Auditor's examination of the corporate governance report

The Board of Directors is responsible for that the corporate governance report on pages 34-39 has been prepared in accordance with the Annual Accounts Act. Our examination of the corporate governance report is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance report. This means that our examination of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance report has been prepared. Disclosures in accordance with chapter 6, section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Auditor's report on the statutory sustainability report

It is the board of directors who is responsible for the statutory sustainability report on pages 40-46 and that it has been prepared in accordance with the Annual Accounts Act in accordance with the older wording that applied before July 1, 2024.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Stockholm, 4 April 2025

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow
Authorized Public Accountant

