



# YEAR-END REPORT

JANUARY – DECEMBER 2025

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



# YEAR-END REPORT

JANUARY – DECEMBER 2025

## FOURTH QUARTER

- Revenues amounted to MSEK 874.8 (MSEK 709.1), an increase of 23% compared to the same period last year.
- Operating profit amounted to MSEK -245.4 (MSEK 395.3), a decrease of 162%. The operating profit includes amortisation and write-downs of Vampire: The Masquerade – Bloodlines 2, amounting to MSEK 345.7 (MSEK 0.0) and MSEK 355.3 (MSEK 0.0), respectively.
- Profit after financial items amounted to MSEK -241.7 (MSEK 404.3), and profit after tax amounted to MSEK -201.4 (MSEK 310.8).
- Cash flow from operating activities amounted to MSEK 513.2 (MSEK 441.8), and cash flow from investing activities amounted to MSEK -145.5 (MSEK -158.9). Cash flow from financing activities amounted to MSEK -9.8 (MSEK -9.7).
- At the end of the period, cash and cash equivalents amounted to MSEK 1,375.3 (MSEK 1,469.4).
- Earnings per share before dilution amounted to SEK -1.91 (SEK 2.94) and after dilution to SEK -1.91 (SEK 2.94).
- Revenues for the quarter are primarily attributable to Age of Wonders 4, Cities: Skylines, Cities: Skylines II, Crusader Kings III, Europa Universalis V, Hearts of Iron IV, Stellaris, Vampire: The Masquerade – Bloodlines 2, and Victoria 3.

## IMPORTANT EVENTS FOURTH QUARTER

- The new game Europa Universalis V, developed by Paradox Tinto, was released to PC.
- The new game Vampire: The Masquerade – Bloodlines 2, developed by The Chinese Room, was released to PC and console.
- New downloadable content was released for games during the period: All Under Heaven to Crusader Kings III, No Compromise, No Surrender to Hearts of Iron IV, Bridges & Ports, Supply Chains and Skyscrapers to Cities: Skylines II, Thrones of Blood to Age of Wonders 4, Necropolis of the Damned to Across the Obelisk, Infernals to Stellaris and Iberian Twilight to Victoria 3.
- New ports of downloadable content were released during the period: Legends of the Dead to Crusader Kings III and The Machine Age to Stellaris.
- A remaster of the game Surviving Mars, developed by Haemimont Games, was released during the period.
- Steam Winter Sale and Steam Autumn Sale took place during the period.
- The Board proposes an ordinary dividend of SEK 5.00 (SEK 3.00) per share, and a special dividend of SEK 0.00 (SEK 2.00) per share.

## FULL YEAR

- Sales amounted to MSEK 2,191,9 (MSEK 2,200.9), a decrease of 0% from the previous year.
- Operating profit amounted to MSEK 146.0 (MSEK 721.4), a decrease of 80%.
- Profit after financial items amounted to MSEK 167.4 (MSEK 757.3), and profit after tax amounted to MSEK 125.5 (MSEK 584.6).
- Earnings per share before dilution amounted to SEK 1.19 (SEK 5.54) and after dilution to SEK 1.18 (SEK 5.53).



## COMMENTS BY THE CEO

We closed the year with our most intense quarter in company history. With two new game releases, one remaster, and DLCs for most titles, we held a pace that truly demonstrates the strength of our organisation and our portfolio. The core business delivered strong performance with high revenues and solid cash flow. However, the results for the period were impacted by currency headwinds and the write-down of *Vampire: The Masquerade – Bloodlines 2*, as the game did not meet our commercial expectations. At the same time, this marks an important turning point: we are now strengthening our strategic focus, reallocating resources, and creating even better conditions for future investments where we have our greatest expertise and long-term potential.

The major highlight of both the quarter and the year was the launch of *Europa Universalis V*, a game that brings the franchise into a new era. Few game series have been as central to Paradox as *Europa Universalis*. What began as a niche title 25 years ago is today a textbook example of how we build long-lasting games with highly engaged communities. With this latest installment, we have taken significant steps forward and laid a very strong foundation for the future. The reception from both players and critics clearly demonstrates the game's longevity and the substantial potential that exists in the franchise for many years to come.

At the same time, we continued to develop our long-lived titles through several highly appreciated expansions for our strategy and management games. Examples include *All Under Heaven* for *Crusader Kings III*, which opened up an entirely new continent, and *Bridges & Ports* for *Cities: Skylines II*, the first DLC in the series. We also relaunched one of our most beloved management games with *Surviving Mars: Relaunched*, and we look forward to building on this with new DLCs in the coming year.

As we look ahead, we do so with clarity, focus, and strengthened confidence. *Vampire: The Masquerade – Bloodlines 2* was the last major project in development that was outside of our core areas. As post-release work winds down, resources and focus

are being redirected to projects where we know we can create the greatest value. Our future pipeline is now fully concentrated on deep strategy and management games, with the majority developed in our own studios which provides both creative strength and long-term profitability.

In line with this, we are very pleased that Iceflake Studios in Tampere has become the new home of the *Cities: Skylines* franchise. The team's deep expertise in management games, combined with future development now taking place within an internal studio, gives us increased control over the franchise's long-term development. This provides even stronger conditions to realise its full potential. Going forward, the focus will be on continuous updates, close collaboration with the community, and exciting new content.

In summary, we enter the new year with strong optimism about the future. With a highly focused and compelling pipeline, financial freedom for new investments, and strong control over our most important franchises, we have both the conditions and the ambitions to deliver more to our players.

Fredrik Wester, CEO





## PARADOX INTERACTIVE AT A GLANCE

Paradox Interactive is one of the premier developers and publishers of strategy and management games for PC and consoles. By developing long-lived games with downloadable content, renewing its game portfolio with engaging games and having a close relationship to its players, the company creates the strategy and management segments' best gaming experiences.

The group consists of publishing business and six studios in six countries that develop gaming experiences for the company's six million monthly active players. Amongst its most important active games are Cities: Skylines, Cities: Skylines II, Hearts of Iron IV, Crusader Kings III, Europa Universalis V, Victoria 3, Stellaris and Age of Wonders 4.

Paradox strives for a healthy profit margin, a stable operating cash flow and strong growth. Thus, enabling stable operations and continuous investments in the company's future.

6

Million MAU

7

Games in pipeline

8%

R12 profit margin

**Rolling 12-month revenues and operating profit**



**Quarterly revenues and operating profit**



## RELEASES IN THE PERIOD



### EUROPA UNIVERSALIS V

**Release date:** 4 November 2025

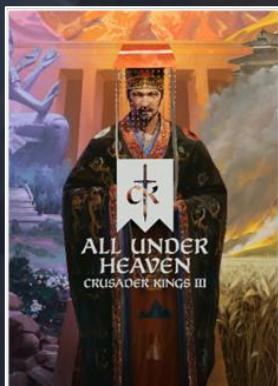
**Platforms:** PC

**Price:** USD 59.99

**Description:** Almost five hundred years of history unfold before you in Europa Universalis V. Guide the destiny of any of hundreds of nations and societies in a simulated living world of unparalleled depth and complexity. Europa Universalis V builds on the franchise's core concept of developing and advancing nations from around a deeply researched historical world, adding more detailed diplomacy, a more sophisticated economic model, a revised military system and greater logistical depth that will challenge even the most experienced strategy gamers.

**Publisher:** Paradox Interactive

**Developer:** Paradox Tinto



### CRUSADER KINGS III: ALL UNDER HEAVEN

**Release date:** 28 October 2025

**Platforms:** PC

**Price:** USD 29.99

**Description:** The world of Crusader Kings III is expanding. In All Under Heaven – the game's fourth Major Expansion – the map extends to Asia to include the rich and storied lands of China, Japan, and Southeast Asia. Lead legendary warrior houses, manage vast empires and navigate intricate power struggles in this vibrant region filled with history, culture and innovation.

**Publisher:** Paradox Interactive

**Developer:** Paradox Development Studio



### HEARTS OF IRON IV: NO COMPROMISE, NO SURRENDER

**Release date:** 20 November 2025

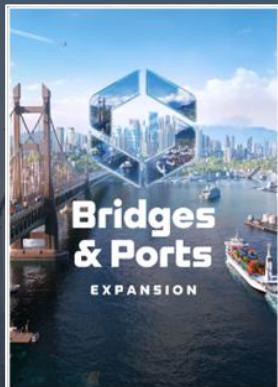
**Platforms:** PC

**Price:** USD 29.99

**Description:** Mould new paths in history for Japan, China and the Philippines in No Compromise, No Surrender, an Expansion for Hearts of Iron IV. Seize a greater depth of control over factions, forge new military doctrines and decide the fate of the Pacific and beyond.

**Publisher:** Paradox Interactive

**Developer:** Paradox Development Studio



## CITIES: SKYLINES II – BRIDGES & PORTS

**Release date:** 29 October 2025

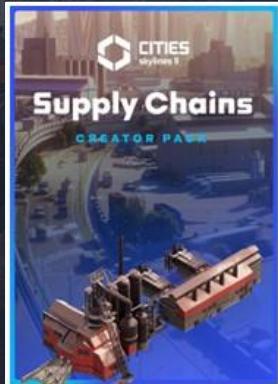
**Platforms:** PC

**Price:** USD 19.99

**Description:** Link your city to the sea with drawbridges and lift bridges. Managing traffic over these bridges while keeping seaways moving. Ferries become a natural choice to connect neighbourhoods and get commuters where they're going. Bring the shoreline to life with nine new parks, leisure piers in different sizes and quays that handle anything from simple paths to multi-lane roads. Spotlight it all with one of four new lighthouses, one of which doubles as a tourist landmark.

**Publisher:** Paradox Interactive

**Developer:** Colossal Order



## CITIES: SKYLINES II – CREATOR PACK: SUPPLY CHAINS

**Release date:** 3 December 2025

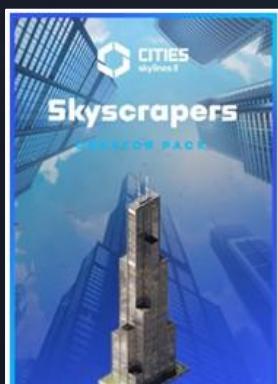
**Platforms:** PC

**Price:** USD 7.99

**Description:** Grow your city's industry with the Creator Pack 'Supply Chains'. Designed by community creator 'Badi\_Dea', this pack captures the progression of your industrial production from modest workshops to global-scale manufacturing including their corporate headquarters. From farmers' markets to retail stores, each building represents a step in your city's supply chain; tracing the journey from raw materials to the hands of the end consumer.

**Publisher:** Paradox Interactive

**Developer:** Badi\_Dea



## CITIES: SKYLINES II – CREATOR PACK: SKYSCRAPERS

**Release date:** 3 December 2025

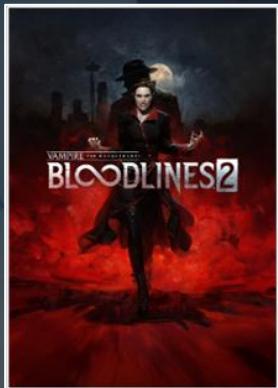
**Platforms:** PC

**Price:** USD 7.99

**Description:** Reach for the sky with the Creator Pack 'Skyscrapers'. Designed by community creator 'REV0'. This pack introduces a bold collection of towering buildings that will transform the skyline of your city. Paying tribute to international architectural styles, it features a selection of stunning high-rises that offer a range of city service upgrades.

**Publisher:** Paradox Interactive

**Developer:** REV0



## VAMPIRE: THE MASQUERADE - BLOODLINES 2

**Release date:** 21 October 2025

**Platforms:** PC

**Price:** USD 59.99

**Description:** You are the Nomad — an elder vampire awakening from a century-long slumber, new to the modern nights. Trapped in your Blood is a stranger's voice. This entity, a vampire detective known as Fabien, will be your guide to 21st-century Seattle. You will explore the city through his eyes as well as those of the Nomad. Hunt your way through a modern-night Seattle on the brink of an open supernatural war.

**Publisher:** Paradox Interactive, World of Darkness

**Developer:** The Chinese Room



## AGE OF WONDERS 4: THRONES OF BLOOD

**Release date:** 11 November 2025

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

**Price:** USD 19.99

**Description:** Rise as a powerful vampire ruler, build your dark empire in the shadows, and wield ancient blood magic to dominate the realms. Explore the Sunless Lands where rivers of blood flow, and forge pacts with creatures of the night to ensure your eternal reign. Contains a vampire ruler type, new tomes and wildlife units, and a new story realm that explores the origins of the Elder Vampires.

**Publisher:** Paradox Interactive

**Developer:** Triumph Studios



## ACROSS THE OBELISK: NECROPOLIS OF THE DAMNED

**Release date:** 2 December 2025

**Platforms:** PC

**Price:** USD 19.50

**Description:** Cross the threshold into the Necropolis of the Damned, a haunting alternate path through Act 4, and a new ending to your adventure in Across the Obelisk.

**Publisher:** Paradox Arc

**Developer:** Frag Games



## SURVIVING MARS RELAUNCHED

**Release date:** 10 November 2025

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

**Price:** USD 39.99

**Description:** Your mission: colonize Mars and survive the process, from exploration and infrastructure to welcoming human colonists and achieving long-term stability. Surviving Mars: Relaunched brings together the original colony management game from Haemimont Games, its entire catalogue of expansions, improved and reworked, from major expansions to cosmetics and radio stations, as well as the all-new Martian Assembly update. Upgraded graphics together with updated UI will give veteran players the definitive Surviving Mars experience.

**Publisher:** Paradox Interactive

**Developer:** Haemimont Games



## STELLARIS: INFERNALS

**Release date:** 25 November 2025

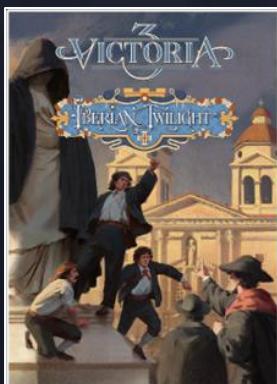
**Platforms:** PC

**Price:** USD 12.99

**Description:** Thrive where others burn. The Stellaris: Infernals Species Pack invites you to forge a blazing empire, built to endure the galaxy's most extreme heat.

**Publisher:** Paradox Interactive

**Developer:** Paradox Development Studio, Forgotten Empires



## VICTORIA 3: IBERIAN TWILIGHT

**Release date:** 11 December 2025

**Platforms:** PC

**Price:** USD 9.99

**Description:** Reverse the fortunes of the waning Spanish and Portuguese Empires in Iberian Twilight. Reform outmoded political and economic systems and foster an agricultural and industrial revolution on the peninsula.

**Publisher:** Paradox Interactive

**Developer:** Paradox Development Studio



## CRUSADER KINGS III CONSOLE EDITION: LEGENDS OF THE DEAD

**Release date:** 18 November 2025

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

**Price:** USD 19.99

**Description:** What good are grand accomplishments and heroic deeds if no one sings of them after you have gone? A royal legacy is only useful, after all, if it can provide cover and legitimacy for those who come after you. Live on in the memory of your subjects and rivals in Legends of the Dead.

**Publisher:** Paradox Interactive

**Developer:** Paradox Development Studio, Room8 Group



## STELLARIS CONSOLE EDITION: THE MACHINE AGE

**Release date:** 6 November 2025

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

**Price:** USD 24.99

**Description:** As cybernetic augmentation transcends the limits of the body, synthetic ascension beckons with the promise of eternal life. It is a period of technological marvels, rapid change, and unchecked ambition. But from the ashes of a Fallen Empire, a danger unlike any before encountered is about to emerge, a looming threat that will throw the very meaning of life into question.

**Publisher:** Paradox Interactive

**Developer:** Paradox Development Studio, Tantalus Media



# FINANCIAL OVERVIEW

## REVENUE AND PROFIT FOURTH QUARTER

Revenues amounted to MSEK 874.8 (MSEK 709.1), an increase of 23% compared to the same period last year. Revenues for the quarter are primarily attributable to Age of Wonders 4, Cities: Skylines, Cities: Skylines II, Crusader Kings III, Europa Universalis V, Hearts of Iron IV, Stellaris, Vampire: The Masquerade – Bloodlines 2, and Victoria 3. The change in revenue is strongly correlated with variation in the releases that occur. The increase in revenue compared with the previous year is mainly explained by the releases of the new games Europa Universalis V and Vampire: The Masquerade – Bloodlines 2. The quarter's release of All Under Heaven for Crusader Kings III also contributed to higher revenue, while the comparative period's expansion Götterdämmerung for Hearts of Iron IV, as well as, among others, the Grand Archives expansion for Stellaris, generated higher revenue in the prior period.

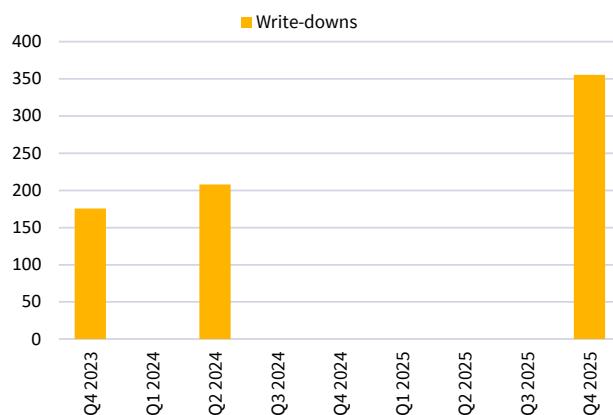
The Group's revenue is mainly in currencies other than SEK and is therefore exposed to exchange rate fluctuations. The quarter's revenue has been negatively affected by the exchange rate development of the strengthened krona compared to the same period last year.

Cost of goods sold amounted to MSEK 1,000.6 (MSEK 262.7), attributable to game development, development support, operation and maintenance of games, costs for licenses, trademarks and similar rights, as well as royalties and revenue-based contingent consideration to development studios and other rights holders.

Amortisation of released games amounts to MSEK 510.4 (MSEK 91.4). The games are generally amortised over 18 months, usually using a degressive depreciation method. The purpose of the amortisation is to provide a fair view of the company's operations and gross profit but may contribute to volatility in the cost of goods sold item. The increase is driven by amortisation of the new games Vampire: The Masquerade – Bloodlines 2 and Europa Universalis V. Vampire: The Masquerade – Bloodlines 2, which has been under development since 2016, was released in

October 2025 and is subject to scheduled amortisation of the entire capitalised development cost over the period from October to December 2025, amounting to MSEK 345.7. Following the game's release, updated sales forecasts for the title resulted in a non-cash write-down being recognised in addition to the scheduled amortisation.

Write-downs recognised within cost of goods sold for the period amount to MSEK 355.3 (MSEK 0.0) and are entirely related to Vampire: The Masquerade – Bloodlines 2.



Amortisation of licenses, trademarks and similar rights amounts to MSEK 7.7 (MSEK 13.8). Amortisation has decreased as a result of the amortisation of excess values from the acquisition of Playrion Games Studio now being fully amortised. At the same time, the decrease is offset by new amortisations related to the acquired publishing rights for Stranded: Alien Dawn, as well as amortisations of excess values from the acquisition of Haemimont Games.

In addition to depreciation, amortisation and write-downs within the item, a total of MSEK 119.9 (MSEK 150.1) was expensed regarding non-capitalised development costs, development support, operation and maintenance of games, royalties and revenue based earn-outs.

Non-capitalised development costs have decreased since the previous year. Costs for development support, operations, and maintenance of games have increased compared to the reference period, mainly as

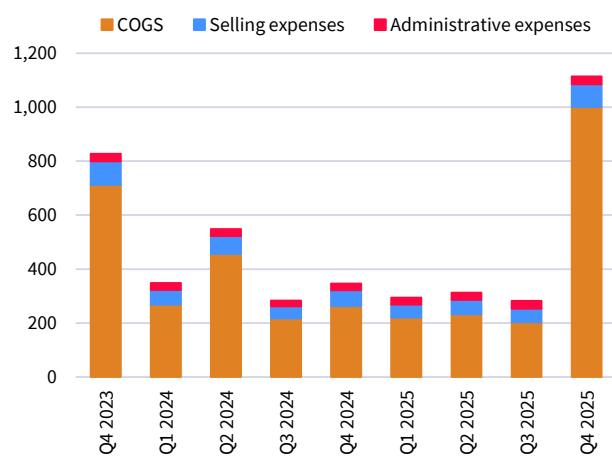


a result of a minor reorganisation between the development studio and the publisher's operations and maintenance services.

Royalties and revenue-based contingent consideration have decreased compared to the previous year, mainly driven by Age of Wonders 4, where the sellers of Triumph Studios receive a revenue-based contingent consideration until April 2026.

Selling expenses for the period amounted to MSEK 84.5 (MSEK 58.5). The increase is a result of higher costs related to the releases of Europa Universalis V and Vampire: The Masquerade – Bloodlines 2.

Administrative expenses for the period amounted to MSEK 28.9 (MSEK 25.0). The increase compared to the previous year mainly relates to items of a non-recurring nature. Administrative expenses are generally unchanged over time and are relatively unaffected by other operations.



Other operating income amounted to MSEK 2.7 (MSEK 32.9) and other operating expenses to MSEK -8.8 (MSEK -0.5). Other operating income and other operating expenses consist primarily of foreign exchange rate movements on the Group's cash and cash equivalents, operating receivables and operating liabilities during the quarter.

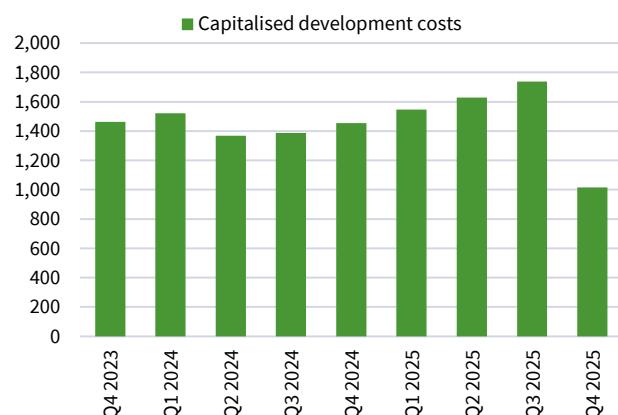
Operating profit amounted to MSEK -245.4 (MSEK 395.3).

Financial income amounted to MSEK 4.4 (MSEK 9.5) and consists primarily of interest income from bank accounts. Financial expenses amounted to MSEK 0.7 (MSEK 0.4) and consists primarily of calculated interest on lease liabilities.

Profit after financial items amounted to MSEK -241.7 (MSEK 404.3), and profit after tax amounted to MSEK -201.4 (MSEK 310.8).

## FINANCIAL POSITION

Capitalised development expenses at the end of the period amounted to MSEK 1,015.1 (MSEK 1,454.3). The item relates to both games that have not yet been completed and games that have been released and are subsequently amortised. Vampire: The Masquerade – Bloodlines 2, which was released in October 2025, has, after scheduled amortisation and write-downs, a carrying amount that reflects the Group's expected earnings from the game. Europa Universalis V, which was released in November 2025, has been amortised according to plan since its release. At the same time, capitalised development costs remain for, among other things, the announced game Prison Architect 2. Development is also ongoing for a number of unannounced games that are capitalised on an ongoing basis, as well as expansions for previously released games.



Licenses, trademarks, and similar rights amounted to MSEK 105.8 (MSEK 52.7). The increase relates to the acquired publishing rights to Stranded: Alien Dawn, as well as surplus values from the acquisition of Haemimont Games. At the end of the period, the excess values from the acquisition of Playrion Games are fully amortised.

Goodwill amounted to MSEK 21.8 (MSEK 23.1), attributable to the acquisition of Icelflake Studios.

Right-of-use assets for rental premises amounted to MSEK 171.6 (MSEK 69.7). The increase refers to the renewed lease agreement on Södermalm, Stockholm.



Accounts receivable at the end of the period amounted to MSEK 271.2 (MSEK 280.1).

Cash and cash equivalents at the end of the period amounted to MSEK 1,375.3 (MSEK 1,469.4).

Long-term lease liabilities amount to MSEK 137.4 (MSEK 33.9), relating to rental commitments for office premises. The current lease agreement on Södermalm in Stockholm expires at the end of September 2026 and was renewed shortly before the end of the third quarter 2025.

Deferred tax liabilities amount to MSEK 153.6 (MSEK 163.5) relating to tax on untaxed reserves and intangible assets from acquisitions.

Short-term lease liabilities amount to MSEK 27.8 (MSEK 30.9), relating to short-term rental commitments for office premises.

Accrued expenses and prepaid income at the end of the period amount to MSEK 278.4 (MSEK 326.1). Prepaid income is in line with the previous year, with prepaid income related to downloadable content for Cities: Skylines 2 having decreased, while prepaid income related to downloadable content for Europa Universalis V and Vampire: The Masquerade – Bloodlines 2 has increased. Accruals for royalties payable to game developers, as well as accruals for variable remuneration to employees, have decreased compared with the previous year.

## CASH FLOW FOURTH QUARTER

Cash flow from operating activities for the period amounted to MSEK 513.1 (MSEK 441.8), primarily attributable to operating profit adjusted for depreciations, amortisations and write-downs. Cash flow from investing activities amounted to MSEK -145.5 (MSEK -158.9) and mainly relates to investments in game development. Cash flow from financing activities amounted to MSEK -9.8 (MSEK -9.7) relating to amortisation of lease liabilities for office premises.

## FULL YEAR IN SUMMARY

Revenues amounted to MSEK 2,191.9 (MSEK 2,200.9), a decrease of 0% compared to the same period last year. Cost of goods sold amounted to MSEK 1,656.9 (MSEK 1,203.6), attributable to game development,

development support, operation and maintenance of games, as well as royalties and revenue-based contingent considerations to third parties. Write-downs recognised within cost of goods sold for the period amounted to MSEK 355.3 (MSEK 208.0), attributable to Vampire: The Masquerade – Bloodlines 2. The prior year's write-downs relate to the discontinuation of the game Life By You. Operating profit amounted to MSEK 146.0 (MSEK 721.4), a decrease of 80%. Profit after financial items amounted to MSEK 167.4 (MSEK 757.3), and profit after tax amounted to MSEK 125.5 (MSEK 584.6). Cash flow from operating activities amounted to MSEK 1,236.5 (MSEK 1,123.5). Cash flow from investing activities amounted to MSEK -752.8 (MSEK -403.2). In the prior year, cash flow from investing activities included sales of bonds amounting to MSEK 200.5. Cash flow from financing activities amounted to MSEK -567.1 (MSEK -355.2).

## RELATED PARTY TRANSACTIONS

No significant transactions have taken place between the group and related parties that have affected the group's position and results.

## PARENT COMPANY FOURTH QUARTER

The parent company houses the publishing business. Within the publishing business, the parent company buys development services from both external and wholly owned development studios and pays royalties to these where applicable. The parent company also provides administrative services to the subsidiaries. All in all, this leads to the parent company's revenues to a large extent making up the group's total revenues.

The parent company's revenues in quarter amounted to MSEK 879.4 (MSEK 712.9). Operating profit amounted to MSEK -241.5 (MSEK 485.5). Profit after financial items amounted to MSEK -238.3 (MSEK 509.7). Profit after tax amounted to MSEK -261.7 (MSEK 391.9).

## ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting as well as RFR 1 and the annual accounts act. The parent company applies the Swedish Financial Reporting Board's recommendation RFR 2, accounting for legal entities. Accounting principles and calculation bases are in accordance with the principles applied in the



company's most recent annual report. The carrying amount of the Group's long-term financial instruments valued at accrued acquisition value essentially corresponds to its fair value as the interest rate is in parity with current market interest rates. The carrying amount of the Group's short-term financial instruments valued at accrued acquisition value essentially corresponds to its fair value as the discounting effect is not significant. Accounting principles and calculation bases are in accordance with the principles applied in the company's most recent annual report.

## **RISKS AND UNCERTAINTIES**

Paradox is, like most companies, exposed to certain risks in its operations. The risks and uncertainties are described in the Annual Report for 2024, page 32. Risks to be specifically mentioned include dependency on key employees, dependency on a few sales partners, delays of game projects, cancellations of unfinished game projects, low revenues from game releases, and foreign currency. These risks and uncertainties may have a direct or indirect impact on the group's financial position and results.

## **DIVIDEND PROPOSAL**

The Board proposes a dividend to shareholders of SEK 5.00 per share. The Board of Directors proposes Friday, May 15, 2026 as record date. If the Annual General Meeting approves the proposal, the dividend will be distributed by Euroclear Sweden AB on Wednesday May 20, 2026.



## FINANCIAL CALENDAR

Annual Report 2025	2026-04-09
Interim report January - March 2026	2026-04-30
Annual General Meeting 2026	2026-05-12
Interim Report January - June 2026	2026-08-06
Interim Report January - September 2026	2026-10-29
Year-end report 2026	2027-02-04

## CONTACT

Additional information about the company can be found on the corporate website [www.paradoxinteractive.com](http://www.paradoxinteractive.com). The company can be contacted by e-mail, [ir@paradoxinteractive.com](mailto:ir@paradoxinteractive.com), or by post Paradox Interactive AB, Magnus Ladulåsgatan 4, 118 66, Stockholm, Sweden.

## ASSURANCE BY THE BOARD OF DIRECTORS

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

Stockholm 29 January 2026

The Board of Directors

This information is information that Paradox Interactive AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication 08:00 CET 29 January 2026.



## KEY FIGURES FOR THE GROUP

	2025-10-01	2024-10-01	2025-01-01	2024-01-01
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Revenues, KSEK	874,756	709,095	2,191,918	2,200,943
Operating profit, KSEK	-245,398	395,260	145,999	721,364
Profit after financial items, KSEK	-241,684	404,295	167,397	757,303
Profit after tax, KSEK	-201,393	310,820	125,456	584,628
Operating margin	-28%	56%	7%	33%
Profit margin	-28%	57%	8%	34%
Equity/assets ratio	79%	82%	79%	82%
Equity per share before dilution, SEK	23.65	27.55	23.65	27.55
Equity per share after dilution, SEK	23.65	27.55	23.65	27.55
Earnings per share before dilution, SEK	-1.91	2.94	1.19	5.54
Earnings per share after dilution, SEK	-1.91	2.94	1.18	5.53
Number of shares by the end of the period before dilution	105,623,025	105,623,025	105,623,025	105,623,025
Number of shares by the end of the period after dilution	105,623,025	105,623,025	105,623,025	105,623,025
Average number of shares before dilution	105,623,025	105,623,025	105,623,025	105,623,025
Average number of shares after dilution	105,623,025	105,722,702	105,720,938	105,656,190
Average number of employees	663	574	638	587

For definitions of key figures, see the annual report.



## GROUP INCOME STATEMENT (KSEK)

	2025-10-01	2024-10-01	2025-01-01	2024-01-01
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Revenues	874,756	709,095	2,191,918	2,200,943
Cost of goods sold	-1,000,584	-262,682	-1,656,913	-1,203,649
<b>Gross profit</b>	<b>-125,828</b>	<b>446,413</b>	<b>535,005</b>	<b>997,294</b>
Selling expenses	-84,487	-58,534	-236,076	-223,881
Administrative expenses	-28,946	-25,008	-110,632	-99,653
Other income	2,662	32,883	9,253	58,294
Other expenses	-8,800	-494	-51,551	-10,690
<b>Operating profit</b>	<b>-245,398</b>	<b>395,260</b>	<b>145,999</b>	<b>721,364</b>
Financial income	4,441	9,470	23,469	42,103
Financial expense	-727	-435	-2,072	-6,165
<b>Profit after financial items</b>	<b>-241,684</b>	<b>404,295</b>	<b>167,397</b>	<b>757,303</b>
Tax	40,291	-93,475	-41,940	-172,675
<b>Profit for the period</b>	<b>-201,393</b>	<b>310,820</b>	<b>125,456</b>	<b>584,628</b>

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

Earnings per share before dilution, SEK	-1.91	2.94	1.19	5.54
Earnings per share after dilution, SEK	-1.91	2.94	1.18	5.53

## OTHER COMPREHENSIVE INCOME (KSEK)

	2025-10-01	2024-10-01	2025-01-01	2024-01-01
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Profit for the period	-201,393	310,820	125,456	584,628
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to profit or loss</i>				
Translation differences	-5,699	6,002	-17,016	9,511
<b>Other comprehensive income</b>	<b>-5,699</b>	<b>6,002</b>	<b>-17,016</b>	<b>9,511</b>
<b>Total comprehensive income for the period</b>	<b>-207,093</b>	<b>316,822</b>	<b>108,440</b>	<b>594,139</b>

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



# GROUP BALANCE SHEET (KSEK)

2025-12-31 2024-12-31

## ASSETS

### Non-current assets

Capitalised development	1,015,110	1,454,313
Licenses, brands and similar rights	105,792	52,655
Goodwill	21,790	23,137
Property and equipment	8,410	8,318
Right-of-use assets	171,591	69,679
Other long term assets	18,658	18,736
<b>Total non-current assets</b>	<b>1,341,352</b>	<b>1,626,838</b>

### Current assets

Accounts receivable	271,185	280,056
Tax assets	91,397	62,136
Other receivables	27,143	10,466
Prepaid expenses and accrued revenue	63,272	83,498
Cash and cash equivalents	1,375,272	1,469,356
<b>Total current assets</b>	<b>1,828,268</b>	<b>1,905,512</b>

## TOTAL ASSETS

**3,169,621 3,532,350**

## EQUITY AND LIABILITIES

### Equity

Share capital	528	528
Other capital contributed	29,748	29,748
Reserves	15,178	32,194
Retained earnings	2,452,868	2,847,170
<b>Total equity</b>	<b>2,498,322</b>	<b>2,909,640</b>

### Long-term liabilities

Lease liabilities	137,403	33,911
Deferred tax liabilities	153,586	163,460
<b>Total long-term liabilities</b>	<b>290,989</b>	<b>197,372</b>

### Current liabilities

Accounts payable	41,161	45,842
Current tax liabilities	782	852
Lease liabilities	27,833	30,875
Other liabilities	32,171	21,697
Accrued expenses and prepaid revenues	278,362	326,073
<b>Total current liabilities</b>	<b>380,309</b>	<b>425,339</b>

## TOTAL EQUITY AND LIABILITIES

**3,169,621 3,532,350**



## CHANGE IN GROUP EQUITY (KSEK)

	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
At the beginning of the period 2025-01-01	528	29,748	32,194	2,847,170	2,909,640
Profit for the period				125,456	125,456
<b>Other comprehensive income</b>					
Translation difference				-17,016	-17,016
<b>Total other comprehensive income</b>	-	-		<b>-17,016</b>	<b>-17,016</b>
<b>Total comprehensive income</b>	-	-		<b>-17,016</b>	<b>125,456</b>
<b>Transactions with owners</b>					
Share-based payments staff	-	-		8,357	8,357
Dividends	-	-		-528,115	-528,115
<b>Total transactions with owners</b>	-	-		<b>-519,758</b>	<b>-519,758</b>
<b>AT THE END OF THE PERIOD 2025-12-31</b>	<b>528</b>	<b>29,748</b>	<b>15,178</b>	<b>2,452,868</b>	<b>2,498,322</b>

	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
At the beginning of the period 2024-01-01	528	29,748	22,684	2,567,495	2,620,455
Profit for the period				584,628	584,628
<b>Other comprehensive income</b>					
Translation difference			9,511		9,511
<b>Total other comprehensive income</b>	-	-	<b>9,511</b>	-	<b>9,511</b>
<b>Total comprehensive income</b>	-	-	<b>9,511</b>	<b>584,628</b>	<b>594,139</b>
<b>Transactions with owners</b>					
Share-based payments staff	-	-		11,915	11,915
Dividends	-	-		-316,869	-316,869
<b>Total transactions with owners</b>	-	-		<b>-304,954</b>	<b>-304,954</b>
<b>AT THE END OF THE PERIOD 2024-12-31</b>	<b>528</b>	<b>29,748</b>	<b>32,194</b>	<b>2,847,170</b>	<b>2,909,640</b>



## GROUP CASH FLOW STATEMENT (KSEK)

	2025-10-01	2024-10-01	2025-01-01	2024-01-01
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
<b>Cash flow from operations</b>				
Operating profit	-245,398	395,260	145,999	721,364
Adjustment of depreciation, amortisation and write-downs	883,388	115,474	1,179,774	710,513
Other adjustments	2,850	2,836	8,357	12,002
Interest received	4,441	27,575	23,469	38,705
Interest paid	-727	-435	-2,072	-6,165
Tax paid	-427	-62,912	-91,428	-248,071
<b>Cash flow before changes in working capital</b>	<b>644,127</b>	<b>477,798</b>	<b>1,264,099</b>	<b>1,228,348</b>
<b>Changes in working capital</b>				
Change in current receivables	-68,026	-30,306	14,610	112,792
Change in current liabilities	-62,951	-5,695	-42,182	-217,620
<b>Cash flow from current operations</b>	<b>513,150</b>	<b>441,797</b>	<b>1,236,527</b>	<b>1,123,520</b>
<b>Investing activities</b>				
Investments in capitalised development	-143,587	-158,299	-605,806	-602,509
Investments in licenses, brands and similar rights	-	-	-46,540	-
Investments in equipment	-1,910	-554	-3,168	-1,161
Investments in subsidiaries	-	-	-97,307	-
Sales of bonds	-	-	-	200,450
<b>Cash flow from investing activities</b>	<b>-145,497</b>	<b>-158,853</b>	<b>-752,820</b>	<b>-403,220</b>
<b>Financing activities</b>				
Amortisation of lease liability	-9,807	-9,652	-39,000	-38,300
Paid dividend	-	-	-528,115	-316,869
<b>Cash flow from financing activities</b>	<b>-9,807</b>	<b>-9,652</b>	<b>-567,115</b>	<b>-355,169</b>
Cash flow for the period	357,846	273,293	-83,408	365,130
Cash and cash equivalents at the beginning of the period	1,020,391	1,190,355	1,469,356	1,098,025
Exchange rate effect	-2,964	5,710	-10,675	6,202
<b>Cash and cash equivalents at the end of the period</b>	<b>1,375,272</b>	<b>1,469,356</b>	<b>1,375,272</b>	<b>1,469,356</b>



## PARENT COMPANY INCOME STATEMENT (KSEK)

	2025-10-01	2024-10-01	2025-01-01	2024-01-01
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Revenues	879,387	712,932	2,196,019	2,214,766
Cost of goods sold	-1,004,048	-178,863	-1,524,534	-1,499,633
<b>Gross profit</b>	<b>-124,661</b>	<b>534,068</b>	<b>671,484</b>	<b>715,133</b>
Selling expenses	-81,925	-56,337	-224,641	-208,704
Administrative expenses	-28,156	-24,861	-108,674	-97,960
Other income	1,666	32,591	6,037	56,892
Other expenses	-8,423	-	-50,476	-9,718
<b>Operating profit</b>	<b>-241,499</b>	<b>485,461</b>	<b>293,730</b>	<b>455,642</b>
Profit from shares in subsidiaries	-	16,981	-	-58,750
Financial income	3,171	7,245	18,092	36,429
Financial expense	-	-2	-1	-704
<b>Profit after financial items</b>	<b>-238,329</b>	<b>509,686</b>	<b>311,822</b>	<b>432,618</b>
Year-end appropriations	-75,000	-10,000	-75,000	-10,000
Tax	51,641	-107,741	-66,009	-114,716
<b>Profit for the period</b>	<b>-261,687</b>	<b>391,946</b>	<b>170,813</b>	<b>307,902</b>

## OTHER COMPREHENSIVE INCOME (KSEK)

	2025-10-01	2024-10-01	2025-01-01	2024-01-01
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Profit for the period	-261,687	391,946	170,813	307,902
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-261,687</b>	<b>391,946</b>	<b>170,813</b>	<b>307,902</b>



# PARENT COMPANY BALANCE SHEET (KSEK)

2025-12-31 2024-12-31

## ASSETS

### Non-current assets

Capitalised development	954,495	984,669
Licenses, brands and similar rights	52,746	23,340
Property and equipment	2,453	1,715
Shares in subsidiaries	319,512	203,908
Other long term assets	17,393	17,393
<b>Total non-current assets</b>	<b>1,346,599</b>	<b>1,231,024</b>

### Current assets

Accounts receivable	266,042	272,841
Receivables from group companies	10,267	198,836
Tax assets	84,309	35,600
Other receivables	19,449	5,102
Prepaid expenses and accrued revenues	69,629	89,747
Cash and cash equivalents	876,202	1,131,589
<b>Total current assets</b>	<b>1,325,898</b>	<b>1,733,714</b>

## TOTAL ASSETS

2,672,497 2,964,738

## EQUITY AND LIABILITIES

### Equity

<i>Restricted equity</i>		
Share capital	528	528
Capitalised development reserve	954,495	984,669
<i>Non-restricted equity</i>		
Share premium reserve	29,748	29,748
Retained earnings	384,330	566,011
Profit for the period	170,813	307,902
<b>Total equity</b>	<b>1,539,914</b>	<b>1,888,859</b>

### Untaxed reserves

695,000 755,000

### Current liabilities

Accounts payable	31,676	35,954
Liabilities to group companies	164,399	22,681
Other liabilities	14,268	4,282
Accrued expenses and prepaid revenues	227,240	257,962
<b>Total current liabilities</b>	<b>437,583</b>	<b>320,879</b>

## TOTAL EQUITY AND LIABILITIES

2,672,497 2,964,738



# NOTES (KSEK)

## NOTE 1. SEGMENT REPORTING

Group Management has determined the operating segments based on the information processed by the CEO and which is the basis for making strategic decisions. The operations consist of one segment.

Group revenue from clients based on where the distributor is located is divided into the following geographical areas;

	2025-10-01	2024-10-01	2025-01-01	2024-01-01
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
USA	740,594	618,596	1,872,997	1,905,078
Sweden	31,469	17,148	59,409	65,395
Rest of Europe	84,302	61,704	212,575	192,576
Rest of the World	18,391	11,647	46,937	37,893
<b>Total</b>	<b>874,756</b>	<b>709,095</b>	<b>2,191,918</b>	<b>2,200,943</b>

During the quarter MSEK 737.9 (MSEK 627.8) of the group's revenue came from one and the same platform - Steam.

Group revenue divided into major product categories;

	2025-10-01	2024-10-01	2025-01-01	2024-01-01
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
PC	751,733	639,237	1,895,783	1,924,843
Console	103,229	52,492	222,911	204,225
Mobile	9,143	12,320	45,669	50,980
Other	10,651	5,046	27,555	20,895
<b>Total</b>	<b>874,756</b>	<b>709,095</b>	<b>2,191,918</b>	<b>2,200,943</b>

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

	2025-10-01	2024-10-01	2025-01-01	2024-01-01
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Cost of goods sold	880,640	112,592	1,168,759	698,446
Selling expenses	1,031	1,031	4,122	3,869
Administrative expenses	1,718	1,852	6,893	8,198
<b>Total</b>	<b>883,388</b>	<b>115,474</b>	<b>1,179,774</b>	<b>710,513</b>

## NOTE 3. ACQUISITION HAEMIMONT GAMES

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

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

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



Had Haemimont been acquired on January 1, 2025, the acquisition would have contributed to an additional revenue of SEK 0.9 million and a positive result of SEK 0.1 million. Haemimont contributed revenue of SEK 1.5 million and a result of SEK 5.6 million from the acquisition date through December 31, 2025.

The purchase price allocation is unchanged compared to the one presented in the interim report for the first quarter of 2025 and remains preliminary.

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

#### **NOTE 4. SUBSEQUENT EVENTS**

No significant events occurred after the end of the period.



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