



Interim Report

2017-01-01 - 2017-06-30

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

Interim Report Q2, 2017

SECOND QUARTER 2017

- Revenues amounted to SEK 289.4 (234.9) million, an increase by 23 % compared to the same period last year.
- Operating profit amounted to SEK 162.3 (142.3) million, an increase by 14 %.
- Profit before tax amounted to SEK 162.3 (142.9) million, and profit after tax amounted to SEK 126.3 (110.6) million.
- Cash flow from operating activities amounted to SEK 139.7 (62.1) million, and cash flow from investing activities amounted to SEK -68.9 (-25.1) million.
- By the end of the period cash and short term placements amounted to SEK 253.2 (143.2) million.
- Earnings per share amounted to SEK 1.20 (1.05) per share.
- Revenue from the second quarter of 2017 are mainly attributable to Stellaris, Cities: Skylines, Europa Universalis IV, Hearts of Iron IV and Steel Division: Normandy 44.

FIRST SIX MONTHS 2017

- Revenues for the period amounted to SEK 410.7 (328.2) million, an increase by 25 % compared to the same period last year.
- Operating profit amounted to SEK 200.3 (167.5) million, an increase by 20 %.
- Profit before tax amounted to SEK 200.3 (168.0) million, and profit after tax amounted to SEK 155.5 (130.0) million.
- Earnings per share amounted to SEK 1.47 (1.23).

IMPORTANT EVENTS IN THE SECOND QUARTER 2017

- The new game Steel Division: Normandy 44 developed by Eugen Systems was released.

- Cities: Skylines Xbox One Edition was released, for the first time ported to console. Cities: Skylines for PS4 was announced with a scheduled release date in August 2017.
- Prison Architect: Mobile, developed by Introversion Software and Tag Games was released to tablets.
- The new game Surviving Mars, developed by Haemimont Games, was announced with planned release in 2018.
- The new game Battletech, developed by Harebrained Schemes, was announced with planned release in 2017.
- Pillars of Eternity: Complete Edition was announced to PS4 and Xbox One with scheduled release in August 2017.
- Several expansions were released during the period; Death or Dishonor to Hearts of Iron IV, Mandate of Heaven to Europa Universalis IV, Third Rome to Europa Universalis IV, Mass Transit to Cities: Skylines, as well as Utopia to Stellaris.
- Paradox own game fair PDXCon took place in Stockholm in May.
- Paradox Publisher Weekend at Steam started April 6 and lasted until April 10.
- Steam Summer Sale started June 22 and continued until July 5.

AFTER THE END OF THE PERIOD

- The acquisition of game developer Triumph Studios was finalized with a transaction date July 7. The purchase price was set to EUR 4 million plus a performance based earnout of up to EUR 21 million, to be paid out over several years.
- A decision was made to postpone the release of Battletech until 2018, instead of previously communicated in 2017.

ABOUT PARADOX INTERACTIVE

The Paradox Interactive group includes publishing and internal development of games and licensing of White Wolf's brands. The publishing operation publishes both internally developed titles and titles developed by independent studios as well as music and books. The game portfolio includes more than 90 titles and Paradox Interactive owns the most important brands, including Stellaris, Europa Universalis, Hearts of Iron, Crusader Kings, Cities: Skylines and Magicka.

From the start over ten years ago, the company has published its games all over the world, initially through physical distribution using partners, but from 2006 digitally using its own publishing arm. The development platform is primarily PC, but the company has released games on console and mobile platforms as well. The largest markets today include the US, UK, Germany, France, Russia and Scandinavia. Today, close to 1.5 million gamers play a Paradox game each month and the number of Paradox registered users exceeds six million.



CEO says

IN IT FOR THE LONG HAUL

There's an enduring myth about the games industry that has its roots in a time when sales of physical copies in stores was the only way to create awareness and gain revenue. The myth in question dictates that only full-priced games contribute to revenue, and that the first week sales of a new game determines its success or failure.

The truth is somewhat different. Most companies in the industry today count on one out of five games becoming a resounding success straight off the bat. It's how well companies handle the other four releases that builds long term success.

At Paradox we avoid over-optimistic prognoses and generally keep very conservative forecasts. However we always make sure we have a "go-big" plan prepared in case the game receives an unexpectedly positive reception on the market. The plan enables us to hit the gas pedal quickly when it comes to the development of new content and greater marketing efforts. To put it very simply, you could say that we always hope for the best but plan for the worst.

That philosophy - where we don't plan for monster hits for every launch, but rather count on longer sales periods where our long-tail generates a large part of the revenue - ensures that we can run the company in a sustainable and long term manner.

Our second quarter 2017 in many ways illustrates this strategy perfectly. We have released two full-priced games - Steel Division: Normandy 44 and Cities: Skylines for Xbox.

Steel Division is co-published together with developer Eugen Systems, which in this case meant we came into the development processes towards the end to assume responsibility over sales, marketing and distribution. The IP is kept by the developer. The pre-order campaign surpassed our expectations significantly and the game has taken a clear position in our portfolio, where we believe it will have a longer period of long-tail sales. Establishing a relationship with Eugen Systems has also been valuable. We now have a working partnership with a developer that has many similarities to our own development studio, Paradox Development Studio. Like them, Eugen Systems are very established and well-known within their niche and have built a large and dedicated community around their games.

It was also exciting to release Cities: Skylines on a new platform. In part because there are not many similar titles on Xbox One, but also due to the game's popularity. The game shot onto several toplists at launch and the reception has been very positive among critics and gamers. Now we are preparing to release Cities: Skylines on Playstation 4 and Pillars of Eternity: Complete Edition on both Xbox: One and PS4.



We have also continued to develop our DLC-model, with expansions leading to increased user scores and a steady number of growing active players. Stellaris: Utopia, our best selling expansion to date, is an excellent example of this.

During the quarter we have also released the expansions “Death or Dishonor” for Hearts of Iron IV, “Mandate of Heaven” for Europa Universalis IV and “Mass Transit” for Cities: Skylines. All of which have contributed to increased activity in their respective franchises.

We ran a Paradox Publisher Weekend on Steam during the quarter, as well as participated in their yearly summer sale. Few things illustrate the strength of our broad portfolio as clearly as the successful sales campaigns during these two activities, something that was also reflected in the financial results from the period.

In 2016 we released two large full price titles during Q2 - Hearts of Iron IV and Stellaris. The same quarter 2017 has looked very different yet we increased both our revenue and profit. It's important to stress yet again that comparing financial results quarterly in the games industry is seldom productive. I have chosen to do so here only to stress the importance of a broad portfolio - comprised of base games, expansions, new and old IPs - and to highlight the important role long-tail sales play to create a steady flow of income over time.

At the end of the quarter, we had the privilege to welcome Triumph Studios to Paradox. The formal

transaction happened during quarter 3, but we announced the acquisition at the end of June. It's a genuine pleasure to welcome a new and established studio to Paradox, but it's also a great responsibility. I, and my management team, spent a lot of time in discussions with the co-founders of Triumph Studios throughout the spring to ensure that we had taken a wide range of perspectives under consideration in the acquisition. We looked at the business case, our development methods, future plans and of course company culture. Triumph Studios are a great and natural fit to the Paradox portfolio and now we look forward to an exciting future together.

I want to finish up by saying a few words about PDXCon. It's an event we've had at Paradox for more than ten years and its main objective has always been to gather journalists and our developers under one roof, to give the games the media coverage they deserve. Our philosophy has always been to let developers and the games take the spotlight and PDXCon has therefore been characterized by accessibility, personality and not in the least a genuine passion for our games.

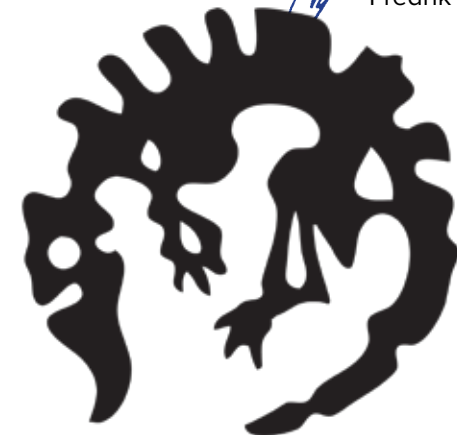
This year we decided to open PDXCon to the public for the first time. One of the goals was to keep the personal and intimate atmosphere while increasing the number of attendees almost tenfold. During a Thursday to Sunday in May, 750 people from more than 22 countries (including Australia and South Korea) gathered for a proper Paradox party. With a 91% approval rating from our visitors and more than double the media exposure for our titles (compared to GDC and Gamescom) we are

more than happy with the outcome of the event. Perhaps the most remarkable feat of all was that, despite of the massive increase in scale, almost every attendee remarked upon how unique the personal interaction with our developers at the event was.

For those of us who have been at Paradox a long time, it's both inspiring and a real energy boost to meet and talk to fans from all over the world. For our developers, those meetings give a very clear understanding of the massive impact their work has on people's lives. For our new employees (many of whom join us as fans), it's a fantastic introduction to the company and the company culture that they are now a part of.

For me personally, PDXCon is an annual stimulant and an event that in many ways feel like a family reunion. To be able, now and in the future, to welcome our players into that setting is something that I consider to be a great honour.

Fredrik Wester, VD





Releases during the quarter

PC



23 May 2017

STEEL DIVISION: NORMANDY 44

Steel Division: Normandy 44 is a Tactical Real-Time Strategy (RTS) game, developed by Eugen Systems. This new game puts players in command of detailed, historically accurate tanks, troops, and vehicles at the height of World War II. Players can measure their tactical skills against several opponents in big multiplayer battles or against enemies in a challenging single-player campaign.

Steel Division: Normandy 44 allows players to take control over legendary military divisions from six different countries, such as the American 101st Airborne, the German armored 21st Panzer or the 3rd Canadian Division, during the invasion of Normandy in 1944.

77%

Steam user reviews

83

7.6

Metacritic score



Releases during the quarter

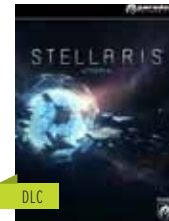
PC



DLC

EUROPA UNIVERSALIS IV - MANDATE OF HEAVEN

While Europe slowly pulls itself from a period of darkness, the East continues to shine brightly. The Ming throne is set on a foundation of thousands of years of civilization while Japanese warlords do battle in honorable array, holding tight to their bushido code. The gods have blessed Asia with wealth and culture. Are you worthy of the Mandate of Heaven?



DLC

STELLARIS - UTOPIA

The stars have called you for millennia and now you walk among them. A universe of possibilities is open to your species as it takes its first fitful steps into the great unknown. Here you can turn your back on the divisive politics of the home planet. Here you can build something new. Here you can unify your people and build that perfect society. Only in space can you build Utopia.



DLC

CITIES: SKYLINES - MASS TRANSIT

Mass Transit is the latest expansion for Cities: Skylines, the award-winning city-building game, and it brings several new systems into play to help citizens traverse their towns in speed and style. Commuters can now get around on the water, up high mountain peaks, and even through the sky thanks to the addition of ferries, monorails, cable cars, and blimps to the game.



Releases during the quarter

PC



DLC

HEARTS OF IRON IV - DEATH OR DISHONOR

Death or Dishonor is a new Country Pack for Hearts of Iron IV, and expands upon players' ability to experience history's greatest conflict from any point of view. This new pack focuses on the countries caught between the Soviet Union and Nazi Germany during World War II -- faced with the tough choices of starting a conflict with a global superpower, or compromising their ideals to strike a deal for their own survival.



DLC

TYRANNY - TALES FROM THE TIERS

Tales from The Tiers expands your journey through the war-torn world of award-winning role-playing game Tyranny. Outwit hostile ambushes, patronize or plunder traveling merchants, and use your skills to navigate the perils of a land plagued by magical Edicts in a series of episodes that offer new insights, new items, and new challenges on your journey.



DLC

EUROPA UNIVERSALIS IV - THIRD ROME


Europa Universalis IV: Third Rome focuses on building a deeper experience for Russia and its cultural brothers. Navigate new interactions with the Orthodox Metropolitans to convert piety into political power, expand the power of the state with new government ranks, levy powerful new military units and colonize the Siberian frontier as you aspire to claim your seat as Tsar.




Releases during the quarter

OTHER PLATFORMS



 **4,1**
Xbox Live score

 **81** **5.4**
Metacritic score

21 April 2017

CITIES: SKYLINES - XBOX ONE


Cities: Skylines is a best-selling management game, available for Windows, Mac, and Linux PCs, and coming very soon to Xbox One and Windows 10 with all its deep gameplay and unique charm along for the ride. The Xbox One Edition and Windows 10 Edition include the award-winning base game, bundled together with the popular After Dark expansion, allowing players to plan and design for their cities' nightlife and tourist attractions.





25 May 2017

PRISON ARCHITECT: MOBILE

Escape from reality but not from your custom-made jail! Prison Architect: Mobile challenges you to build and manage a maximum security prison, from laying out cell blocks and inmate facilities, to managing staff pay and prisoner morale. From layout to execution (literally, in some cases), you are the architect, the warden, and the enforcer.

 **3,3**
App Store rating

 **3,3**
Google Play rating

 **TBD** **TBD**
Metacritic score



Revenues and Profit

REVENUES AND PROFIT SECOND QUARTER

Revenues amounted to SEK 289.4 (234.9) million, an increase by 23 % compared to the same period last year. During the second quarter of 2017, the new game Steel Division: Normandy 44 developed by Eugen Systems was released. Cities: Skylines Xbox One Edition was released, for the first time ported to console. Prison Architect: Mobile, developed by Introversion Software and Tag Games was released to tablets. Several expansions were released during the period; Death or Dishonor to Hearts of Iron IV, Mandate of Heaven to Europa Universalis IV, Mass Transit to Cities: Skylines, as well as Utopia to Stellaris. Revenues for the second quarter of 2017 are mainly attributable to Stellaris, Cities: Skylines, Europa Universalis IV, Hearts of Iron IV and Steel Division: Normandy 44.

Direct costs amounted to SEK 65.4 (59.6) million, primarily attributable to game development and royalties to independent developers as compensation for game development. Royalties are in line with the comparative period. Costs for game development following game investments and releases of new game projects has increased. During the period direct costs are affected by write-downs on capitalised costs of SEK 3.3 (0.0) million relating to a write-down of a not yet announced project with a third party developer where the project has been cancelled.

Selling expenses for the period amounted to SEK 18.8 (10.9) million. Selling expenses increased due to increased investments in events, advertising, sales and marketing.

Administrative expenses for the period amounted to SEK 31.5 (26.0) million, attributable to increased costs related to salary within the function, overall IT-support, gamer usage analysis, the own platform for sales and support of games and costs for supplies equipment.

Other income amounted to SEK 0.0 (4.0) million, and other expenses to SEK 11.5 (0.0) million, of which the majority relates to exchange rate differences. The negative development is primarily driven by weaker price performance of the dollar against SEK in the Group's liquid assets, operating receivables and liabilities compared with the same quarter last year.

Operating profit amounted to SEK 162.3 (142.3) million, an increase by 14 %.

Profit before tax amounted to SEK 162.3 (142.9) million, and profit after tax amounted to SEK 126.3 (110.6) million.

FINANCIAL POSITION

Capitalised development amounted to SEK 195.8



Omsättning och resultat, forts.

(113.4) million by the end of the period, with a net increase of SEK 38.2 million in the quarter. Investments in game projects amounted to SEK 68.5 (24.6) million and amortisation of released games amounted to SEK 27.0 (15.9) million.

Licenses, brands and similar rights amounted to SEK 51.3 (57.9) million. The decrease compared to the comparative period is entirely due to amortization of White Wolf's brand portfolio which was acquired in the fourth quarter of 2015.

By the end of the period property and equipment amounted to SEK 12.4 (15.9) million.

Accounts receivable amounted to SEK 84.9 (107.6) million by the end of the period. The high amount at the end of the period mainly consists of Steam sales in June 2017.

Cash and short term placements amounted to SEK 253.2 (143.2) million.

Shareholders' equity amounts to SEK 489.9 (329.5) million, driven by a strong profit development.

Other long term liabilities amounted to SEK 11.4 (11.4) million by the end of the period. Other long term debt consists entirely of an estimated contingent consideration in connection to the purchase of White Wolf, which will be paid after a period of three years from the transaction date to the seller CCP Games.

Accrued expenses and prepaid income amounts to SEK 71.0 (64.9) million. Royalty reserves to third party developers is in line with the comparative period. Reserve for personnel related expenses has increased compared to the comparative period due to an increase in the number of employees throughout the organization, while reserves for variable employee compensation have decreased.

CASH FLOW SECOND QUARTER

Cash flow from operating activities amounted to SEK 139.7 (62.1) million, primarily attributable to the operating profit. Cash from flow investing activities amounted to SEK -68.9 (-25.1) million, referring to investments in game development. Cash flow from financing activities amounted to SEK -105.6 (0.0) million consisting of the 2016 dividend settled during the quarter.

DEPRECIATION, AMORTISATION AND WRITE-DOWNS SECOND QUARTER

Amortisation of capitalised development amounted to SEK 27.0 (15.9) million. The increase is related to amortisation of released game projects. Write-downs of capitalised development amounted to SEK 3.3 (0.0) million, relating to a write-down of one project with a third party developer which have not yet been announced where the project has been cancelled.

Amortisation of the company's brands amounted

to SEK 1.7 (1.7) million. Depreciation of property and equipment amounted to SEK 0.9 (0.9) million.

Amortisation and write-downs in relation to capitalised development is included in direct costs in the profit and loss statement while amortisation of brands and depreciation of property and equipment is included in administrative expenses.

SIX MONTHS SUMMARY

Revenues amounted to SEK 410.7 (328.2) million, an increase by 25 % compared to the same period last year. Operating profit amounted to SEK 200.3 (167.5) million, an increase by 20 %. Revenue for the period is mainly contributable to Stellaris, Cities: Skylines, Europa Universalis IV, Hearts of Iron IV, and Crusader Kings II.

Direct costs has increased by SEK 14.0 million primarily from increased costs of game development. Profit before tax amounted to SEK 200.3 (168.0) million, and profit after tax amounted to SEK 155.5 (130.0) million.

Investments in capitalised development amounted to SEK 113.1 (39.9) million. Amortisation of capitalised development amounted to SEK 48.7 (27.3) million, and write-downs amounted to SEK 6.2 (0.0) million.

Amortisation of brands amounted to SEK 3.3 (3.3) million.

PARENT COMPANY SECOND QUARTER

The parent company consists of the publishing branch, and the parent company provides administrative services to its subsidiaries. Paradox Development Studio and Paradox North only has intercompany revenue from the parent company, why the financial development of the parent company to a great extent follows the Group's development. Parent company revenues for the first quarter amounted to SEK 290.8 (235.7) million. Operating profit amounted to SEK 163.6 (146.7) million. Profit before tax amounted to SEK 163.6 (146.2) million. Profit after tax amounted to SEK 127.6 (114.4) million.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The same accounting principles has been applied as in the latest annual report. The parent company applies the Swedish Financial Reporting Board's recommendation RFR 2, accounting for legal entities. No new or revised standards have affected the financial statements of the group. It is judged that the fair values of all financial assets and liabilities are approximately equal to their book values.

RISKS AND UNCERTAINTIES

Paradox is, like most companies, exposed to certain risks in its operations. The risks and uncertainties are described as a whole in the Annual report for 2016, page 26. Of the risks can be mentioned a dependency on key employees, dependency on a few sales partners, delays of game projects, low revenues from game releases, and foreign currency. These risks and uncertainties may have a direct or indirect impact on the group's financial position and results.

CONTACT

Additional information about the company can be found on the corporate website www.paradoxinteractive.com. The company's contact person Andras Vajlok can be contacted by e-mail, ir@paradoxplaza.com, or by post Paradox Interactive AB, Västgötagatan 5, 118 27, Stockholm, Sweden.

CALENDAR

Paradox intends to distribute financial reports on the below dates.

Interim report January - September 2017	2017-11-14
Year-end report January - December 2017	2018-02-13

ASSURANCE BY THE BOARD OF DIRECTORS

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

Stockholm August 15, 2017

Håkan Sjunnesson Chairman of the Board	Fredrik Wester Chief Executive Officer
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Peter Lindell	Ebba Ljungerud	Cecilia Beck-Friis
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This interim report has not been subject to special review by the company's auditors.

This information is information that Paradox Interactive AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication on August 15, 2017.

KEY FIGURES FOR THE GROUP

	2017-04-01 2017-06-30	2016-04-01 2016-06-30	2017-01-01 2017-06-30	2016-01-01 2016-06-30	2016-01-01 2016-12-31
Revenues, KSEK	289,447	234,896	410,710	328,170	653,743
Operating profit, KSEK	162,321	142,330	200,282	167,504	308,008
Profit before tax, KSEK	162,322	142,882	200,295	168,048	308,622
Profit after tax, KSEK	126,337	110,603	155,540	129,995	240,439
Operating margin	56%	61%	49%	51%	47%
Profit margin	44%	47%	38%	40%	37%
Equity/assets ratio	75%	73%	75%	73%	76%
Equity per share before and after dilution, SEK*	4.64	3.12	4.64	3.12	4.17
Earnings per share before and after dilution, SEK*	1.20	1.05	1.47	1.23	2.28
Number of shares by the end of the period before and after dilution*	105,600,000	105,600,000	105,600,000	105,600,000	105,600,000
Average number of shares before and after dilution*	105,600,000	105,600,000	105,600,000	105,600,000	105,600,000
Average number of employees	230	190	224	187	194
Number of employees by the end of the period	241	192	241	192	211

*Key figures calculated after split of shares that occurred in March 2016.

OPERATING MARGIN

Operating profit after depreciation and amortisation in relation to revenues

PROFIT MARGIN

Profit after tax in relation to revenues

EQUITY/ASSETS RATIO

Equity at the end of the period in relation to total assets at the end of the period

EQUITY PER SHARE

Shareholders' equity divided by the number of shares outstanding at the end of the period

EARNINGS PER SHARE

Profit for the period divided by the average number of shares outstanding during the period

EQUITY

Shareholders' equity



GROUP INCOME STATEMENT

KSEK	2017-04-01	2016-04-01	2017-01-01	2016-01-01	2016-01-01
	2017-06-30	2016-06-30	2017-06-30	2016-06-30	2016-12-31
Revenues	289,447	234,896	410,710	328,170	653,743
Direct costs	-65,371	-59,603	-115,493	-101,451	-224,729
Gross profit	224,076	175,292	295,217	226,719	429,015
Selling expenses	-18,835	-10,939	-28,559	-19,782	-40,770
Administrative expenses	-31,455	-26,015	-53,461	-42,822	-85,837
Other income	51	4,005	109	4,355	6,566
Other expenses	-11,517	-14	-13,025	-966	-966
Operating profit	162,321	142,330	200,282	167,504	308,008
Financial income	3	594	15	611	681
Financial expense	-2	-41	-2	-67	-67
Profit after financial items	162,322	142,882	200,295	168,048	308,622
Income tax expense	-35,985	-32,279	-44,755	-38,053	-68,182
Profit for the period and total income for the period	126,337	110,603	155,540	129,995	240,439
Attributable to:					
Shareholders of the parent company	126,337	110,603	155,540	129,995	240,439
Non-controlling interests	-	-	-	-	-
Earnings per share attributable to the shareholders of the parent company, SEK	1.20	1.05	1.47	1.23	2.28

GROUP BALANCE SHEET

KSEK

	2017-06-30	2016-06-30	2016-12-31
ASSETS			
Non-current assets			
Capitalised development	195,786	113,375	137,531
Licenses, brands and similar rights	51,288	57,906	54,596
Property and equipment	12,406	15,894	13,987
Other long term assets	3,462	3,402	3,402
Total non-current assets	262,942	190,577	209,516
Current assets			
Accounts receivable	84,858	107,588	71,390
Tax assets	-	-	3,244
Other receivables	27,692	7,178	28,932
Prepaid expenses and accrued revenue	26,997	5,041	22,598
Cash and cash equivalents	253,199	143,202	246,906
Total current assets	392,746	263,009	373,071
TOTAL ASSETS	655,687	453,586	582,587

GROUP BALANCE SHEET

KSEK

	2017-06-30	2016-06-30	2016-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital	528	528	528
Other capital contributed	27,994	27,994	27,994
Retained earnings	305,791	170,952	170,952
Profit for the period	155,540	129,995	240,439
Total equity	489,854	329,469	439,914
Long term liabilities			
Deferred tax liabilities	36,001	19,354	36,001
Other liabilities	11,432	11,432	11,432
Total long term liabilities	47,434	30,787	47,434
Current liabilities			
Accounts payable	17,877	9,486	12,311
Current tax liabilities	6,242	16,125	0
Other liabilities	23,256	2,784	3,135
Accrued expenses and prepaid revenues	71,025	64,935	79,794
Total current liabilities	118,400	93,330	95,240
Total liabilities	165,834	124,117	142,674
TOTAL EQUITY AND LIABILITIES	655,687	453,586	582,587

CHANGE IN GROUP EQUITY

KSEK

	Share capital	Other capital contributed	Retained earnings	Total equity
At the beginning of the period 2016-01-01	106	27,994	242,126	270,226
Bonus issue	422		-422	0
Dividend			-70,752	-70,752
Shareholders' transactions			-71,174	-71,174
Profit for the period and total income for the period	-	-	129,995	129,995
At the end of the period 2016-06-30	528	27,994	300,947	329,469
At the beginning of the period 2017-01-01	528	27,994	411,391	439,914
Dividend			-105,600	-105,600
Shareholders' transactions			-105,600	-105,600
Profit for the period and total income for the period	-	-	155,540	155,540
At the end of the period 2017-06-30	528	27,994	461,331	489,854

GROUP CASH FLOW STATEMENT

KSEK	2017-04-01	2016-04-01	2017-01-01	2016-01-01	2016-01-01
	2017-06-30	2016-06-30	2017-06-30	2016-06-30	2016-12-31
Operating profit	162,321	142,330	200,282	167,504	308,008
Adjustment for items not included in cash flow	32,887	19,025	60,090	33,025	103,645
Interest received	3	32	15	75	139
Interest paid	-2	-57	-2	-83	-83
Tax paid	-15,869	-10,966	-35,269	-36,259	-69,110
Cash flow from current operations before changes in working capital	179,340	150,364	225,116	164,263	342,599
<i>Changes in working capital</i>					
Change in current receivables	-53,514	-88,166	-12,227	-52,661	-38,218
Change in current liabilities	13,838	-108	12,519	-17,124	-16,646
Cash flow from current operations	139,664	62,089	225,408	94,478	287,735
Investing activities					
Acquisition of intangible assets	-68,505	-24,603	-113,130	-39,851	-129,404
Acquisition of tangible assets	-325	-516	-325	-516	-516
Acquisition of financial assets	-60	-	-60	-	-
Cash flow from investing activities	-68,890	-25,119	-113,515	-40,367	-129,920
Financing activities					
Paid dividend	-105,600	-	-105,600	-70,752	-70,752
Cash flow from financing activities	-105,600	-	-105,600	-70,752	-70,752
Cash flow for the period	-34,826	36,970	6,292	-16,642	87,063
Cash and cash equivalents at the beginning of the period	288,025	106,232	246,906	159,844	159,844
Cash and cash equivalents at the end of the period	253,199	143,202	253,199	143,202	246,906



PARENT COMPANY INCOME STATEMENT

KSEK	2017-04-01	2016-04-01	2017-01-01	2016-01-01	2016-01-01
	2017-06-30	2016-06-30	2017-06-30	2016-06-30	2016-12-31
Revenues	290,773	235,656	409,186	328,108	652,093
Direct costs	-69,256	-59,305	-117,939	-101,147	-224,121
Gross profit	221,517	176,351	291,247	226,961	427,972
Sales expenses	-18,585	-10,647	-28,061	-19,449	-40,402
Administrative expenses	-28,118	-23,528	-47,051	-38,504	-76,002
Other income	16	3,995	55	4,342	6,451
Other expenses	-11,263	0	-12,771	-924	-924
Operating profit	163,567	146,171	203,419	172,426	317,094
Financial income	3	576	14	592	659
Financial expense	0	-24	0	-49	-50
Profit after financial items	163,570	146,723	203,432	172,968	317,703
Year-end appropriations	-	-	-	-	-84,819
Income tax expense	-35,985	-32,279	-44,755	-38,053	-51,490
Profit for the period and total income for the period	127,585	114,444	158,677	134,915	181,395

PARENT COMPANY BALANCE SHEET

KSEK	2017-06-30	2016-06-30	2016-12-31
ASSETS			
Non-current assets			
Capitalised development	195,786	113,375	137,531
Licenses, brands and similar rights	358	802	579
Property and equipment	12,406	15,894	13,987
Shares in subsidiaries	190	190	190
Receivables from group companies	50,301	50,301	50,301
Other long term assets	3,462	3,402	3,402
Total non-current assets	262,503	183,965	205,990
Current assets			
Accounts receivable	82,765	107,297	71,046
Receivables from group companies	-	1,036	-
Tax assets	-	-	3,586
Other receivables	26,045	6,596	28,231
Prepaid expenses and accrued revenues	26,997	5,014	22,573
Cash and cash equivalents	229,564	138,411	242,306
Total current assets	365,371	258,354	367,741
TOTAL ASSETS	627,874	442,318	573,732

PARENT COMPANY BALANCE SHEET

KSEK

	2017-06-30	2016-06-30	2016-12-31
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	528	528	528
Capitalised development reserve	176,578	36,088	93,268
<i>Non-restricted equity</i>			
Share premium reserve	27,994	27,994	27,994
Retained earnings	1,502	66,198	9,017
Profit for the period	158,677	134,915	181,395
Total equity	365,280	265,723	312,203
Untaxed reserves	163,642	87,973	163,642
Current liabilities			
Accounts payable	16,894	9,215	12,214
Liabilities to group companies	11,394	5,330	11,583
Current tax liabilities	6,056	15,824	-
Other liabilities	7,883	871	934
Accrued expenses and prepaid revenues	56,724	57,382	73,155
Total current liabilities	98,952	88,622	97,887
Total liabilities	98,952	88,622	97,887
TOTAL EQUITY AND LIABILITIES	627,874	442,318	573,732

