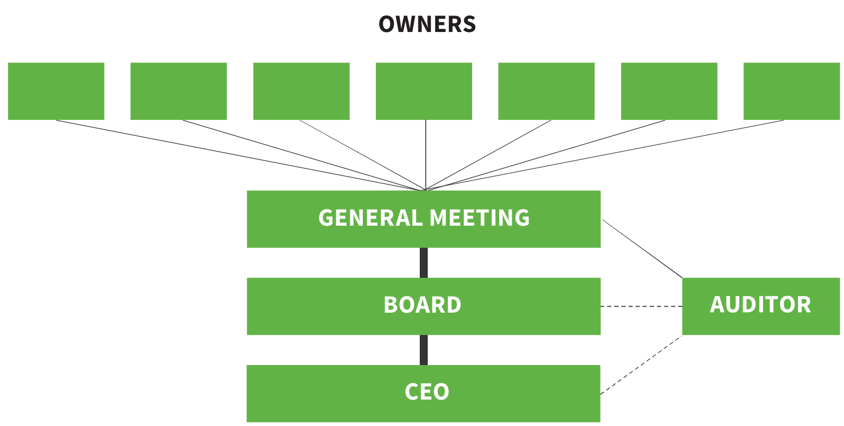
CORPORATE GOVERNANCE REPORT

Paradox Interactive AB (publ) is a Swedish public limited liability company and is governed based on Swedish law and internal rules and regulations. The Swedish Code of Corporate Governance 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 70.

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
- IT-policy
- Finance policy
- Other policies, guidelines and manuals

CORPORATE GOVERNANCE FOUNDATION

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

SHARES AND SHAREHOLDERS

The share capital of Paradox Interactive AB (publ) consists of the same The share capital in Paradox Interactive AB (publ) consists of one and the same share class. Total number of shares amounts to 105,600,000 shares, where one share carries one vote at general meetings. The number of shareholders was 18,127 as of December 31, 2020. The largest shareholders at the end of 2020 were WesterInvest AB (Fredrik Wester) with 33.4 percent of the share capital, Investment AB Spiltan with 17.2 percent and Lerit Förvaltning AB with 8.6 percent. 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 financial year. Time and place of the AGM are published at the latest in connection with the third quarterly report. Each shareholder has also, independent of number of shares, the right to have a matter addressed at a general meeting on a request to be submitted to the board in good time so that the matter can be included in the notice of 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 preceding paragraph.

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 general meeting 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
   (a) on adoption of the income statement and balance sheet and, if applicable, the consolidated income statement and the consolidated balance sheet;
   (b) on the disposition of the company's profit or loss as shown in the adopted balance sheet;
   (c) 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 2020

The AGM 2020 was held on May 15 in Stockholm. At the meeting 73% percent of the votes and thus the same proportion of shares were presented. Board and management were present at the meeting. 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 1 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 2019. The AGM resolved to elect Linda Höglund (new), Håkan Sjunnesson, Josephine Salenstedt and Mathias Hermansson as ordinary board members for the period until the next AGM. Peter Ingman has declined to be re-elected. Fredrik Wester was elected chairman and Håkan Sjunnesson Vice Chairman. The AGM resolved according to the proposal from the nomination committee that the fees shall be SEK 520,000/year to the vice chairman of the board and SEK 260,000/year to the ordinary board members. The fee to Fredrik Wester shall, according to his own request, be 1 SEK/year. The fee to the auditor shall be according to approved invoice.

The AGM approved the nomination committee's proposal for principles for the nomination committee.

The AGM resolved to approve the board's proposal regarding remuneration to senior executives.

The AGM resolved to approve the board's proposal to authorize the board to decide on issue of new shares, convertibles and/or warrants. The increase in the share capital may amount to a dilution corresponding to no more than 10% of the share capital.

The AGM resolved to introduce an incentive program for the company's employees – warrant scheme 2020/2023. With full exercise of the warrant scheme, the number of shares in the company increases by 0.52 percent.

Annual General Meeting 2021

The AGM 2021 takes place on May 18 in Stockholm. Notice of the AGM will be available on the company's website www.paradoxinteractive.com together with all the required documents for the AGM.

Attendance on the Annual General Meeting

Year	% of votes	% of capital
2020	73	73
2019	83	83
2018	67	67
2017	67	67
2016	100	100

NOMINATION COMMITTEE

The AGM decides how the nominations committee shall be appointed. The chairman of the board of directors will contact the three largest shareholders in terms of votes on September 30, 2020. The three largest shareholders will elect one representative each to form the nomination committee along with the chairman until the next AGM has taken place, or until a new nominating committee has been appointed. If any of these shareholders wants to waive their right to elect a representative, their right is transferred to the shareholder who, after these shareholders, has the largest share ownership until the nomination committee is complete. The nomination committee is also allowed to appoint an additional member to represent the small shareholders. If a member leaves the nomination committee before its work is completed a new member shall, if considered necessary, be appointed by the same shareholder who appointed the resigning representative, or, if this shareholder is no longer one of the three largest shareholders, by the new shareholder that belongs to this group. The members of the nomination committee appoint its chairman. However, the chairman of the board of directors will not chair the nomination committee. The composition of the nomination committee shall be announced as soon as it is appointed, and no later than six months before the AGM. In case there is a change in the ownership structure after the nomination committee has been composed, such as one or several shareholders that have appointed members to the nomination committee is no longer one of the three largest shareholders, the nomination committee may be changed in accordance therewith if the nomination committee deems that it is necessary. Unless special circumstances so require, no changes should be made to the composition of the nominating committee if only marginal changes to the number of votes has occurred or if changes occur less than three months prior to the AGM. The Committee's task shall be to prepare proposals to the general meeting regarding chairman of the AGM, number of board members, remuneration to the board and the auditor, the composition of the board, the chairman of the board, rules for the nomination committee for the following year, and the election of the auditor.

Nomination committee ahead of the annual general meeting 2021

Nomination committee's proposal, the reasoned opinion to the proposed board of directors as well as information about the proposed directors are published in connection with the notice to the AGM.

Members of the nominating committee
Per Håkan Börjesson, chairman (appointed by Investment AB Spiltan)
Andras Vajlok (appointed by WesterInvest AB)
Peter Lindell (appointed by Lerit Förvaltning AB)
Fredrik Wester (chairman of the board)

The composition of the committee does not meet Code requirements for independent members in accordance with paragraph 2.3. Andras Vajlok, former CFO, and Fredrik Wester, former CEO, are members of the nomination committee, which is considered a discrepancy under paragraph 2.3. The majority of the members of the nomination committee shall be independent in relation to the company and the management according to section 2.3. As the company has a narrow circle of owners consisting primarily of WesterInvest AB (Fredrik Wester) and Investment AB Spiltan it is considered reasonable that these owners must be members of the committee.

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 to ensure 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 of Paradox, the board elected at the AGM must comprise at least three and not more than eight members. The Chairman of the board is elected at the AGM and has a responsibility to lead the work of the board and ensure that its activities are well organised and conducted in an efficient way. Since the 2020 AGM, the board has consisted of five ordinary members elected by the AGM. The board of directors consists of the following AGM-elected members; Fredrik Wester as chairman. Håkan Sjunnesson, Josephine Salenstedt, Mathias Hermansson and Linda Höglund as ordinary members of the board. The board composition during the year met the requirements of the Code regarding independent directors. This means that the majority of the elected board members are independent of the company and its management, two of whom are also independent in relation to the company's major shareholders.

Duties of the board of directors
- The board members shall give the board assignment sufficient time and care.
- The board members shall independently assess the matters that the board has to consider and present the opinions and take those standpoints arising thereto. Each board member shall act independently and with integrity and in the interest of both the company and the shareholders.
- The board members shall request any additional information deemed necessary in order for the board to adopt well substantiated resolutions.
- The board members shall obtain such information about the business of Paradox and the group, its organisation, the market etc. which is required for the assignment.
- New board members shall attend required introduction and any further training which the chairman and the board members mutually find adequate.

Chairman of the board
The chairman of the board is appointed by the AGM. The chairman's role is to organise and lead the work so that it is run efficiently and that the board fulfills its obligations. Fredrik Wester was appointed chairman of the board at the AGM 2020 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 review and determine 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 characterized 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 2020
The board's rules of procedure describe the items to be found on the agenda at each meeting, the statutory board meeting, as well as the items to be found on one or more of the board meetings during the year. In 2020, the board held 14 meetings, including a statutory meeting, and four for the establishment of interim or year-end reports. Ordinary board meetings normally contain information from the CEO, including information related to the operational position and significant events for the group, as well as financial statements for the period. Key points in the board meetings in 2020 have been questions about investment strategies, acquisitions, interim and annual reports, dividend proposal, etc.

Composition of the board and attendance in 2020

Attendance 2020	Board meetings	Audit committee	Remuneration committee
Fredrik Wester, Chairman	13 of 14	1 of 1	-
Håkan Sjunnesson	14 of 14	1 of 1	1 of 1
Josephine Salenstedt	14 of 14	1 of 1	1 of 1
Mathias Hermansson	14 of 14	1 of 1	1 of 1
Linda Höglund, from May 15, 2020	11 of 11	0 of 0	0 of 0
Peter Ingman, to May 15, 2020	3 of 3	1 of 1	1 of 1

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 election 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 members of the board and other remuneration to elected members, including the chairman, is resolved by the AGM. At the AGM on May 15, 2020, it was resolved that the remuneration to each of the elected board members shall amount to SEK 260,000 and SEK 520,000 to the vice chairman of the board. The company's board members are not entitled to any benefits after they have resigned as members of the board. The remuneration to the chairman of the board, Fredrik Wester, shall according to his own request be SEK 1 net per financial year.

Board meetings 2020

February 17, 2020 – Regular meeting - Reviewing fixed items. Approval of the year-end report. Reviewing of the remuneration committee and the audit committee. Review of the CEO.
April 14, 2020 – Regular meeting - Approval of the annual report.
April 22, 2020 – Regular meeting – Reviewing fixed items.
May 11, 2020 – Regular meeting – Approval of interim report.
May 15, 2020 - Constituent meeting - Adoption of policies, guidelines, and instructions.
June 10, 2020 – Regular meeting – Reviewing and approval of warrant scheme.
June 22, 2020 – Regular meeting – Reviewing and allocation of warrants.
July 8, 2020 – Regular meeting – Reviewing fixed items.
August 10, 2020 – Regular meeting – Approval of the interim report.
August 20, 2020 – Regular meeting - Reviewing fixed items.
September 30, 2020 – Regular meeting - Reviewing fixed items.
October 20, 2020 – Regular meeting – Reviewing fixed items.
November 16, 2020 – Regular meeting – Approval of the interim report.
December 14, 2020 – Regular meeting – Reviewing fixed items. Review of board and CEO.

BOARD COMMITTEES

Audit committee

In connection with the constituent board meeting the board appointed an audit committee consisting of all board 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 all board 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. All the remuneration 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.

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 2020 Grant Thornton 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. CEO is also responsible for preparing reports and compile 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 2020 included:

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

REMUNERATION TO CEO AND SENIOR MANAGEMENT

Guidelines determined by the AGM 2020

The CEO and other senior executives are paid a monthly salary, a variable salary maximized to a total of three monthly salaries, and customary employee benefits. All senior executives participate in the profit-sharing program that applies to all permanent employees.

For 2020, it was proposed to introduce a warrant scheme for the company's employees, which was approved by the AGM.

The fixed salary is usually reviewed once a year and shall consider the individual's qualitative performance. The remuneration of the CEO and all other senior executives shall be competitive. Both Paradox Interactive and the CEO must observe six months' notice. In the event of termination by the company, the CEO is entitled to a severance pay corresponding to six months' salary, with respect to the fixed monthly salary. For other senior executives, Paradox Interactive must observe the notice period in accordance with the Employment Protection Act and the employee must observe a notice period of up to six months. Other senior executives are also not entitled to any compensation in connection with the termination of their employment. Other employed senior executives have customary terms of employment.

The board is entitled to deviate from the above guidelines if the board determines that in a certain case there are special reasons to justify it.

Guidelines determined by the board and proposed to the AGM 2021

For the Annual General Meeting 2021, the board has proposed the same guidelines for remuneration to senior executives as the previous year.

BOARD OF DIRECTORS

FREDRIK WESTER
Position: Chairman of the board, elected as board member in 2010. Assigned as chairman of the board as of August 1, 2018.
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: Chairman of the board of Sahara Silversmycken AB, Kichi Invest AB, LQKO Invest AB. Chairman and CEO of WesterInvest AB, Pewterschmidt Industries AB, Earthland Realms AB, Nishi Investment AB. Board member of Asedo, QCG Sweden AB, Wooz AB.
Shareholding: 35,235,937 shares - through company.
Independence: Not independent of the company and senior management. Not independent of major shareholders.

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.
Previous assignments: Investment Manager Investment AB Spiltan, Managing Partner Nordic Countries Monitor Group, Vice President & Country Manager Gemini Consulting.
Other current assignments: Chairman of the board in Coolstuff AB, Qvalia Group AB, Emerse Sverige AB and Aktivbo AB. Member of the board in Dalex in, NuvoAir AB and Resitu Medical AB.
Shareholding: 3,091,437 shares - through company.
Independence: Independent of the company and senior management. Not independent of major shareholders, employee of Investment AB Spiltan.

JOSEPHINE SALENSTEDT
Position: Board member. Elected in 2018.
Born: 1984
Education: Stockholm School of Economics.
Previous assignments: Extensive experience in investment and active ownership in growth companies within technology, with experience as Chairman of SkinCity and board member in Nord Software Oy and 24 Media Network AB.
Other current assignments: Chairman of the board in Söder Sportfiske AB. Board member DORO AB, CDON AB, Nelly Group AB (publ), Cidro Finans AB. Partner Rite Ventures.
Shareholding: No ownership. Indirect ownership through Lerit Förvaltning AB. Lerit Förvaltning AB owns 9,110,389 shares.
Independence: Independent of the company and senior management. Not independent of major shareholders.

LINDA HÖGLUND
Position: Board member. Elected in 2020.
Born: 1973
Education: Master of Science in Business and Economics, Stockholm School of Economics.
Previous assignments: 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, Goldman Sachs.
Other current assignments: COO Klarna Bank AB, Non-executive IC member Luminar Ventures AB.

MATHIAS HERMANSSON
Position: Board member. Elected in 2019.
Born: 1972
Education: Business Administration, Gothenburg School of Economics and University of Edinburgh.
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.
Other current assignments: CEO at NC Management AB. CFO Voi Technology AB.
Shareholding: 1,000 shares - direct ownership.
Independence: Independent of the company and senior management. Independent of major shareholders.

SENIOR MANAGEMENT

EBBA LJUNGERUD
Position: Chief Executive Officer (CEO)
Born: 1972
Education: M.Sc. in Business and Economics, Lund University.
Previous assignments: Board member at Paradox Interactive 2014-2018. Extensive experience of consumer-related industries such as insurance, media and e-commerce. The years prior to Paradox Interactive, Chief Commercial Officer at Kindred Group PLC (formerly Unibet Group PLC).
Other current assignments: Board member Paradox Development Studio AB.
Shareholding: 13,400 shares, 150,000 warrants - direct ownership.

ALEXANDER BRICCA
Position: Chief Financial Officer (CFO)
Born: 1976
Education: Business Law Master's Degree and Business Administration Bachelor's degree, Linköping University, 2000.
Previous assignments: CFO Viaplay AB, CFO Voddler Group AB, Investment Manager Deseven Capital AB, Business lawyer Bricca Affärsjuridik AB, Corporate legal counsel ECI Net AB.
Other current assignments: Board member Alyssa AB.
Shareholding: 75,000 warrants – direct ownership.

CHARLOTTA NILSSON
Position: Chief Operations Officer (COO)
Born: 1970
Education: BA (hons) Media Studies, University of Westminster
Previous assignments: Extensive experience of scaling new business. Vice President Tieto Oy P&L growing business, (blockchain, Analytics etc). Before that CEO at SIS, EVP at Vizrt (publ) & MD at Ardendo AB, Deputy MD at Epsilon Hightech Innovation.
Other current assignments: Board member Industrifonden, Expert for Vinnova.
Shareholding: 15,000 warrants – direct ownership.

DANIEL GOLDBERG
Position: Chief Marketing Officer (CMO)
Born: 1982
Education: BA (hons) Media Studies, University of Westminster
Previous assignments: Writer and journalist, covered digital industries and digital culture for DI, DN and SvD, Wall Street Journal, The Guardian etc. Founder and editor in chief, Di Digital. VP Communication at Paradox Interactive.
Other current assignments: -
Shareholding: 5 000 warrants – direct ownership.

JULIEN WÉRA
Position: Chief Product Officer (CPO)
Born: 1985
Education: Bachelor's Degree in Public Relations, Paris XII University.
Previous assignments: Global Brand Director, EA DICE. Marketing Manager, Ubisoft. Consultant, ICO Partners. Worked in the gaming industry for 13 years with various assignments with focus on online live service brands.
Other current assignments: -
Shareholding: 45,000 warrants – direct ownership.

KIM NORDSTRÖM
Position: Chief Strategy Officer (CSO)
Born: 1975
Education: No university degree, born and raised in the demo-scene C=.
Previous assignments: SVP Innovation at Paradox, VP/GM at King, R&D at PlayStation (built PlayStation 4), GM Southend Interactive, released the first game on Commodore 64 in the early '90s.
Other current assignments: -
Shareholding: 10,000 shares, 10,000 warrants – direct ownership.

MARINA HEDMAN
Position: Chief Human Resources Officer (CHRO)
Born: 1976
Education: Degree of Bachelor of Social Science
Previous assignments: VP Human Resources, Net Insight AB. Extensive experience within HT from IT, tech and media since 2001.
Other current assignments: -
Shareholding: 35,000 warrants – direct ownership.

MINA BOSTRÖM NAKIĆENOVIĆ
Position: Chief Technology Officer (CTO)
Born: 1972
Education: Licentiate degree in Computer Science from the Faculty of Electrical Engineering, University of Belgrade.
Previous assignments: Head of development at NetEnt, Head of Development and software architect at FIS Front Arena. 20 years of experience within software development.
Other current assignments: -
Shareholding: 100 shares, 5,000 warrants – direct ownership.

SHAMS JORJANI
Position: Chief Business Development Officer (CBDO)
Born: 1983
Education: Stockholm University 2003-2005. Media technology, KTH Royal Institute of Technology, 2005-2008.
Previous assignments: Producer, Business Developer and Head of Product at Paradox Interactive.
Other current assignments: -
Shareholding: 408,000 shares, 35,000 warrants – direct ownership.

INTERNAL CONTROL

The company has not established a special function for internal audit. Instead, the board undertakes the task. The internal control includes control of the Paradox organisation, procedures and activities. The aim is to ensure a 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 that the company's resources are used in a cost efficient 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.