



ANNUAL REPORT 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.

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ABOUT PARADOX INTERACTIVE

Paradox Interactive is a leading developer and publisher of strategy and management games for PC and consoles. The company's games reach six million players every month worldwide, with its largest markets in North America, Western Europe and Asia.

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

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

Paradox Interactive's headquarters are located on Södermalm in Stockholm, and the company is listed on Nasdaq First North Premier Growth Market.

HISTORY

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





COMMENTS BY THE CEO

2025 has been an intensive year for Paradox. We have continued to develop our established game franchises, strengthened our organisation and completed several important releases that mark the next step in the company's development.

During the year, our core business has demonstrated continued strength with solid underlying sales. Despite periods with fewer releases and currency headwinds, we have delivered stable cash flows. This is a clear testament to the strength of our business model, where long-lived games, engaged communities and the continuous development of our titles create value over time.

We continued to develop our existing games with many successful expansions and updates. In particular, *Victoria 3* and *Age of Wonders 4* took important steps in their development, with both games having established a stable player base and level of revenue. This makes it possible to continue developing them for a long time to come. In parallel, we continue to develop our offering to players through better packaging, more entry points into our DLC catalogue and close collaboration with our partners.

The most high-profile release of the year was *Europa Universalis V*, which marks the beginning of a new chapter for one of our most important game franchises. The game is a clear example of the level of ambition we bring when developing new experiences within our core genres and demonstrates our desire to take our established franchises even further.

In the management genre, we have worked to further consolidate our control and know-how. This was achieved partly through the acquisition of Haemimont Games and its game team's deep expertise. And partly through Iceflake Studios taking over the primary responsibility for the *Cities: Skylines* franchise, which provides greater creative control and the opportunity to work closely with players in future updates. Overall, we are now in an even better position to develop the management portfolio for the future.

We are optimistic about the work that lies ahead of us. Having closed the year and written down *Vampire: The Masquerade – Bloodlines 2*, we have a more streamlined balance sheet, no strategically divergent projects consuming focus and resources, and a strong sense of direction regarding where to focus our efforts. Going forward, our pipeline is entirely focused on strategy and management games – genres in which we have deep expertise and where we know we can create the greatest value for our players. Almost all these projects are also being developed in our own studios. At the same time, we have both the capacity and the ambition to grow beyond this, and we continuously evaluate further opportunities to expand our long-term pipeline of projects.

As we enter the next year, we do so with clear focus and strong confidence in the future. With a focused pipeline, a stable financial position and several of the industry's most engaged communities, we are well positioned to continue developing the games that our players want to return to – year after year.

Fredrik Wester, CEO



BUSINESS MODEL

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

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

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

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

FINANCING

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

THE PEOPLE BEHIND THE GAMES

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



GROWTH STRATEGY

STOCK UP

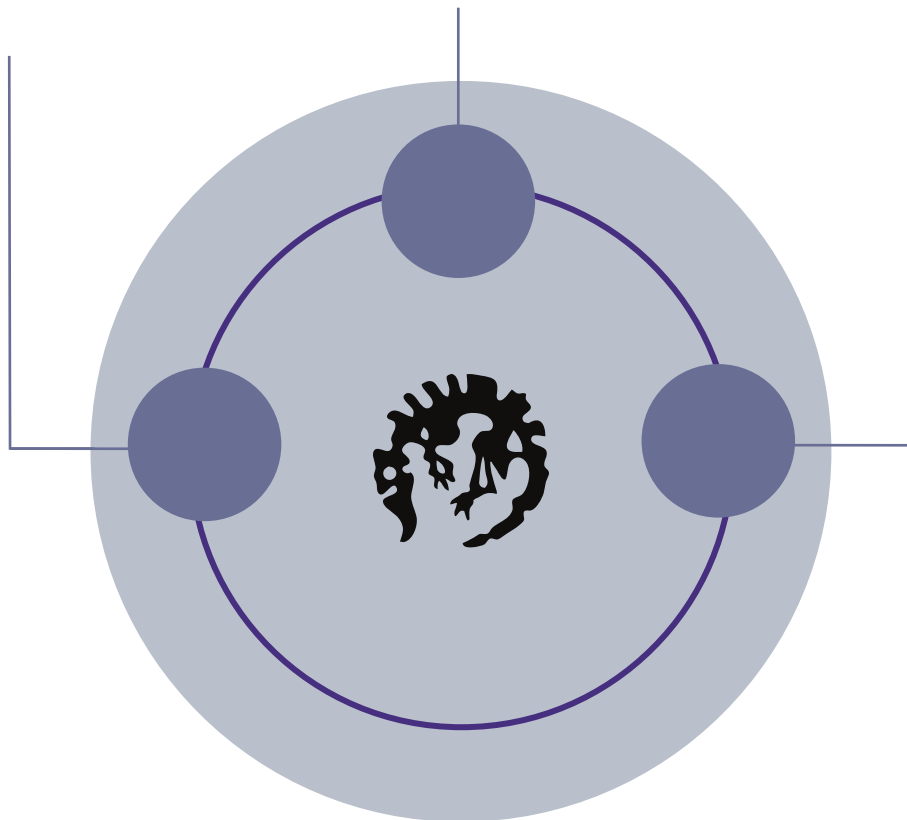
By expanding the company's game portfolio with primarily self-developed titles, Paradox wants to add more games that have a long lifespan. The focus is on developing new franchises within the company's main genres.

DIG IN

By continuing to develop the company's long-lived core games with new content, sequels, improving player services and offering more ways to enjoy the games, the company can grow its revenues and attract more players.

BREAK-OUT

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



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

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



THE GAMES MARKET

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

THE GAMES MARKET IN GENERAL

In November 2025, the analytics firm Newzoo estimated that the global gaming market's revenue amounted to approximately USD 189 billion in 2025, which is an increase of 3.4 percent compared to the previous year. The expectation is that the gaming market will continue to grow in the coming years. Newzoo has estimated that the gaming market will have a turnover of USD 207 billion by 2028.

According to Newzoo, console was the strongest growing platform in 2025, with total revenue growing 5.5 percent on an annual basis and estimated to make up 24 percent of the market's total revenue. Mobile gaming remains the largest platform and accounts for 55 percent of the market's total revenue and is estimated to have grown by 2.9 percent. PC is forecasted to grow by 2.5 percent in 2025 and make up 21 percent of the market's total revenue.

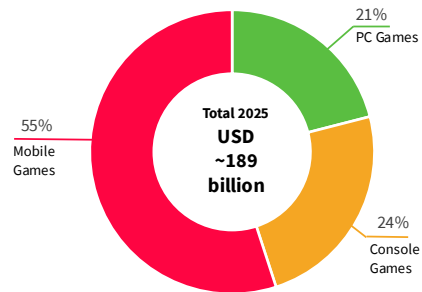
By the end of 2025, there were approximately 3.6 billion players worldwide according to Newzoo, a growth of 4.4 percent compared to 2024. Among platforms, the number of PC players grew by 3.1 percent while the number of mobile players grew by almost 4.5 percent and the number of console players by 2.5 percent on an annual basis.

Although all regions continue to grow in the number of players, the Asia-Pacific region continues to be the largest with 53 percent of the global player base and is estimated to have grown by 4.5 percent compared to the previous year. Overall, Newzoo predicts that the global player base will grow annually by approximately 3.3 percent through to 2028.

PARADOX'S GENRES

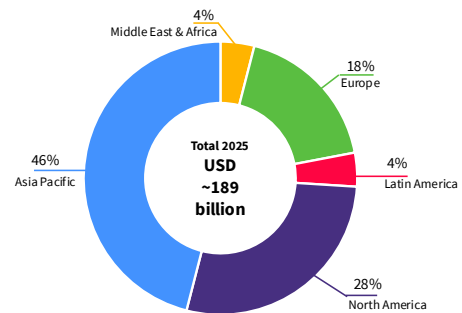
2025 has continued to be defined by major releases. This has caused competition for players' attention, especially on major distribution platforms, to increase noticeably. Likewise, players are more selective with their purchases. That said, demand for Paradox games has continued to be very strong, judging by this year's sales.

PLATFORM BREAKDOWN OF GLOBAL GAME REVENUES



Source: Newzoo Global Games Market Report 2025 (November 2025)

REGIONAL BREAKDOWN OF GLOBAL GAME REVENUES



Source: Newzoo Global Games Market Report 2025 (November 2025)



THE VALUE CHAIN

Paradox's products, game development and global reach as a publisher give the company a strong position in many parts of the gaming industry's value chain. In every part of the value chain, Paradox strives for sustainable operations; read more on pages 39–45.



The IP holder owns the rights to intangible assets. Paradox owns all major intangible assets used; including Age of Wonders, Cities: Skylines, Crusader Kings, Europa Universalis, Hearts of Iron, Prison Architect, Stellaris, the Surviving games, Victoria and World of Darkness' brand catalogue.



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



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



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



The total number of players worldwide in 2025 amounted to approximately 3.6 billion (according to Newzoo). Paradox continuously strives to create a stronger community around the games and thereby strengthen players' engagement. At the end of the year, Paradox had six million monthly active users.







GAME DEVELOPMENT

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

In the past year, Paradox has developed new content for all of the company's internally developed core games, for example No Compromise, No Surrender for Hearts of Iron IV, Charters of Commerce for Victoria 3, All Under Heaven for Crusader Kings III, BioGenesis for Stellaris and Archon Prophecy for Age of Wonders 4. In total, Paradox and its wholly owned studios have developed 16 expansions for its active titles, complemented by several major free updates to systems and features.

The major event of the year was the release of Paradox Tinto's Europa Universalis V, the highly anticipated sequel in the company's flagship franchise. The game was warmly received at launch, laying the foundation for a long development journey for the game.

CONTINUED FOCUS ON THE CORE

In 2025, the focus has continued to be on strengthening the development of the company's core games. Within the management genre, Haemimont Games has become part of Paradox Interactive and in November released its first project as part of the group. At the turn of the year, Iceflake Studios took over all development of the Cities: Skylines franchise from Colossal Order, meaning that one of Paradox's strongest game franchises is now developed internally.

Among the company's strategy game studios, several games have raised their ambition level in their DLC, for example All Under Heaven for Crusader Kings III. The Asia-focused DLC increased the game's total map area by nearly 30 percent and was warmly received by Asian as well as Western players. The company's game developers have also continued to work closely with their respective modding communities, both through ongoing dialogue and by developing Content Creator Packs – smaller DLC co-developed by modders and the studio.

Several studios have also worked to parallelize their development in order to better meet players' demand for high-quality DLC with varying scope of content. The company's game studios also continually experiment with new tools in game development, including those linked to generative AI.

ACCESSIBILITY AND MULTIPLAYER

Paradox continuously focuses on making it easier to start playing its more complex titles. The ambition is to continuously make the games easier to appreciate even for completely new players, without losing the depth that characterises the games. Among other things, this is done through better user interfaces, better introductions to the games, better instructions and a greater breadth of guides and other material.

Multiplayer continues to be an important area of development for Paradox, as it provides an additional social dimension and extends the lifespan of the games. During the year, the company's studios have continuously updated their multiplayer functionality. For example, Hearts of Iron IV has continued to update its Battle Planner and made a series of updates to support all who enjoy the multiplayer mode.



INTERVIEW

JOHAN ANDERSSON – STUDIO MANAGER/GAME DIRECTOR, PARADOX TINTO

Europa Universalis V released in November 2025, now that you’ve gained some distance to the release, how does it feel?

This is a kind of weird feeling, as we worked so long on this game. While this may not have been the longest development time for a game ever, we still spent over five years on a game before releasing it to the public. I am really proud of the game we released; it was insanely ambitious and more complex than anything we had ever made before.

You had a great launch with very positive players, what are the next steps for Europa Universalis V?

We will continue to support Europa Universalis for a long time with regular updates, focused on different parts of the World at each update. Our goal is to increase the replayability and long-term enjoyment of the game. This summer we will release “Across the Pillars” which will improve the experience for the players when playing Castille, Granada and Morocco, and later in the year “Auld Alliance” will be released, with more content for France and Scotland. Accompanying each paid DLC there will be lots of free improvements, as the players have come to expect from a Paradox game.

Europa Universalis is our longest running franchise, and you’ve directed every iteration of it. How would you describe the franchise’s development, what has remained the same?

It is hard to condense down three decades into a few sentences, but I’ll give it a go. While I’d say that what has stayed the same, to create a believable gameworld and a great historical experience of the early modern age, the methods have changed dramatically. Computers are far more advanced than they were in the mid-90s, so that has made the

games more complex as well, not necessarily in how much you have to handle as a player, but where 25 years ago the economy system was represented by Stockholm giving 2 gold in tax every month, now we can simulate that there are dozens of different industries creating different goods to be exported, and you now can decide on how much these are taxed.

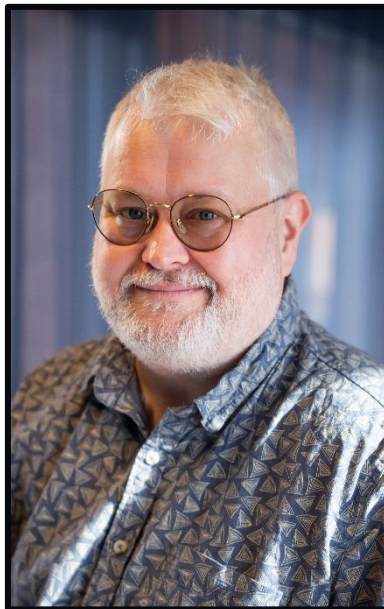
What’s been the biggest challenge in getting Europa Universalis V into the hands of the players?

I would say that we had a fair bit of challenges in getting the game into the hands of the players. We were building a new studio from scratch and developing DLC for another simultaneously. And starting all of this during the Pandemic years in a country where only one of the four of us starting it spoke the language fluently. Building processes, finding an office, recruiting people and training them and running projects in parallel was an interesting challenge to say the least.

The community has been engaged throughout the development of Europa Universalis V, particularly through the Tinto Talks initiative.

In what ways has community feedback shaped the game’s development? How will you work with the community going forward?

I am a firm believer that you are nothing without the players, and talking to them regularly makes your games better. Early in the Tinto Talks we got feedback from players about how a bigger diversity of estates and pop-types would be better, and we changed the game. Another example of aspects that changed before release was how great powers and hegemonies work. It has not just been Tinto Talks, but we have also used quantitative and qualitative user research as well to gather feedback. We will continue with all of these methods for as long as we are actively working with the game.





GAME PILLARS

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



AGENCY

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



LIVING WORLDS

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



INVITING

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



CEREBRAL

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



ENDLESS

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





PUBLISHING

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

PARADOX INTERACTIVE

2025 has been one of the most release-intensive year in Paradox history and the publisher's focus has been on the sales and marketing of all releases. In addition to two new games and a remaster, a broad range of new DLC and updates have been released across all platforms.

The year was dominated by two major releases: Europa Universalis V and Vampire: The Masquerade – Bloodlines 2. Europa Universalis V, the popular sequel to Paradox's longest-running grand strategy franchise, was released in November. Ahead of the release, significant effort was devoted to close community engagement and sustained, transparent influencer campaigns. The title received strong reviews and generated high levels of engagement, paving the way for long-term commercial development.

The highly anticipated RPG Vampire: The Masquerade – Bloodlines 2 was released in October, preceded by successful marketing efforts. However, the game received a mixed reception and did not meet sales expectations, resulting in a write-down in the year's final quarter.

GROW PARADOX'S CORE

In addition to releasing new content, one of Publishing's major focus areas is to support the company's active titles in their growth. This is done through the sale of new DLC, (re)packaging the games' often extensive DLC catalogue, better pricing, localisation to new markets and strengthening the relationship with distribution partners in order to reach new audiences and provide more entry points into the games. For example, Cities: Skylines launched a subscription model for DLC on Steam during the year. Furthermore, almost all games now offer an Expansion Pass – a bundle providing all future DLC planned for release during the coming development period.

In order to provide players with exciting experiences, Paradox has increasingly focused on developing content together with its players. For example, content creators have launched Creator Packs for the Cities: Skylines franchise as well as Crusader Kings III, containing new music or new buildings. During the year these initiatives have continued, with additional content launched in close collaboration with the community.

PARADOX ARC

Paradox Arc searches for cost-effective games that are deemed to have higher risk but good potential and which can eventually become part of Paradox's core portfolio. During 2025, the publisher launched several new titles in Early Access.



INTERVIEW

KIMBERLY TRAPNELL – PARTNER MARKETING MANAGER

What do you do as a Partner Marketing Manager at Paradox?

As a Partner Marketing Manager my main objective is to ensure Paradox Interactive's game portfolio's visibility on the different partner platforms. I do this by pitching marketing ideas to partners as well as identifying valuable partner marketing opportunities for our games and project managing these opportunities. We engage with a wide variety of partners: our platform operators, physical retail, and our game tech partners.

But I don't go at this alone! We're a team of Partner Account Managers in Publishing that works across all of Paradox's titles, both live and in development projects, and work hand in hand with all Publishing functions.

2025 has been one of the busiest release years in the Paradox' history, what has been your most memorable/proudest experience this year?

2025 was truly a busy year with many situations that required extraordinary problem-solving and team collaborations - both internally and externally. But it's also these types of situations that make you grow the most and certain skills can only be gained through experience. Some of my most memorable collaborations are all the editorial pieces published by our partners, the work with physical editions, the in-store marketing placements and the events we did together with partners like Nvidia and Unreal. The fact that so many of our partners talked about and showed our games in their channels, platforms and events during 2025 is probably what I'm most proud of.



What are the most noticeable shifts and trends when it comes to marketing with our partners?

The purpose is becoming increasingly important. Partner marketing needs to resonate with the game and the players. The competition is also big and growing all the time, our partners have limited marketing spaces - whether it's in their digital store, social media or in their booth at an event. It takes more to get one of our partners' placements, which sets higher standards on us but the end result to the target audience is also better. Partners also expect more, we need to support their specific business objectives in order to qualify for opportunities that were much more accessible in the past.

Looking ahead, how is the team preparing for 2026 and 2027 releases?

With partners, discussions need to start early to enable the best possible partnerships and collaborations, as many of these preparations are already underway. But starting early with partnerships and partner collabs in game development can also be challenging. It's often a balance between being able to take advantage of opportunities while keeping the realities of game development in mind. We have a very good relationship with our external partners, and I believe that is mainly based on communication and trust with a lot of feedback and a very active dialogue.





THE PLAYERS

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

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

PLAYER SERVICES

Mods

User-generated content is a key factor in creating player value. That players have the freedom to adapt and improve the games themselves is a strength that drives both game experience and sales. The games are therefore developed with the aim of enabling players to make changes and additions to, among other things, mechanics and graphics. As of 2025, Paradox's active games had over 500,000 mods available.

During 2025, Paradox Interactive has continued to simplify the experience for modders. For example, the company's own platform Paradox Mods has continued to be developed, and Cities: Skylines II launched its highly anticipated Asset Editor, allowing players to create more types of updates to the game. All of the company's game teams continue to work closely with their modders to develop tools and keep them up to date with major upcoming game updates.

Multiplayer

The ability to play with and against each other is becoming increasingly popular and adds an extra dimension to game experience. To continue to promote multiplayer, Paradox has during the year organised tournaments – for example, Hearts of Iron IV hosted the HOI IV Pro League for eleven teams and collaborated with partners who arranged LAN tournaments.

Wikis

Paradox Wiki serves as a knowledge bank for those who want to immerse themselves in Paradox games, by collecting information, guides and strategies. Paradox employs moderators who ensure the quality of the content and develop the Wikis so that they continue to maintain a good level. In 2025, the Wiki pages had approximately 105 million page views.

PLAYER DIALOGUE

Forums

The Paradox forum is one of the company's most important places to build a community around its games. Players can immerse themselves in the games, get inspiration, share insights and game strategies, while connecting with others who share their interests. Equally important is that Paradox developers can directly discuss with, and receive feedback from, players, for example when they share Developer Diaries about upcoming updates to the games. In total, the forums had around 56 million page views during the year.

Player meetups and streams

To strengthen its community and create more natural meeting places for fans, Paradox annually conducts various player meetups, where developers, content creators and players can interact with each other, learn about game news and broaden their interest in Paradox games. During the year, several player meetups were held for the company's various franchises – for example, Crusader Kings III participated in Medieval Week on Gotland. Many gatherings were also arranged through Community Mixers at Paradox's headquarters. Victoria 3 also hosted GD FIX events where the developers addressed bugs raised by players in real time. Furthermore, several teams, including Cities: Skylines, Victoria and Stellaris, invited leading community members to presentations and discussions of development plans for the coming years.



THE PLAYERS IN NUMBERS



5,819,594

planets conquered in
Stellaris

2,395,724,067

buildings created in
Europa Universalis V

2,154,095

religious wars started in
Crusader Kings III

162,374

countries formed in
Victoria 3

1,289

years of gameplay
Cities: Skylines II

3,600,000

national focus selections
made in Hearts of Iron IV



ORGANISATION

In 2025, Paradox has continued to focus its organisation, in line with the company's strategic direction. During the year, the management genre was strengthened with the acquisition of Haemimont Games. Paradox has employees in several countries, but the majority are based in Sweden.



PARADOX INTERACTIVE

Stockholm, Sweden

Founded: 1999, but current company registered in 2004

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



PARADOX DEVELOPMENT STUDIO

Stockholm, Sweden

Founded: 1995, but current company registered in 2007

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

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



PARADOX TINTO

Barcelona, Spain

Founded: 2020

Description: Paradox Tinto is home to Europa Universalis and is currently developing new content for the newly launched Europa Universalis V.

Developed games: Europa Universalis V.



ICEFLAKE STUDIOS

Tampere, Finland

Founded: 2007

Description: Iceflake Studios develops management games for both PC and consoles and was acquired in 2020. At the end of 2025, Iceflake took over the development of the Cities: Skylines franchise.

Developed games: Surviving the Aftermath.



PLAYRION GAME STUDIO

Paris, France

Founded: 2010

Description: Playrion is Paradox's mobile game studio focused on the management genre. The studio was acquired by Paradox in 2020.

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



TRIUMPH STUDIOS

Delft, Netherlands

Founded: 1997

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

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



HAEMIMONT GAMES

Sofia, Bulgaria

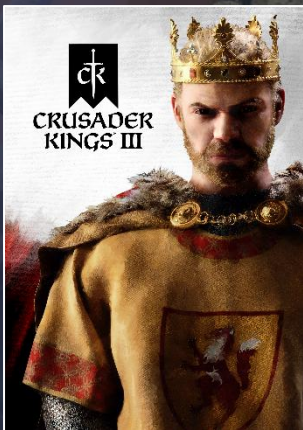
Founded: 1997

Description: Haemimont Games specialises in strategy and management games and since its founding has developed and expanded several highly regarded game franchises. In 2025 they were acquired by Paradox Interactive and are now working on various management games. At the end of 2025, Surviving Mars: Relaunch was released

Developed games: Stranded: Alien Dawn, Surviving Mars: Relaunch, Jagged Alliance 3, Tropico 3-5, and others.

GAMES

At the end of the year, the publisher Paradox Interactive's portfolio consisted of 14 games: eight strategy games, five management games and a deck builder. In 2025, Paradox Interactive's portfolio was expanded with Europa Universalis V, Vampire: The Masquerade – Bloodlines 2 and Surviving Mars: Relaunched. The biggest titles, in terms of revenue and number of players, were Cities: Skylines, Cities: Skylines II, Crusader Kings III, Europa Universalis V, Hearts of Iron IV, Stellaris, Victoria 3 and Age of Wonders 4. In addition, Paradox Arc's portfolio consisted of three games at the end of the year.



CRUSADER KINGS III

Release date: 1 September 2020

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

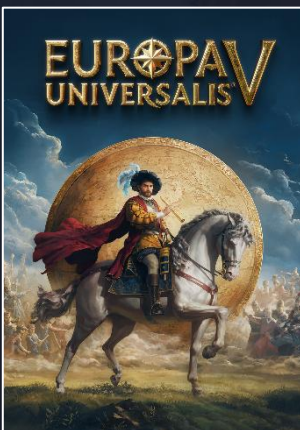
Price: USD 49.99

Description: An Heir is Born in Crusader Kings III. Expand and improve your realm, whether a mighty kingdom or modest county. Use marriage, diplomacy, and war to increase your power and prestige in a meticulously detailed map that stretches from Spain to India, Scandinavia to Central Africa.

Publisher: Paradox Interactive

Developer: Paradox Development Studio

Releases 2025: All Under Heaven (PC), Coronations (PC), Khans of the Steppe (PC) Legends of the Dead (XBOX/PS), Roads to Power (XBOX/PS), Wandering Nobles (XBOX/PS)



EUROPA UNIVERSALIS V

Release date: 4 November 2025

Platforms: PC

Price: USD 59.99

Description: Use war, trade or diplomacy to fulfil your greatest ambitions and dominate five centuries of history in the latest entry in Europa Universalis, Paradox Interactive's flagship historical grand strategy game.

Publisher: Paradox Interactive

Developer: Paradox Tinto



HEARTS OF IRON IV

Release date: 6 June 2016

Platforms: PC

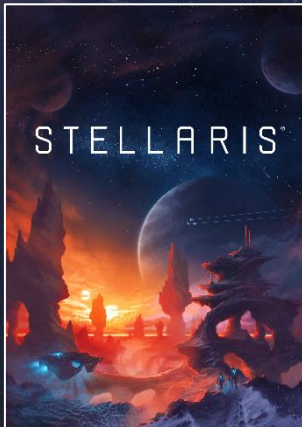
Price: USD 49.99

Description: Victory is at your fingertips! Your ability to lead your nation is your supreme weapon, the strategy game Hearts of Iron IV lets you take command of any nation in World War II.

Publisher: Paradox Interactive

Developer: Paradox Development Studio

Releases 2025: No Compromise No Surrender (PC), Graveyard of Empires (PC)



STELLARIS

Release date: 9 May 2016

Platforms: PC, Xbox One, Xbox Series X|S, PlayStation 4, PlayStation 5

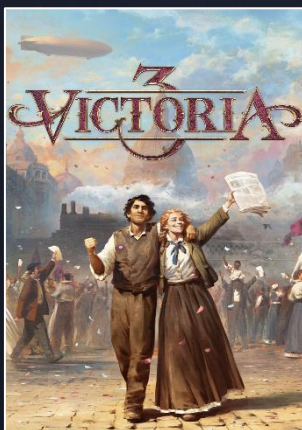
Price: USD 39.99

Description: Explore a vast galaxy, full of wonders. Stellaris offers grand strategy on a galactic scale, with complex gameplay mechanics, an entire galaxy to explore and conquer, and countless alien civilisations to interact with.

Publisher: Paradox Interactive

Developer: Paradox Development Studio

Releases 2025: BioGenesis (PC), Shadows of The Shroud (PC), Infernals Species Pack (PC), Machine Age (XBOX/PS)



VICTORIA 3

Release date: 25 October 2022

Platforms: PC

Price: USD 49.99

Description: Build your ideal society in the tumult of the exciting and transformative 19th century. Balance the competing interests in your society and earn your place in the sun in Victoria 3.

Publisher: Paradox Interactive

Developer: Paradox Development Studio

Releases 2025: Charters of Commerce (PC), National Awakening (PC), Iberian Twilight (PC)



AGE OF WONDERS 4

Release date: 2 May 2023

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

Price: USD 49.99

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

Publisher: Paradox Interactive

Developer: Triumph Studios

Releases 2025: Thrones of Blood (PC/XBOX/PS), Archon Prophecy (PC/XBOX/PS), Giant Kings (PC/XBOX/PS)



CITIES: SKYLINES

Release date: 10 March 2015

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

Price: USD 27.99

Description: Experience the excitement, possibilities and challenges of running and developing your city in Cities: Skylines.

Publisher: Paradox Interactive

Developer: Colossal Order

Releases 2025: CCP: Shops of Shibuya (PC, XBOX/PS), CCP: Maps Pack 4 (PC, XBOX/PS), CCP: Emerging Downtown (PC, XBOX/PS), CCP: Countryside (PC, XBOX/PS), CCP: Harvest Harmony (PC, XBOX/PS)



CITIES: SKYLINES II

Release date: 24 October 2023

Platforms: PC

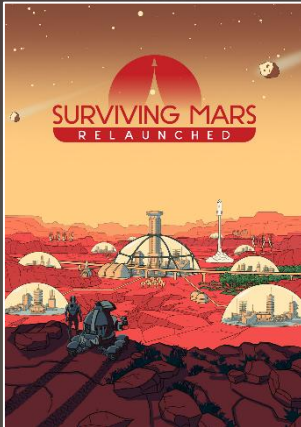
Price: USD 49.99

Description: Raise a city from the ground up and transform it into a thriving metropolis. Cities: Skylines II deliver world-building without limits.

Publisher: Paradox Interactive

Developer: Colossal Order

Releases 2025: Bridges & Ports (PC), Creator Pack: Skyscrapers (PC), Creator Pack: Supply Chains (PC), Creator Pack: Leisure Venues (PC), Creator Pack: Mediterranean Heritage (PC), Creator Pack: Dragon Gate (PC)



SURVIVING MARS: RELAUNCHED

Release date: 10 November 2025

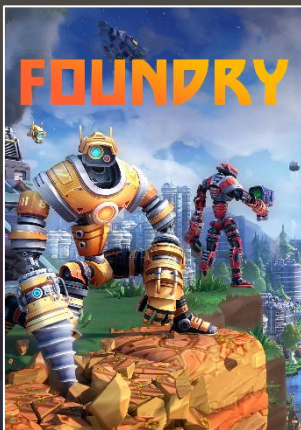
Platforms: PC, Xbox Series X|S, PlayStation 5

Price: USD 39.99

Description: The award-winning sci-fi city builder is back, reworked, expanded and more beautiful than ever. Colonise Mars and survive as you explore, build out the infrastructure, welcome colonists and reach long-term stability. Mars awaits – are you ready?

Publisher: Paradox Interactive

Developer: Haemimont Games



FOUNDRY

Release date: 2 May 2024 (Early Access)

Platforms: PC

Price: USD 29.99

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

Publisher: Paradox Interactive

Developer: Channel 3 Entertainment



AIRPORT SIMULATOR: FIRST CLASS

Release date: 12 October 2022

Platforms: iOS, Android

Price: Free to play, in-game purchases

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

Publisher: Playrion Game Studio

Developer: Playrion Game Studio



VAMPIRE: THE MASQUERADE – BLOODLINES 2

Release date: 21 October 2025

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

Price: USD 59.99

Description: Take on the role of a vampire elder and fight your way through present-day Seattle on the brink of open war. Meet the power brokers, form alliances and decide who will rule and what the city will become. A three-front siege of Seattle, a power vacuum in vampire society, and an awakened elder fighting the voice inside their own head.

Publisher: Paradox Interactive, World of Darkness

Developer: The Chinese Room



ACROSS THE OBELISK

Release date: 16 August 2022

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

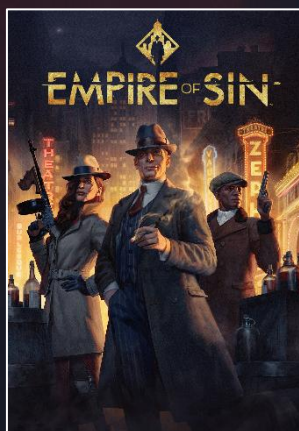
Price: USD 19.99

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

Publisher: Paradox Interactive

Developer: Dreamsight Games

Releases 2025: Bernard, The Alchemist (PC/XBOX/PS/NINTENDO), Sigrun, the Valkyrie (PC/XBOX/PS/NINTENDO), Shores of Sahti (PC/XBOX/PS/NINTENDO), Tulah, the Spider Queen (PC/XBOX/PS/NINTENDO), The Sunken Temple (PC/XBOX/PS/NINTENDO), Necropolis of the Damned (PC/XBOX/PS/NINTENDO)



EMPIRE OF SIN

Release date: 1 December 2020

Platforms: PC, Xbox One, PlayStation 4, Nintendo Switch

Price: USD 39.99

Description: Empire of Sin places you at the heart of the ruthless criminal underworld of 1920s Prohibition-era Chicago. It's up to you to hustle, charm and intimidate your way to the top and do whatever it takes to stay there.

Publisher: Paradox Interactive

Developer: Romero Games, Moonmana

Releases 2025: Hunt for Aurora (PC/XBOX/PS/NINTENDO)



ESCAPE THE MAD EMPIRE

Release date: 22 April 2025 (Early Access)

Platforms: PC

Price: USD 17.99

Description: Escape the Mad Empire is a group-based roguelike dungeon crawler with intense and deep tactical combat. Overcome the challenges with a group of heroes and keep them alive by managing resources and upgrading your base. Can you escape the mad empire?

Publisher: Paradox Arc

Developer: XperimentalZ Games



DARFALL

Release date: 8 May 2025

Platforms: PC

Price: USD 24.50

Description: Darfall is a hero-based RPG city builder where you take on the role of a hero who must build and defend their home. Grow stronger during the day, find powerful treasures, master new abilities and take on the undead hordes of the night.

Publisher: Paradox Arc

Developer: SquareNite



ADMINISTRATION REPORT

The Board and the CEO of Paradox Interactive AB (publ), 556667-4759, hereby present the annual report for the financial year 2025.

INFORMATION ABOUT THE OPERATIONS

Paradox Interactive is a leading developer and publisher of strategy and management games for PC and consoles. The company's games reach six million players every month worldwide, with its largest markets in North America, Western Europe and Asia.

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

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

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

The parent company is based in Stockholm.

SIGNIFICANT EVENTS DURING THE YEAR

New games were released as below:

- Europa Universalis V, developed by Paradox Tinto, was released for PC.
- Vampire: The Masquerade – Bloodlines 2, developed by The Chinese Room, was released for PC and console.
- A remaster of Surviving Mars, developed by Haemimont Games, was released for PC and console.
- Escape the Mad Empire, developed by XperimentalZ Games and published by Paradox Arc, was released for PC in early access.
- Darfall, developed by SquareNite and published by Paradox Arc, was released for PC.

Downloadable content was released as below:

- Hearts of Iron IV – Graveyard of Empires, No Compromise, No Surrender
- Cities: Skylines – Shops of Shibuya and Map Pack 4
- Cities: Skylines 2 – Mediterranean Heritage, Dragon Gate, Bridges & Ports, Supply Chains and Skyscrapers
- Across the Obelisk – Bernard, the Alchemist, Sigrun, the Valkyrie, Shores of Sahti, Tulah, the Spider Queen, The Sunken Temple and Necropolis of the Damned
- Age of Wonders 4 – Giant Kings, Archon Prophecy, Thrones of Blood
- Crusader Kings III – Khans of the Steppe, Coronations, All Under Heaven

- Victoria 3 – Charters of Commerce, National Awakening, Iberian Twilight

- Empire of Sin – Hunt for Aurora

- Stellaris – BioGenesis, Shadows of the Shroud, Infernals

The following downloadable content was ported to console:

- Crusader Kings III – Wards and Wardens, Legacy of Persia, Legends of the Dead

- Stellaris – The Machine Age

Other events:

- Paradox Interactive acquired 100% of the shares in the Bulgarian game development studio Haemimont Games.

- The publishing rights to the game Stranded: Alien Dawn, developed by Haemimont Games, were purchased from Frontier Developments.

EXPECTED FUTURE DEVELOPMENT

In the coming years, continued good profitability is expected. One announced game is awaiting release: Prison Architect 2, developed by Double Eleven. Development is also underway on a number of yet to be announced games.

REVENUES AND PROFIT

Revenues amounted to MSEK 2,191.9 (MSEK 2,200.9), a decrease of 0% compared to the previous year. The revenue for the year is mainly 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.

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, costs for licenses, trademarks and similar rights, and revenue-based contingent consideration to development studios and other rights holders.

Amortisation on released games amounts to MSEK 732.8 (MSEK 403.7). Amortisation has increased primarily as a result of the releases of the new games Europa Universalis V and Vampire: The Masquerade – Bloodlines 2.

Write-downs for the period within cost of goods sold amount to MSEK 355.3 (MSEK 208.0). This year's write-downs relate to Vampire: The Masquerade – Bloodlines 2. The previous year's write-downs related to Life by You, developed by Paradox Tectonic.

Amortisation of licenses, trademarks and similar rights amounts to MSEK 51.0 (MSEK 55.1).

In addition to amortisations and write-downs within the item, a total of MSEK 488.2 (MSEK 505.2) was expensed regarding non-capitalised development costs, development support, operation and maintenance of games, royalties and revenue-based earn-outs. All of these sub-items are relatively unchanged compared to the previous year.



Selling expenses for the period amounted to MSEK 236.1 (MSEK 223.9). Costs have increased primarily as a result of the releases of the new games Europa Universalis V and Vampire: The Masquerade – Bloodlines 2.

Administration costs for the period amounted to MSEK 110.6 (MSEK 99.7). The increase compared to the previous year relates mainly to one-off items including costs for preparatory activities ahead of a transfer to the main market listing, personnel-related costs such as a staff party, and severance pay to a former employee. Costs for administration are generally unchanged over time and are relatively unaffected by the rest of the business.

Other operating income amounted to MSEK 9.3 (MSEK 58.3), and other operating expenses to MSEK -51.6 (MSEK -10.7). Other operating income and other operating expenses mainly consist of exchange rate movements in foreign currency on the group's cash and cash equivalents, operating receivables and operating liabilities during the year.

Operating profit amounted to MSEK 146.0 (MSEK 721.4). Financial income amounted to MSEK 23.5 (MSEK 42.1) and consists mainly of interest income from bank accounts. Financial expenses amounted to MSEK -2.1 (MSEK -6.2) and consist mainly of calculated interest on lease liabilities.

Profit after financial items amounted to MSEK 167.4 (MSEK 757.3), and profit after tax amounted to MSEK 125.5 (MSEK 584.6).

FINANCIAL POSITION

Capitalised development amounted to MSEK 1,015.1 (MSEK 1,454.3) at the end of the period. The financial statement line refers to both games that have not yet been completed and games that have been released and subsequently amortised. Vampire: The Masquerade – Bloodlines 2, released in October 2025, has after amortisations and write-downs a capitalised amount reflecting the group's expected earnings from the game. Europa Universalis V, released in November 2025, has been amortised according to plan since 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 being capitalised on an ongoing basis, as well as expansions to previously released games.

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

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

Right-of-use assets for offices amounted to MSEK 171.6 (MSEK 69.7). The increase relates to the renewal of the lease agreement for the office on Södermalm in 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 amount to MSEK 1,375.3 (MSEK 1,469.4).

Equity amounts to MSEK 2,498.3 (MSEK 2,909.6).

Long-term lease liabilities amount to MSEK 137.4 (MSEK 33.9), consisting of liabilities 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 of 2025.

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

Short-term lease liabilities amount to MSEK 27.8 (MSEK 30.9), consisting of short-term liabilities for office premises.

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

CASH FLOW

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). Cash flow from investing activities includes the acquisition of the game development studio Haemimont Games and the rights to the game Stranded: Alien Dawn, amounting to MSEK -97.3 and MSEK -46.5 respectively. The previous year's cash flow from investing activities included proceeds from the sale of bonds of MSEK 200.5. Cash flow from financing activities amounted to MSEK -567.1 (MSEK -355.2) and relates to dividends paid amounting to MSEK -528.1 (MSEK -316.9) and amortisation of lease liabilities for office premises.

RESEARCH AND DEVELOPMENT

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



PARENT COMPANY

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

The parent company's turnover for the year amounted to MSEK 2,196.0 (MSEK 2,214.8). Operating profit amounted to MSEK 293.7 (MSEK 455.6). Profit after financial items amounted to MSEK 311.8 (MSEK 432.6). Group contributions paid to subsidiaries amounted to MSEK 135.0 (MSEK 0.0). Group contributions received from subsidiaries amounted to MSEK 0.0 (MSEK 140.0), and the change in tax allocation reserves amounted to MSEK 60.0 (MSEK -150.0). Profit after tax amounted to MSEK 170.8 (MSEK 307.9).

SIGNIFICANT RISKS AND UNCERTAINTIES

Dependence on key personnel and employees

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

Dependence on a few distributors

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

Delay of game projects

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

Cancellation of unfinished games prior to release

If an ongoing game project is deemed to be discontinued before completion, this may have a negative impact on cash flow, revenue and operating margins. The termination of unfinished game projects can occur in both internal projects and projects where an external partner is responsible for development. For risk concentration, see note 19.

Low revenues from new game launches

At the launch of new games, the risk is that these are not received positively by the market. This can lead to losses in revenue, lower

margins and reduced cash flows. In addition, capitalised development costs risk being impaired.

Exchange rate fluctuations

The group's revenues are mainly in USD, while the reporting currency is SEK. Although the group has costs in USD as a hedge, the exposure of the group is affected by long-term exchange rate fluctuations. At the end of the year no hedging has been made. For financial risk management, see note 41 Financial risk management.



FIVE YEAR SUMMARY, GROUP

	2025	2024	2023	2022	2021
Revenues, KSEK	2,191,918	2,200,943	2,642,107	1,972,906	1,447,456
Operating profit, KSEK	145,999	721,364	657,868	887,146	307,453
Profit after financial items, KSEK	167,397	757,303	687,759	884,440	303,926
Profit after tax, KSEK	125,456	584,628	530,625	708,709	247,770
Operating margin	7%	33%	25%	45%	21%
Profit margin	8%	34%	26%	45%	21%
Equity/assets ratio	79%	82%	73%	73%	66%
Cash, KSEK	1,375,272	1,469,356	1,098,025	747,506	599,724
Equity, KSEK	2,498,322	2,909,640	2,620,455	2,292,377	1,661,563
Total assets, KSEK	3,169,621	3,532,350	3,580,126	3,141,427	2,522,693
Number of shares by the end of the period before dilution	105,623,025	105,623,025	105,623,025	105,619,209	105,600,000
Number of shares by the end of the period after dilution	105,623,025	105,623,025	105,885,175	105,619,209	105,853,350
Average number of shares before dilution	105,623,025	105,623,025	105,621,117	105,609,605	105,600,000
Average number of shares after dilution	105,720,938	105,656,190	106,153,901	105,723,810	105,755,565
Equity per share before dilution, SEK	23.65	27.55	24.81	21.70	15.73
Equity per share after dilution, SEK	23.65	27.55	24.75	21.70	15.70
Earnings per share before dilution, SEK	1.19	5.54	5.02	6.71	2.35
Earnings per share after dilution, SEK	1.18	5.53	4.99	6.70	2.34
Proposed dividend per share, SEK	5.00	5.00	3.00	2.00	1.00
Average number of employees	638	587	649	672	716

For definition of key figures, see note 39.



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 (the Code) is applicable for Swedish companies with shares listed on a regulated market in Sweden. Nasdaq First North Premier Growth Market where the company is listed is not a regulated market but requires companies to apply the Code. Companies need not comply with all rules in the Code and have 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 the reasons explained (the principle of comply or explain) in the corporate governance report. The company has during financial year 2025 complied with the Swedish Code of Corporate Governance without any deviations. 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 72.

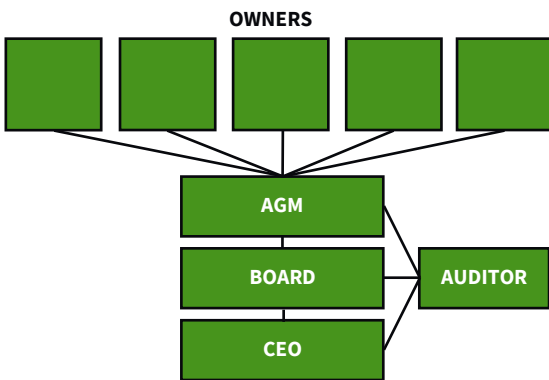
management, as well as correct and transparent internal and external reporting.

SHARES AND SHAREHOLDERS

The share capital of Paradox Interactive AB (publ) consists of one and the same share class. The total number of shares amounts to 105,623,025 shares, where one share carries one vote at general meetings. The number of shareholders was 15,818 as of December 31, 2025. The largest shareholders at the end of 2025 were WesterInvest AB (Fredrik Wester) 33.4%, Investment AB Spiltan 15.3% and Tencent Holdings Limited 10.1%.

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

CORPORATE GOVERNANCE MODEL



GENERAL MEETING

The general meeting is the highest decision-making body in which shareholders exercise their influence over the company. The general meeting is held annually within six months of the end of the financial year. Time and place of the AGM are published at the latest in connection with the third interim report. Each shareholder also has, independent of the number of shares, the right to have a matter addressed at a general meeting on a request to be submitted to the Board of Directors in good time so that the matter can be included in the notice of the meeting. Notice to the AGM and Extraordinary General Meeting where a change in the articles of association is to be resolved must be made no earlier than six weeks and not later than four weeks ahead of the general meeting. Notice to other extraordinary general meetings must be made no earlier than six weeks and not later than two weeks ahead of the general meeting. Notice of a general meeting shall be made by an announcement in the Official Gazette (Sw. Post- och Inrikes Tidningar) and by making the notice available on the company's website. The company shall advertise in Svenska Dagbladet that notice has been made. Shareholders wishing to participate in a general meeting must be entered in a transcript or other publication of the complete share register covering the status the number of days prior to the meeting as prescribed under the Companies Act, 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 described above. 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.

IMPORTANT EXTERNAL REGULATIONS

- The Companies Act
- Accounting legislation, Bookkeeping Act, Annual Accounts Act
- Nasdaq First North Premier 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
- Instructions for board committees
- Insider policy
- Communication policy
- Finance policy
- Other policies, guidelines and manuals

CORPORATE GOVERNANCE FOUNDATION

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

At the annual general meeting the following shall be addressed:

1. Election of a chairman of the meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.



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

Annual general meeting 2025

The AGM 2025 was held on 14 May in Stockholm. At the meeting 69 percent of the votes and thus the same proportion of shares were represented. The following decisions were taken:

The AGM adopted the balance sheet and the income statement for the parent company and the group. The AGM resolved to pay dividends to the shareholders of SEK 3 per share as an ordinary dividend and SEK 2 per share as a special dividend.

The board and the CEO were discharged from liability for the financial year 2024. The AGM decided in accordance with the nomination committee's proposal on the re-election of Håkan Sjunnesson, Fredrik Wester, Mathias Hermansson, Linda Höglund and Andras Vajlok as board members and the re-election of Håkan Sjunnesson as chairman of the board, in all cases until the end of the 2026 AGM, and that the board shall elect a new chairman in the event that such chairman's assignment ends prematurely.

The annual general meeting decided in accordance with the nomination committee's proposal that remuneration to the board members should be paid in the amount of SEK 800,000 to the chairman of the board and SEK 400,000 to each of the other board members, with the exception of Fredrik Wester who at his own request shall not receive any board fee. In addition, it was resolved that compensation should be paid in the amount of SEK 100,000 to the chairman of the audit committee and SEK 75,000 to the chairman of the remuneration committee, as well as 75 percent of the respective chairman's fee to the other members of the committees. Finally, the annual general meeting decided in accordance with the nomination committee's proposal that fees to the company's auditor should be paid according to an approved fee.

The AGM decided, in accordance with the nomination committee's proposal, to adopt the principles for the nomination committee ahead of the 2026 AGM.

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

The AGM decided to approve the board's proposal for the introduction of the Employee Stock Option Program 2025/2029 and directed a new issue of warrants as well as approval of the transfer of warrants for the fulfillment of the company's commitments under the warrant program as well as securing social security contributions.

Attendance at the annual general meeting

Year	% of votes	% of capital
2025	69	69
2024	64	64
2023	70	70
2022	66	66
2021	70	70

Annual general meeting 2026

The 2026 Annual General Meeting takes place on 12 May in Stockholm. Notice of the general meeting will be available on the company's website www.paradoxinteractive.com together with all required documents for the AGM.

THE BOARD OF DIRECTORS

The board is the highest decision-making body after the shareholders' meeting.

Work of the board of directors

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

Composition of the board

According to the articles of association, the board, to the extent it is elected by the general meeting, must consist of a minimum of five and a maximum of eight members. The chairman of the board is elected by the annual general meeting and has special responsibility for the management of the board's work and that the board's work is well organised and carried out efficiently. At the 2025 AGM, the current board was re-elected, represented by the following AGM-elected members: Fredrik Wester, Håkan Sjunnesson, Andras Vajlok, Mathias Hermansson and Linda Höglund as regular members. During the year, the composition of the board met the Code's requirements regarding independent members. This means that the majority of the board members elected by the general meeting are independent in relation to the company and company management, of which three are also independent in relation to the company's major shareholders.

Duties of the board of directors

- The board members must give the board assignment enough time and care.
- The members must independently assess the matters that the board has to consider and present opinions and take positions



arising therefrom. Each board member must act independently and with integrity and for the benefit of both the company and the shareholders.

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

Chairman of the board

The chairman of the board is appointed by the annual general meeting. The chairman's task is to organise and lead the board's work so that it is conducted efficiently and that the board fulfills its commitments. Håkan Sjunnesson was appointed at the 2025 AGM as chairman of the board for the period until the next AGM.

Rules of procedure and board meetings

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

The board's work in 2025

The board's rules of procedure describe, among other things, which items must be found on the agenda at each board meeting, constituent board meeting, and which items must be found at one or more of the board meetings during the year. In 2025, the board held 13 meetings, one of which is a constituent meeting, and four for the establishment of interim or year-end reports. Ordinary board meetings usually contain information from the CEO, including information linked to the operational position, significant events for the group as well as financial statements for the period. Key points in the board meetings in 2025 have been questions about, but not exclusively, investment strategies, acquisitions, interim and annual reports and dividend proposals.

Composition of the board and attendance in 2025

Name	Board meetings	Audit committee	Remuneration committee
Håkan Sjunnesson	13/13	6/6	2/2
Fredrik Wester	11/13	-	-
Mathias Hermansson	11/13	5/6	2/2
Linda Höglund	12/13	-	2/2
Andras Vajlok	13/13	6/6	-
Gustav Palmqvist	9/9	-	-

Evaluation of the board of directors and CEO

The board shall annually evaluate the work by the board with the purpose to develop the board's routines and efficiency. The results of the evaluation shall be presented to the nomination committee. The board shall continuously evaluate the work of the managing director. At least once every year, the board shall handle this matter in particular, whereby no person from the company management shall be present.

Remuneration to the board

Remuneration to the board members shall be SEK 800,000 to the chairman of the board and SEK 400,000 to each of the other board members, and compensation shall be SEK 100,000 to the chairman of the audit committee and SEK 75,000 to the chairman of the remuneration committee, as well as 75 percent of the respective chairman's remuneration to other members of the committees.

Board meetings 2025

2025-02-05	Regular meeting	Approval of the year-end report.
2025-02-20	Regular meeting	Reviewing fixed items.
2025-04-10	Regular meeting	Reviewing fixed items. Approval of the annual report.
2025-04-23	Regular meeting	Approval of interim report.
2025-05-14	Constituent meeting	Adoption of policies, guidelines and instructions. Confirmation of members and chairman of the Audit committee and the Remuneration committee.
2025-06-17	Regular meeting	Reviewing fixed items.
2025-08-06	Regular meeting	Approval of interim report..
2025-08-26	Regular meeting	Reviewing fixed items.
2025-10-14	Regular meeting	Reviewing fixed items.
2025-10-22	Regular meeting	Approval of interim report.
2025-11-24	Regular meeting	Review of game projects.
2025-11-26	Regular meeting	Review of game projects.
2025-12-17	Regular meeting	Reviewing fixed items.

Nomination committee

The task of the nomination committee shall be to present proposals regarding the chairman of the annual general meeting, number of board members, board and auditor fees, composition of the board, chairman of the board, rules for the nomination committee prior to the annual general meeting next year, and the election of an auditor. The chairman of the board must be a member of the nomination committee and be responsible for convening the nomination committee. The members of the nomination committee shall be appointed by the chairman of the board contacting the three shareholders with the largest number of votes as of 30 September, who shall each appoint a representative to, together with the chairman of the board, constitute the nomination committee for the period until the next annual general meeting has been held or, as the case may be, until a new nomination committee has been appointed. The members of the nomination committee since autumn 2025 are:



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

Håkan Sjunnesson (chairman of the board)

Oscar Ingdahl (appointed by Westerinvest AB)

James Mitchell (appointed by Tencent Holdings Limited)

Three of the nomination committee's four members are independent in relation to the company and company management, which satisfies the requirements of the Code.

Nomination committee's work ahead of the AGM 2026

The nomination committee's work was conducted in accordance with the Code and the instructions established by the 2024 AGM. The nomination committee held two minuted meetings ahead of the 2025 AGM and maintained ongoing contact as needed in addition to this. As part of its work, an evaluation of the board's work was also conducted, among other things through a survey sent to board members.

Ahead of the 2025 AGM, the nomination committee prepared proposals regarding, among other things, the chairman of the meeting, the composition of the board, board fees and the election of an auditor. The nomination committee proposed that the board consist of five members without deputies, and the re-election of Håkan Sjunnesson, Fredrik Wester, Mathias Hermansson, Linda Höglund and Andras Vajlok as board members, with the re-election of Håkan Sjunnesson as chairman of the board.

In preparing its proposal, the nomination committee considered, among other things, the company's operations, stage of development and strategy, as well as the need for an appropriate board composition with relevant expertise, experience and diversity. The proposed board was assessed as having, overall, a good balance of qualifications and experience in areas important to the company, such as industry knowledge, financial and operational experience, corporate governance, capital markets and sustainability.

The nomination committee also assessed the independence of the board members in accordance with the Code. Of the proposed board members, four are independent in relation to the company and company management, of which three are also independent in relation to the company's major shareholders. The nomination committee therefore concluded that the proposed board meets the Code's requirements regarding independence.

BOARD COMMITTEES

Audit committee

The board has appointed an audit committee consisting of at least three members. A majority of the members shall be independent in relation to the company and company management. 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

The board has appointed a remuneration committee consisting of at least three members. A majority of the members shall be independent in relation to the company and company management. The company's CEO is not present at the board's consideration of and decisions on compensation-related issues that concern the person concerned. The committee's 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 completed programs for variable remuneration to the senior management and monitor and evaluate the application of the guidelines for remuneration to senior executives which will be adopted by the AGM. The remuneration committee must also monitor and evaluate programs for variable remuneration for company management, the application of guidelines for remuneration to senior executives and current remuneration structures and remuneration levels in the company.

Audit

The auditor shall review the annual report and accounts, and the work conducted by the CEO and board. Following the end of each financial year, the auditor presents a review report and a group audit report to the AGM. According to the articles of association of Paradox, the company shall appoint a maximum of two auditors with or without a maximum of two deputies or a registered audit company. At the AGM 2025 Öhrlings PricewaterhouseCoopers AB was appointed as the auditor of Paradox.

CEO and senior management

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

Important matters addressed by the CEO and senior management in 2025 included:

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

REMUNERATION TO CEO AND SENIOR MANAGEMENT

Guidelines last determined by the AGM 2022

Remuneration for senior executives may consist of a fixed cash salary, variable cash compensation, pension benefits and other



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

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

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

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

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

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

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

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

Proposed guidelines ahead of the AGM 2026

The proposed guidelines ahead of the 2026 AGM are in all material respects consistent with the previous guidelines but have been updated through the introduction of clearer quantitative limits for variable remuneration, pension and benefits, as well as certain clarifications regarding remuneration structure and decision-making process.

BOARD OF DIRECTORS

HÅKAN SJUNNESSON

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

Born: 1956

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

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

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

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

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

FREDRIK WESTER

Position: Board member. Elected in 2010.

Born: 1974

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

Other current assignments: CEO Paradox Interactive. Board member of Q-Group AB.

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

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

LINDA HÖGLUND

Position: Board member. Elected in 2020.

Born: 1973

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

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

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

Shareholding: –

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



MATHIAS HERMANSSON

Position: Board member. Elected in 2019.

Born: 1972

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

Other current assignments: CFO and Deputy CEO at VOI Technology AB. Board member of Tele2 AB and Aityr AB. CEO and owner of NC Management AB.

Previous assignments: CFO at Veoneer Inc and Modern Times Group MTG AB. Executive Chairman at MTGx AB. Board member at CTC Media Inc. Chairman of Viaplay AB and MTG TV AB.

Shareholding: 6,400 shares – direct ownership.

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

ANDRAS VAJLOK

Position: Board member. Elected in 2021.

Born: 1971

Education: Bachelor of Science in Economics and Business Administration at the School of Business, Economics and Law at the University of Gothenburg, 1996.

Other current assignments: Board member of Unibap, Jumpgate, Besedo, The Gifted Company, Gazella, Amanda AI and Silfverlok Invest.

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

Shareholding: 100,000 shares – indirect ownership.

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

GUSTAV PALMQVIST

Position: Employee representative, elected to the board in 2025.

Born: 1983

Education: Computer Science, Linköping University.

Other current assignments: Tech Lead at Paradox Development Studio, chairman of the local Unionen branch at Paradox Interactive.

Previous assignments: Various roles in programming at Paradox Development Studio since 2012.

Shareholding: 2,004 shares – direct ownership.

SENIOR MANAGEMENT

ALEXANDER BRICCA

Position: Chief Financial Officer (CFO)

Born: 1976

Education: MSc in Business Law and BSc in Business Administration, Linköping University.

Other current assignments: Board member of CDON AB and Alyssa AB.

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

Shareholding: 5,103 shares – direct ownership. 99,500 warrants – direct ownership.

MATTIAS LILJA

Position: Deputy CEO and Chief of Staff (COS)

Born: 1972

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

Other current assignments: –

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

Shareholding: 1,094 shares – direct ownership. 99,500 warrants – direct ownership.

HENRIK FÅHRAEUS

Position: Chief Creative Officer (CCO)

Born: 1973

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

Other current assignments: –

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

Shareholding: 33,768 shares – direct ownership. 99,500 warrants – direct ownership.

MATTIAS RENGSTEDT

Position: Chief Business Officer (CBO)

Born: 1980

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

Other current assignments: –

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

Shareholding: 14,250 shares – direct ownership. 75,000 warrants – direct ownership.

PAULA THELIN

Position: VP of Culture & Engagement

Born: 1987

Education: Bachelor's degree in Media and Communications, Linnaeus University.

Other current assignments: Member of the Advisory Board for The Game Assembly and Future Games.

Previous assignments: VP of Culture & Engagement and Event Manager at Paradox Interactive; Communications Manager at Zound Industries; Events Project Manager at Bonnier Group AB, Dagens Nyheter and Dagens Industri.

Shareholding: 30,000 warrants – direct ownership.

RISK MANAGEMENT AND INTERNAL CONTROL

The board is responsible for the company's internal control and risk management relating to financial reporting. The purpose is to ensure that financial reporting is reliable, prepared in accordance with applicable regulations and that it provides a true and fair view of the company's financial position and results.

Paradox Interactive has established a structured process for risk management and internal control covering the identification and evaluation of risks, the establishment of control activities and the monitoring and reporting of the effectiveness of controls.



Control environment

The control environment forms the foundation of internal control and encompasses the governance, organisation, division of responsibilities and internal policies and steering documents of the board and management.

The board has overall responsibility for the company's risk management and internal control, while the audit committee monitors this work and prepares matters for the board's decision-making. The operational management is responsible for implementing and maintaining effective processes and controls in the business.

The company has a number of governing documents, including policies and process descriptions, which regulate responsibilities and working methods within the organisation. These documents aim to ensure a sound internal control environment and consistent application of regulations and internal guidelines throughout the group.

Risk assessment

Risk management work is an ongoing process in which the most significant risks to the business are identified and evaluated at least annually by group management. Risks are analysed based on probability and potential impact on the business and are categorised into different risk areas, such as strategic, operational, financial and compliance-related risks.

Risks are documented in a risk register and visualised in a risk map. For each risk, a responsible risk owner is designated who is responsible for monitoring and managing the risk. The results of the risk assessment are presented annually to the audit committee and the board.

Examples of identified risk areas in the business include, among other things:

- the ability to identify and attract new game studios and development projects
- governance and monitoring of game development projects
- changes in business models and market conditions in the gaming industry
- increased competition and changing distribution conditions
- dependencies on external distribution platforms
- geopolitical and regulatory developments in markets where the company operates.

Control activities

Based on completed risk assessments, the company has established a framework for internal control encompassing defined control activities in key processes, with particular focus on processes affecting financial reporting.

Controls are documented in control matrices and include, among other things:

- routines for the closing and reporting process
- controls related to consolidation and internal reporting
- monitoring of transactions and balance sheet items
- system-related controls in financially critical IT systems.

Controls may be both preventive and detective in nature and are performed at varying frequency depending on risk and process.

Information and communication

Relevant policies, process descriptions and instructions are communicated within the organisation to ensure that employees are aware of applicable regulations and procedures.

Financial information is reported on an ongoing basis to group management and the board through established reporting processes. The board and audit committee receive regular reports on the group's financial position and development.

Monitoring

Compliance with internal controls is monitored through annual self-assessments of the design and functioning of controls. The results are compiled and analysed to identify any deficiencies and the need for improvement measures.

In addition to self-assessment, independent testing of selected controls is also carried out. The results of the monitoring are reported to the audit committee and the board together with any action plans.

Through this process, the company ensures ongoing development and improvement of internal control over financial reporting.

INTERNAL AUDIT

The board has evaluated the need for a dedicated internal audit function. In light of the company's size, the nature of its operations and existing internal control processes, the board has assessed that there is currently no need for a separate internal audit function.

The board continuously monitors the company's internal control through the audit committee, whose task is to monitor the effectiveness of the company's system of internal control and risk management relating to financial reporting. The audit committee reports regularly to the board on its work.

The company's internal control work includes structured risk assessment processes, established control activities and monitoring through self-assessments and independent testing of selected controls. The results of this work are reported to the audit committee and the board.

The board evaluates annually the need for a dedicated internal audit function.



SUSTAINABILITY REPORT

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

SUSTAINABILITY TARGETS

Paradox contributes to sustainable development by reducing negative effects from the company's activities, both within its own operations and in its value chain, and by enhancing the positive contribution of its games and operations to peoples' everyday lives. The starting point for Paradox's sustainability efforts is the 17 UN Sustainable Development Goals. Of these, the company deems that goals 3, 8, 10 and 12 are particularly significant, as their development affects Paradox and the company in turn can have an impact on them.

3. Good health and well-being

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

8. Decent work and economic growth

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

10. Reduced inequalities

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

12. Responsible consumption and production

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

FOCUS AREAS FOR SUSTAINABLE GROWTH

To ensure that efforts are in accordance with the four significant goals of the 17 UN Sustainable Development Goals, Paradox focuses its sustainability efforts into four main areas: High Performing Teams, Responsible Gaming, Long-Term Economic Value and Sustainable Operations. The company's materiality analysis was evaluated and updated in 2022.

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

SUSTAINABILITY GOVERNANCE

Paradox's ambition is to integrate sustainable business in its daily operations; by supporting employees in feeling ownership of aspects of sustainability that are close to one's work assignments, a good collaboration with suppliers and partners, and support from corporate service functions. The company's Board of Directors is responsible for the preparation of the Sustainability Report and approves and evaluates the work of Senior Management. The day-to-day governance is done by Senior Management, which is responsible for conducting a long-term and sustainable business by deciding on strategy, goals and relevant policies that support sustainable business operations. Sustainability governance is based on the following policies and guidelines:

- The Employee Handbook and the Work Environment Policy
- Code of Conduct
- Sustainability Policy
- Whistle Blower Policy
- Anti-Corruption and Anti-Bribery Policy

STAKEHOLDER DIALOGUE

Paradox has several stakeholders who influence or are affected by the company's operations. Paradox strives to continuously have a dialogue with and understand the most important stakeholders, which are players, distribution partners, employees and owners. Currently, stakeholder dialogue is conducted through, for example, employee development dialogues, involvement in player networks, board meetings, dialogues with suppliers and partners, and ongoing dialogues with analysts, shareholders and societal actors. In 2025, Paradox has, among other things, maintained dialogue with media and shareholders about the company's development, invited players to events, and continuously informed owners about the company's development, business model and game development.





SUSTAINABILITY RISKS

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



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

HIGH-PERFORMING TEAMS

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

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

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

Performance 2025

In order to create a good working environment that gives employees the best conditions to perform, Paradox steers towards a number of indicators set in 2020. The company generally strives to be in line with the indicator (±0.2).

At the end of 2025, Paradox has on average been in line with the majority of the indicators during the period 2020–2025. The

attendance rate indicator has, over time, been in line with the set target, while the indicator "My workload is sustainable..." is 0.1 below on average. This is primarily explained by minor declines in 2024 and 2025, resulting from a high release cadence.

For internal recruitments, Paradox is in line with the long-term target, which is influenced by 2025's internal recruitment activity, when more role changes between internal development studios occurred. Looking at the indicators for "I see a path for my career development" and "My manager encourages and supports my development," the company is in line with its desired position.

For diversity and inclusion indicators over the period, women are on average in line with the company's target, while men are slightly below. For the question "People from all backgrounds are treated fairly at Paradox Group," men are in line with the target while women are below. The lowest result for women during the period was recorded in 2021 (6.7) and has since then increased to be around 8.0 on an annual basis. Both compensation and equal treatment are areas the company works with actively and systematically through salary mapping as well as targeted and general training.



Measuring employee well-being and trust

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

In the engagement score, Paradox has the tech industry as a benchmark in the measurement tool Peakon. To ensure that the company can attract and retain expertise, the long-term goal is to have an engagement score that is in the upper quartile of the tech industry, which means that the company strives for a result of 8.0 on the index's ten-point scale. In 2025, Paradox's engagement index has continued to be at 7.6 (7.6). The result is slightly below the company's long-term goals and is an effect of workplace changes implemented during the year. There is continued strong focus on creating a good working environment for all employees.

Paradox strives to have a long-term staff turnover of 10 percent as it indicates that the company retains competence but has a healthy influx of new talent. In 2025, staff turnover was at a lower level than before, at 8 percent (14.5 percent).

Employee health

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

In order to create the preconditions for good mental and physical health, Paradox implements various health initiatives for its employees, offers therapeutic support with external behavioural scientists as well as wellness allowances, and sick leave is followed up on an ongoing basis. Furthermore, activities are arranged that encourage social bonding and community, which the company considers to be an important dimension of well-being. The company collaborates with safety representatives and trade unions to continuously improve the working environment. Game development projects are also planned so that they are carried out as far as possible without overtime work. In 2025, Paradox has offered physical health check-ups. The results are compiled at an aggregate level, which gives the company a better understanding of which areas need to be prioritised to promote health and well-being.

	2025	2024	2023	T.2025
Attendance rate	97 %	97 %	98 %	≥ 97%
My workload is sustainable	7,6	7,6	7,8	≥ 8,0

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

Paradox is slightly below its 2025 target, which is an effect of a high launch rate during the year. The company will strive to ensure that

employees have a good balance between work and leisure. In 2026, the company will continue to focus on promoting good health.

Career development and personal growth

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

Within Paradox, work often takes place in small groups, which makes it essential to take responsibility for, and lead, your own work. Therefore, employees are offered leadership development in different stages depending on their role. In parallel, occupation-specific training is offered depending on the employee's role and skills.

Through systematic training and skills development, the company ensures that all leaders have the knowledge to give their teams the support necessary to handle challenges. Managers are offered, among other things, so-called toolbox trainings to support them in their role as managers, through, for example, training in work environment, salary setting, rehabilitation and leadership. In addition, the leadership training Great Leaders as well as UGL are offered. During 2025, additional training on the working environment was conducted, with a particular focus on conflict management and mediation to strengthen the company's ability to handle challenging situations at an early stage. Furthermore, a mentorship programme has been implemented to strengthen knowledge transfer and development between junior and senior managers.

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

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

	2025	2024	2023	T.2025
Internal recruitments	35 %	18 %	21 %	≥ 25 %
I see a path for my career development [...]	6,9	7,1	7,2	≥ 7,3
My manager encourages and supports my development	8,2	8,3	8,3	≥ 8,2

Internal recruitments are calculated on the basis of internal appointments to new positions. Positions appointed without internal advertising are not included. The questions from the employee survey are answered on a 10-point scale where 10 stands for completely agree, 5 for partially agree and 1 for do not agree at all. To be in the



upper quartile of the engagement index, Paradox strives for a result that is equal to or greater than the stated target score.

In 2025, the number of internal recruitments increased, partly because the company made a number of reorganisations leading to new roles, and partly because the company included recruitments where the new role is at the same seniority level as the previous one in the count. The company is therefore notably above its 2025 target. At the same time, employees' views on career development have decreased slightly (-0.2), which may be an effect of a tighter labour market during 2025. Development support from managers is unchanged, each on a ten-point scale, and remains in line with the company's 2025 target.

Diversity and inclusion

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

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

In 2025, the company has continued with active measures, including offering all of the company's employees training in identifying and handling harassment in the workplace, with further training steps for managers and HR personnel. Based on the annual survey, targeted training sessions have been organised, linked to trends and results in the annual survey on discrimination. In 2026, the systematic work continues with training employees and managers, developing case management and measuring the result through an annual survey

On Paradox Interactive's Board of Directors, one of six board members is a woman, and at the end of 2025 two of the seven members of Senior Management were women. The group language is English and, in most cases, Swedish is not a requirement for employment.

The proportion of women in the group amounted to 24 percent in 2025 compared to 23 percent in 2024. Good diversity and equality remain important for Paradox's development and the company will continue to work to be an attractive employer. To ensure the ability to both attract and retain female employees, Paradox focuses on the treatment of female employees, in terms of equal treatment and conditions for salary and career development. The starting point is that continuous systematic work in these areas strengthens the company's attractiveness. Metrics and targets are based on the legal

genders, where the long-term goal is to have an equally high level between women and men.

	Gender	2025	2024	2023	T. 2025
I am rewarded fairly (e.g., salary, promotion) for my contribution [...]	Women	6,7	6,7	7,1	≥ 7,1
	Men	6,9	6,9	6,8	≥ 7,1
People from all backgrounds are treated fairly at Paradox Group	Women	8,1	7,7	8,2	≥ 8,5
	Men	8,2	8,4	8,4	≥ 8,5

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

In the question "I am rewarded fairly [...]," women are slightly less satisfied than men with, for example, salary and promotion, but are at the same level as the previous year. During the year, salary mapping work continued, where unjustified salary differences between genders, based on seniority level and role, are adjusted. During 2025, because of this work, female employees have had a slightly higher salary increase than men. The work progresses systematically on an annual basis.

In terms of equal treatment, the result for women has increased (+0.4) compared to 2024, which shows that this year's efforts have had the desired effect. Men perceive to a somewhat greater extent (+0.1) than women that people from all backgrounds are treated fairly, which is an area that the company will continue to work on in 2026 and beyond.

RESPONSIBLE GAMING

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

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

Work against toxicity

Paradox strives to offer everyone a safe and pleasant environment around its games, where those who are interested feel welcome to share their commitment to the company's games with others. In order for the company's player communities to grow in a constructive and safe way, Paradox has zero tolerance for any form of toxic behaviour in the company's channels, which includes racism, sexism, harassment, discrimination, hate speech, bullying or threats as well as attacks against players, the community and the



company's employees. The company strives to keep these owned channels, primarily Paradox Forum and Discord, free from such behaviour by regulating it in the terms of use for games and forums, having dedicated staff who moderate the company's platforms, and having a privacy policy. Players are also encouraged to report offensive behaviour on the company's player platforms.

In 2025, the work against toxic forum behaviour has continued, including by continuing to centralise moderation of the company's platforms and channels and updating the company's Community Code of Conduct.

Accessibility

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

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

Simplifying for new players

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

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

Player contact and transparency

The company strives for transparency and inclusion in all contacts with players. Game developers, senior executives and other functions make themselves available to players in everything from presentation of and discussions about game and content design to presentation of interim reports. The goal is to continuously take in views and thoughts and transparently explain the company's decisions and direction. During 2025, multiple presentations were held with game developers as well as the company's management. The company also continues to offer personal customer support to help players get started or fix problems that have arisen.

Protecting privacy

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

Guidelines for game development

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

Gaming addiction

For many, Paradox games are a medium for relaxation, intellectual challenge, interest exploration and social exchange. Like all entertainment media, however, playing too much, based on the

individual's everyday life, can lead to negative effects. Paradox wants to avoid that.

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

SUSTAINABLE OPERATIONS

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

Influence in the supply chain

Paradox is often directly dependent on the actions of its suppliers, but also indirectly in that the actions of its suppliers can influence other stakeholders such as society and the media. Paradox works in different ways to ensure that all suppliers act in line with the internationally agreed human rights, among other things by requiring contractual counterparties to comply with applicable laws and regulations, for example in relation to labour legislation. In addition, emphasis is placed on the professional reputation of counterparties, to avoid collaboration with parties that do not apply acceptable conditions. In relation to large counterparties, primarily in game development, the company strives to visit the counterparties before signing agreements.

Climate footprint

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

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

Emissions per category

Paradox's total emissions increased to 521 tCO₂e (293 tCO₂e). In terms of areas of emissions, business travel is the largest with emissions of 171 tCO₂e (143 tCO₂e), followed by purchased goods and services with emissions of 168 tCO₂e (34 tCO₂e) and then electricity and heating with emissions of 152 tCO₂e (97 tCO₂e).



Impact per category, market-based reporting, tCO₂e

Category	2025	2024	2023	2022
Business travel	171	143	343	220
Electricity and heating*	152	97	274	278
Purchased goods and services	168	34	117	166
Servers	31	19	5	6
Total	521	293	739	670

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

Emissions per scope

Scope 2

Within Scope 2, Paradox's emissions amount to 106 tCO₂e (72 tCO₂e), linked to the company's premises. International offices account for the largest climate footprint, while the office in Sweden contributes to a lesser extent due to agreements for renewable electricity from wind power. The change compared to 2024 is mainly due to the inclusion of Haemimont Games' office in Sofia in the calculation

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

Scope 3

The majority of Paradox's emissions are in Scope 3. Business travel is the company's single largest climate-influencing factor within this scope. The increase compared to 2024 is primarily due to the company organising a global staff conference in Stockholm during 2025, where all international staff were flown in. Furthermore, the company has participated in more international events than in 2024 as part of the marketing efforts for new titles.

Purchases of goods and services are the second largest source of emissions within Scope 3 and have increased significantly compared to previous years for a variety of reasons. The company carried out a hardware renewal, as a significant portion of the existing equipment had become outdated and higher performance was required to meet the needs of the game development studios. All employees also received a Nintendo Switch 2 as a gift. Furthermore, the company was during the year able to include food and beverage consumption at headquarters and purchases of clothing, both for internal use and sold to customers via third-party suppliers.

Upstream emissions linked to the use of electricity and heating constitute the third largest source of emissions within Scope 3 and amount to 47 tCO₂e (25 tCO₂e). The increase is mainly attributable to the inclusion of Haemimont Games' office in the calculation.

Servers account for the smallest share of emissions within Scope 3. However, emissions have increased compared to 2024 due to the company being able to obtain data from more suppliers.

To ensure reasonable travel, Paradox favours digital meetings, train travel and public transport whenever possible. To reduce emissions created by the company's IT purchases, the company works with well-established suppliers of both hardware and server capacity that have a strong focus on sustainability and products that are well

developed from a climate and environmental perspective. Furthermore, the company extends the life of all IT equipment to avoid excessive consumption.

Impact per scope, location-based reporting, tCO₂e

Scope	2025	2024	2023	2022
2	79	65	154	165
3	404	214	512	450
Total	483	279	666	615

Impact per scope, market-based reporting, tCO₂e

Scope	2025	2024	2023	2022
2	106	72	220	214
3	416	221	519	457
Total	521	275	739	670

Environmental impact

Paradox strives to limit the company's environmental impact by minimising the physical part of its operations and transferring as much of its operations as possible to the digital medium. To the extent that travelling is required, Paradox minimises the number of travellers to reduce the environmental impact, and external meetings should as far as possible be held digitally.

Furthermore, Paradox minimises the use of paper by using e-signing systems for agreements and other digital document management systems. The environmentally friendly technology that Paradox primarily is involved in spreading and developing is the transition from games in physical distribution to games in completely digital form. This transition contributes to reducing the environmental impact from the production of the physical products and by reducing the environmental impact from the transport of the physical products. 95% of Paradox games are sold digitally.

Business ethics

Paradox's long-term growth and success depend on the company's relations with players, employees and other stakeholders being good. The cornerstone of good relationships is acting in a business-ethical way since it is the starting point for all business relationships and transactions that are based on trust.

Anti-corruption

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

Furthermore, all expenses must be approved by the relevant person's manager and by the Finance Department, in order to have control over which payments are made by the employees with Paradox funds and thereby counteract the possibility of bribes or the like. The company also has guidelines in the form of an Employee Handbook, manager handbooks, a Code of Conduct and an Anti-corruption Policy to support how employees should act in a business-ethical way.

The company also has a whistleblower system to increase the probability of noticing and remedying actions that are not business ethical. In 2025, no whistleblower reports were received that staff acted unethically or corruptly.



THE SHARE, OWNERSHIP, DIVIDEND POLICY AND ALLOCATION OF PROFITS

The Share

According to the Articles of Association, the share capital shall be not less than SEK 500,000 and no more than SEK 2,000,000 at a minimum of 100,000,000 shares and at the most 400,000,000 shares. At the end of the year, the share capital amounts to SEK 528,115 by a total of 105,623,025 shares. Each share has a par value of SEK 0.005. The shares are of the same class and are issued in accordance with Swedish law and are denominated in Swedish kronor (SEK). Each share entitles the holder to one vote at the general meeting and each shareholder has the right to vote for all shares owned by the shareholder in the company.

Ownership

At the end of 2025, Paradox Interactive AB's largest shareholders are Westerinvest AB 33.4% (Fredrik Wester), Investment AB Spiltan 15.3% and Tencent Holdings Limited 10.1%.

Dividend policy

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

Allocation of profits

The following is at disposal of the AGM:

Share premium reserve	29,748,416
Retained earnings from previous year	384,329,787
Profit for the year	170,812,957
	584,891,159
The board of directors proposes:	
Ordinary dividend of SEK 5.00 per share	528,115,125
Retained earnings to be carried forward	56,776,034
	584,891,159

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

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

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



INCOME STATEMENT, GROUP (KSEK)

	Note	2025-01-01 2025-12-31	2024-01-01 2024-12-31
Revenues	5	2,191,918	2,200,943
Cost of goods sold	7, 8, 9, 10	-1,656,913	-1,203,649
Gross profit		535,005	997,294
Selling expenses	7, 8, 9, 10	-236,076	-223,881
Administrative expenses	7, 8, 9, 10, 11	-110,632	-99,653
Other income	12	9,253	58,294
Other expenses	13	-51,551	-10,690
Operating profit		145,999	721,364
Financial income	15	23,469	42,103
Financial expense	16	-2,072	-6,165
Profit after financial items		167,397	757,303
Tax expense	18	-41,940	-172,675
Profit for the year		125,456	584,628

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

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

- before dilution	42	1.19	5.54
- after dilution	42	1.18	5.53

OTHER COMPREHENSIVE INCOME, GROUP (KSEK)

	2025-01-01 2025-12-31	2024-01-01 2024-12-31
Profit for the year	125,456	584,628
OTHER COMPREHENSIVE INCOME		
<i>Items that may be reclassified to profit or loss</i>		
Translation differences	-17,016	9,511
Total comprehensive income for the year	108,440	594,139

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



BALANCE SHEET, GROUP (KSEK)

	Note	2025-12-31	2024-12-31
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalised development	19	1,015,110	1,454,313
Licenses, brands and similar rights	20	105,792	52,655
Goodwill	21	21,790	23,137
Total intangible fixed assets		1,142,692	1,530,104
Tangible fixed assets			
Property and equipment	22	8,410	8,318
Right-of-use assets	23	171,591	69,679
Total tangible fixed assets		180,002	77,998
Financial assets			
Other long term assets	26	18,658	18,736
Total financial assets		18,658	18,736
Total fixed assets		1,341,352	1,626,838
Current assets			
Current receivables			
Accounts receivable	28	271,185	280,056
Tax assets		91,397	62,136
Other receivables		27,143	10,466
Prepaid expenses and accrued revenues	29	63,272	83,498
Total current receivables		452,996	436,156
Cash and cash equivalents	30	1,375,272	1,469,356
Total current assets		1,828,268	1,905,512
TOTAL ASSETS		3,169,621	3,532,350



BALANCE SHEET, GROUP (KSEK)

	Note	2025-12-31	2024-12-31
EQUITY AND LIABILITIES			
Equity			
	31		
Share capital		528	528
Share premium reserve		29,748	29,748
Reserves		15,178	32,194
Retained earnings including profit for the year		2,452,868	2,847,170
Total equity		2,498,322	2,909,640
Long term liabilities			
Lease liabilities	24	137,403	33,911
Deferred tax liabilities	33	153,586	163,460
Total long term liabilities		290,989	197,372
Current liabilities			
Accounts payable		41,161	45,842
Current tax liabilities		782	852
Lease liabilities	24	27,833	30,875
Other liabilities	34	32,171	21,697
Accrued expenses and prepaid revenues	35	278,362	326,073
Total current liabilities		380,309	425,339
Total liabilities		671,298	622,710
TOTAL EQUITY AND LIABILITIES		3,169,621	3,532,350



EQUITY, GROUP (KSEK)

	Note	Share capital	Other capital contributed	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 year		-	-	-	584,628	584,628
Other comprehensive income						
Exchange differences		-	-	9,511	-	9,511
Total other comprehensive income		-	-	9,511	-	9,511
Total comprehensive income		-	-	9,511	584,628	594,139
Transactions with owners						
Share-based payments staff	9	-	-	-	11,915	11,915
Dividend		-	-	-	-316,869	-316,869
Total transactions with owners		-	-	-	-304,954	-304,954
AT THE END OF THE PERIOD 2024-12-31	31	528	29,748	32,194	2,847,170	2,909,640
At the beginning of the period 2025-01-01		528	29,748	32,194	2,847,170	2,909,640
Profit for the year		-	-	-	125,456	125,456
Other comprehensive income						
Exchange differences		-	-	-17,016	-	-17,016
Total other comprehensive income		-	-	-17,016	-	-17,016
Total comprehensive income		-	-	-17,016	125,456	108,440
Transactions with owners						
Share-based payments staff	9	-	-	-	8,357	8,357
Dividend		-	-	-	-528,115	-528,115
Total transactions with owners		-	-	-	-519,758	-519,758
AT THE END OF THE PERIOD 2025-12-31	31	528	29,748	15,178	2,452,868	2,498,322

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



CASH FLOW, GROUP (KSEK)

	Note	2025-01-01 2025-12-31	2024-01-01 2024-12-31
Current operations			
Operating profit		145,999	721,364
Adjustment of depreciation, amortisation and write-downs	10	1,179,774	710,513
Other adjustments		8,357	12,002
Interest received		23,469	38,705
Interest paid	24	-2,072	-6,165
Tax paid		-91,428	-248,071
Cash flow from current operations before changes in working capital		1,264,099	1,228,348
Changes in working capital			
Change in current receivables		14,610	112,792
Change in current liabilities		-42,182	-217,620
Cash flow from current operations		1,236,527	1,123,520
Investing activities			
Investments in capitalised development	19	-605,806	-602,509
Investments in licenses, brands and similar rights	20	-46,540	-
Investments in equipment	22	-3,168	-1,161
Acquisition of subsidiaries, net of cash acquired	40	-97,307	-
Sales of bonds		-	200,450
Cash flow from investing activities		-752,820	-403,220
Financing activities			
Amortisation of lease liability	24	-39,000	-38,300
Paid dividend		-528,115	-316,869
Cash flow from financing activities		-567,115	-355,169
Cash flow for the year			
Cash and cash equivalents at the beginning of the year		1,469,356	1,098,025
Exchange rate effect		-10,675	6,202
Cash and cash equivalents at the end of the year	30	1,375,273	1,469,356



INCOME STATEMENT, PARENT COMPANY (KSEK)

	Note	2025-01-01 2025-12-31	2024-01-01 2024-12-31
Revenues	5	2,196,019	2,214,766
Cost of goods sold	7, 8, 9, 10	-1,524,534	-1,499,633
Gross profit		671,484	715,133
Selling expenses	7, 8, 9, 10	-224,641	-208,704
Administrative expenses	7, 8, 9, 10, 11	-108,674	-97,960
Other income	12	6,037	56,892
Other expenses	13	-50,476	-9,718
Operating profit		293,730	455,642
Profit from shares in subsidiaries	14	-	-58,750
Financial income	15	18,092	36,429
Financial expense	16	-1	-704
Profit after financial items		311,822	432,618
Appropriations	17	-75,000	-10,000
Tax expense	18	-66,009	-114,716
Profit for the year		170,813	307,902

OTHER COMPREHENSIVE INCOME, PARENT COMPANY (KSEK)

Comprehensive income	-	-
Total comprehensive income for the year	170,813	307,902

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



BALANCE SHEET, PARENT COMPANY (KSEK)

	Note	2025-12-31	2024-12-31
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalised development	19	954,495	984,669
Licenses, brands and similar rights	20	52,746	23,340
Total intangible fixed assets		1,007,241	1,008,009
Tangible fixed assets			
Property and equipment	22	2,453	1,715
Total tangible fixed assets		2,453	1,715
Financial assets			
Shares in subsidiaries	26	319,512	203,908
Other long term assets	27	17,393	17,393
Total financial assets		336,905	221,301
Total fixed assets		1,346,599	1,231,024
Current assets			
Current receivables			
Accounts receivable	28	266,042	272,841
Receivables from group companies	37	10,267	198,836
Tax assets		84,309	35,600
Other receivables		19,449	5,102
Prepaid expenses and accrued revenues	29	69,629	89,747
Total current receivables		449,696	602,125
Cash and cash equivalents	30	876,202	1,131,589
Total current assets		1,325,898	1,733,714
TOTAL ASSETS		2,672,497	2,964,738



BALANCE SHEET, PARENT COMPANY (KSEK)

	Note	2025-12-31	2024-12-31
EQUITY AND LIABILITIES			
Equity	31		
<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 year		170,813	307,902
Total equity		1,539,914	1,888,859
Untaxed reserves	32	695,000	755,000
Current liabilities			
Accounts payable		31,676	35,954
Liabilities to group companies	37	164,399	22,681
Other liabilities	34	14,268	4,282
Accrued expenses and prepaid revenues	35	227,240	257,962
Total current liabilities		437,583	320,879
TOTAL EQUITY AND LIABILITIES		2,672,497	2,964,738



EQUITY, PARENT COMPANY (KSEK)

	Note	Share capital	Capitalised development reserve	Share premium reserve	Retained earnings	Total equity
At the beginning of the period 2024-01-01		528	1,098,525	29,748	757,107	1,885,908
Profit for the year		-	-	-	307,902	307,902
Other comprehensive income		-	-	-	-	-
Total comprehensive income		-	-	-	307,902	307,902
Transfer to capitalised development reserve		-	-113,856	-	113,856	-
Transactions with owners						
Sharebased payments to employees	9	-	-	-	11,918	11,918
Dividend		-	-	-	-316,869	-316,869
Total transactions with owners		-	-	-	-304,951	-304,951
AT THE END OF THE PERIOD 2024-12-31	31	528	984,669	29,748	873,914	1,888,859
At the beginning of the period 2025-01-01		528	984,669	29,748	873,914	1,888,859
Profit for the year		-	-	-	170,813	170,813
Other comprehensive income		-	-	-	-	-
Total comprehensive income		-	-	-	170,813	170,813
Transfer to capitalised development reserve		-	-30,174	-	30,174	-
Transactions with owners						
Sharebased payments to employees	9	-	-	-	8,357	8,357
Dividend		-	-	-	-528,115	-528,115
Total transactions with owners		-	-	-	-519,758	-519,758
AT THE END OF THE PERIOD 2025-12-31	31	528	954,495	29,748	555,143	1,539,914



CASH FLOW, PARENT COMPANY (KSEK)

	Note	2025-01-01 2025-12-31	2024-01-01 2024-12-31
Current operations			
Operating profit		293,730	455,642
Adjustment of depreciation, amortisation and write-downs	10	965,424	387,872
Other adjustments		8,358	11,918
Interest received		18,092	33,031
Interest paid		-1	-704
Tax paid		-114,718	-91,756
Cash flow from current operations before changes in working capital		1,170,886	796,003
Changes in working capital			
Change in current receivables		12,570	113,623
Change in current liabilities		30,272	-446,757
Cash flow from current operations		1,213,727	462,869
Investing activities			
Investments in capitalised development	19	-917,407	-258,074
Investments in licenses, brands and similar rights	20	-46,540	-
Investments in equipment	22	-1,448	-
Investments in subsidiaries	40	-115,604	43,154
Sales of bonds		-	200,450
Cash flow from investing activities		-1,080,999	-14,470
Financing activities			
Received group contributions		140,000	220,000
Paid dividend		-528,115	-316,869
Cash flow from financing activities		-388,115	-96,869
Cash flow for the year			
Cash and cash equivalents at the beginning of the year		1,131,589	780,059
Cash and cash equivalents at the end of the year	30	876,202	1,131,589



NOTES (KSEK)

NOTE 1. GENERAL INFORMATION

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

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

The annual report for the year that ended December 31, 2025, including comparative figures, was approved for publication by the Board of Directors on 2 April 2026, see note 43.

NOTE 2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements were prepared in accordance with the Annual Accounts Act, RFR 1 – Supplementary Accounting Rules for Groups and IFRS accounting standards as adopted by the EU.

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

New and amended standards adopted by the group

Some accounting pronouncements which have become effective from January 1, 2025, and have therefore been adopted, do not have a significant impact on the group's financial results or position.

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

A number of new and amended standards and interpretations have been published by the IASB but have not yet come into force. None of the new or amended standards or interpretations have been early adopted by the group. The new and amended standards that may affect the group's or parent company's financial statements are described below. Other new or amended standards or interpretations published by the IASB are not expected to have any material impact on the group's or parent company's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

From January 1, 2027, with retrospective application, IFRS 18 Statements will come into force and will replace IAS 1 Presentation of Financial Statements. The group is currently working to identify all effects that the changes will have on the financial statements and their notes.

Basis of preparation

The group's financial statements have been prepared on an accrual basis and under the historical cost convention, except for certain financial liabilities measured at fair value. Monetary

amounts are expressed in Swedish currency, SEK, and are rounded to the nearest thousands, unless stated otherwise.

Principles of consolidation

The consolidated financial statements include the parent company and subsidiaries' operations until December 31, 2025. All subsidiaries have a closing date on December 31.

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

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

Business combinations

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

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the CEO, who is responsible for allocating resources and assessing the performance of the operating segments.

Operating segments are identified based on the internal reporting to the CEO. Operating segments with similar economic characteristics that meet the criteria for aggregation under IFRS 8 are combined and reported as a single reportable segment.

Foreign currency translation

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



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

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

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

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

Revenue

Sale of computer games

The group develops and sells digital games for PC and console platforms. The games are distributed mainly via digital distribution platforms such as Valve (Steam), Sony and Microsoft, where the games are made available to end customers via the platforms' digital stores.

In these arrangements, the distribution platforms are the group's customers and receive a licence to distribute the games or related content to end customers via their digital stores. The group's performance obligation therefore consists of providing a licence to the game or the related content. The licence is assessed as constituting a right for the customer to use the intangible asset in its current state at the time of granting.

The consideration from the distribution platforms normally consists of variable remuneration in the form of sales-based royalties based on sales to end customers. Revenue is recognised when the underlying sale to the end customer occurs. In certain cases, the group enters into agreements that include guaranteed consideration in combination with sales-based royalties in exchange for rights to distribute games in certain markets or on certain platforms. Guaranteed consideration is recognised as revenue when the licence to the game or the related content is made available to the distribution platform.

Revenue from pre-orders, season passes and similar offerings is recognised when the game or the related content is made available. If the group receives consideration before a performance obligation has been fulfilled, the amount is recognised as a contract liability (prepaid income) in the statement of financial

position. If the group fulfils a performance obligation before consideration is received, a contract asset or accrued income is recognised depending on whether the group's right to consideration is unconditional or not.

Cost of goods sold

Cost of goods sold refers to the cost of game development, operation and maintenance of games, royalties to external game developers and other rights holders, and purchase prices conditional on continued employment.

Selling expenses

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

Administrative expenses

Administrative expenses refer to costs for central support functions.

Other operating income and other operating expenses

Other operating income and other operating expenses are reported as income and expenses that are outside ordinary activities. The item mainly includes exchange rate gains and losses in operations

Income tax

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

Earnings per share

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

Intangible assets

Capitalised development

Expenditure in the research phase is expensed as incurred. Expenditure in the development phase is recognised as an intangible asset when the criteria in IAS 38 are met.

This means that the group assesses that:

- the development expenditure can be measured reliably
- the project is technically and commercially feasible
- the group has the intention and sufficient resources to complete the asset
- the group has the ability to use or sell the asset
- the asset is expected to generate probable future economic benefits.



Directly attributable development expenditures include primarily personnel costs for development teams and external costs that are directly attributable to the development.

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

Capitalised development expenditures are amortised over the estimated useful life of the game.

Licenses, brands and similar rights

Licenses and trademarks acquired separately are recognised at cost. Trademarks arising from business combinations are initially recognised at fair value.

These assets are amortised on a straight-line basis over their estimated useful life, which normally amounts to 5–10 years.

Goodwill

Goodwill arising from business combinations is recognised at cost less accumulated impairment losses. Goodwill is not amortised but is tested for impairment at least annually.

Tangible assets

Equipment and fixtures

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

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

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

Right-of-use assets

The group recognises right-of-use assets and lease liabilities for lease agreements relating primarily to office premises. The right-of-use asset is initially recognised at cost corresponding to the lease liability and is depreciated on a straight-line basis over the lease term.

Leasing

At the commencement of a lease agreement, the group recognises a lease liability corresponding to the present value of future lease payments that have not been paid at that date.

Lease payments are discounted using the group's incremental borrowing rate. The lease liability is subsequently reduced by lease payments made and increased by accrued interest.

The group applies the exemptions in IFRS 16 for short-term leases and leases where the underlying asset has a low value. Payments for such leases are expensed on a straight-line basis over the lease term.

Impairment testing of intangible and tangible fixed assets

Goodwill and other assets with indefinite useful lives are not amortised but are tested for impairment at least annually. Other assets are tested for impairment when there is an indication that the carrying amount of the asset exceeds its recoverable amount. Development expenditures relating to games and additions to

games that have not yet been completed and put into use are not amortised, but are tested for impairment at least annually.

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units, CGUs).

The recoverable amount is determined as the higher of value in use and fair value less costs of disposal. Value in use is calculated by discounting estimated future cash flows based on management's forecasts.

The discount rate reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in profit or loss. When a cash-generating unit is impaired, the carrying amount of any goodwill allocated to the unit is reduced first.

Financial instruments

The group's financial instruments consist mainly of cash and cash equivalents, accounts receivable and accrued revenues, as well as accounts payable and other liabilities. These are recognised when the group becomes party to the instrument's contractual terms.

Financial assets are measured after initial recognition at amortised cost, as they are held within a business model whose objective is to collect contractual cash flows and these cash flows consist solely of payments of principal and interest.

The group applies the simplified model for calculating expected credit losses for accounts receivable and accrued revenues. This means that a provision is made for expected credit losses over the full lifetime of the receivable.

Financial liabilities consist mainly of accounts payable and other liabilities. These are measured after initial recognition at amortised cost.

Cash and cash equivalents

Cash and cash equivalents consist of balances at banks and similar institutions and other short-term, highly liquid investments with an original maturity of no more than three months from the date of acquisition that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Equity

Share capital represents the par value of the shares issued.

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

Share premium includes premiums received on the issue of new share capital. Transaction costs directly attributable to the issue of new shares are recognised, net of tax, as a deduction from share premium.

Retained earnings include accumulated results from the current and prior periods.

Transactions with shareholders are recognised directly in equity.



Employee remuneration

Post-employment benefits

The group has only defined contribution pension plans. Contributions are expensed in the period in which the employees render the services entitling them to the contributions. The group has no further payment obligations once the contributions have been paid.

Short-term benefits

Short-term employee benefits, such as salaries, bonuses and holiday pay, are expensed in the period in which the employees render the services to which the benefits relate. Unpaid benefits are recognised as accrued expenses and other liabilities.

Share-based remuneration

The group has share-based remuneration programmes settled with equity instruments. Services received are measured at fair value at the date of grant and expensed over the vesting period with a corresponding increase in equity.

The number of instruments expected to vest is continuously reassessed based on non-market vesting conditions.

Social security contributions attributable to share-based remuneration are recognised as an expense over the vesting period and a provision is made based on estimated outcome.

Provisions and contingent liabilities

Provisions are recognised when the group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be needed to settle the obligation, and the amount can be estimated reliably.

Provisions are measured at the best estimate of the amount required to settle the obligation at the balance sheet date and are discounted where the time value of money is material.

A contingent liability is not recognised as a liability but is disclosed when a possible obligation exists as a result of past events and whose existence will be confirmed only by the occurrence of future events not wholly within the group's control.

Cashflow analysis

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

NOTE 3. PARENT COMPANY ACCOUNTING PRINCIPLES

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

The parent company applies the principles presented in the consolidated financial statements note 2, with the exceptions

specified as follows. The principles have been applied to all periods indicated in the parent company's annual report.

Shares in subsidiaries

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

Income tax

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

Fund for development expenses

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

Classification and presentation

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

NOTE 4. KEY ESTIMATES AND ASSUMPTIONS

When preparing financial reports, group management makes judgments and estimates that affect the reported values of assets, liabilities, revenues and expenses. These are based on historical experience and other factors that are considered reasonable under the prevailing circumstances.

The group has not identified any estimates that involve a significant risk of material adjustments to the carrying amounts of assets and liabilities in the next financial year.

The following describes the judgments and estimates that have the greatest impact on the group's financial reporting.

Significant judgments

Identification of customer in distribution via digital platforms

The group distributes its games mainly via digital distribution platforms such as Valve (Steam), Sony and Microsoft. When applying IFRS 15, the group makes an assessment of who constitutes the customer in these arrangements.

Based on an analysis of contractual terms and the division of responsibilities between the parties, the group has assessed that the distribution platforms constitute the group's customers. In this assessment, consideration is given, among other things, to the fact that the platforms control the distribution channel, handle payments from end users and are responsible for distributing the game via their digital stores.

This assessment means that the group recognises revenue based on the consideration received from each platform, in accordance with the revenue recognition accounting policy described above.

See note 5 for additional information.

**Capitalised development costs for game development**

The division between research and development phases of new development of software and determining whether the requirements for capitalisation of development costs are met requires assessments. The group categorises new activations into two categories: proven and unproven. It is the group's assessment that proven games reach the development phase and can be capitalised after the prototype phase is completed, while unproven games reach the development phase and can only be capitalised after the alpha phase. After capitalisation, group management monitors whether the reporting requirements for development costs continue to be fulfilled and if there are indications that the capitalised expenses may be subject to impairment. See note 19 for additional information.

Estimates

The following describes the estimates and assumptions that are most significant for the financial reporting.

Impairment of intangible assets

To assess impairment, management calculates the recoverable value of each asset or cash-generating unit based on expected future cash flows using an appropriate interest rate to discount the cash flow. Uncertainties lie in assumptions about future operating results and determination of an appropriate discount rate. See notes 19–21 for additional information on testing performed.

Useful lives of intangible assets

Group management makes a review at each closing date of its estimates of useful lives of intangible assets, based on how long the group expects to use the assets. The uncertainty of these estimates depends on how well the launch of the game is received by the market and may affect the useful life. See notes 19–21 for amortisation of intangible assets.



NOTE 5. SEGMENT REPORTING

Group management has established operating segments based on the internal reporting reviewed by the CEO, who constitutes the group's chief operating decision maker. The internal reporting follows the business on a project-by-project basis, where each game development project normally constitutes a separate operating segment.

In assessing whether operating segments can be aggregated, group management has also considered that the game projects exhibit similar economic characteristics over their respective life cycles. The game projects are developed and distributed through similar development processes, target similar customer groups and are distributed via the same digital distribution platforms. The revenue model and margin profile are broadly similar across projects, even though individual projects may vary in size or commercial success.

As the group only reports one reportable segment, additional disclosures on the breakdown of revenues are provided below.

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

	Group		Parent company	
	2025	2024	2025	2024
USA	1,872,997	1,905,078	1,839,858	1,868,249
Sweden	59,409	65,395	98,504	117,726
Rest of Europe	212,575	192,576	210,719	190,898
Rest of the World	46,937	37,893	46,937	37,893
Total	2,191,918	2,200,943	2,196,019	2,214,766

During the year, KSEK 1,854,270 (KSEK 1,868,033) of the group's revenue came from one and the same platform – Steam.

The group's fixed assets, consisting of intangible and tangible fixed assets and right-of-use assets, are in all material respects attributable to Sweden. No other individual geographical market exceeds ten percent of the group's total fixed assets.

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

	Group		Parent company	
	2025	2024	2025	2024
PC	1,895,783	1,924,843	1,894,245	1,924,713
Console	222,911	204,225	222,911	204,225
Mobile	45,669	50,980	569	681
Other	27,555	20,895	78,292	85,147
Total	2,191,918	2,200,943	2,196,019	2,214,766

Prepaid income amounted to KSEK 144,568 (KSEK 145,114) at the end of the period. Of these, KSEK 144,568 is expected to be reported as revenue during the next 12-month period, and KSEK 0 within 24 months.

The income for the year includes KSEK 118,979 (KSEK 156,417) which was included in prepaid income at the beginning of the year.

NOTE 6. AVERAGE NUMBER OF EMPLOYEES

Average number of employees

	2025		2024	
	Number	Of whom men	Number	Of whom men
Parent company				
Sweden	180	119	181	122
Subsidiaries				
Sweden	267	213	266	216
Netherlands	43	35	40	35
USA	2	1	13	8
Finland	35	27	27	20
France	27	20	28	24
Spain	35	31	32	29
Bulgaria	50	40	–	–
Total for the group	638	486	587	453

Directors and senior executives

	2025		2024	
	Number	Of whom men	Number	Of whom men
Board of Directors	5	4	5	4
CEO and other senior executives	6	5	6	5

NOTE 7. SALARIES AND EMPLOYEE BENEFITS

Expenses recognised for employee compensation:

	Group		Parent company	
	2025	2024	2025	2024
Salaries - Board and senior manage	20,240	18,408	18,007	15,023
Salaries - other employees	400,295	400,754	120,851	120,486
Pensions - Board and senior manag	2,851	2,123	2,541	1,814
Pensions - other employees	30,671	32,680	11,745	12,570
Other social costs	113,506	113,386	47,389	46,586
Total	567,563	567,351	200,533	196,479

The group only has defined contribution pension plans.

NOTE 8. SENIOR EXECUTIVE REMUNERATION

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

2025	Salaries/ fees	Variable compensation	Other benefits	Pensions	Share based payments	Total
Board & senior management						
Chairman of the Board						
Håkan Sjunnesson	950	–	–	–	–	950
Board member Mathias Hermansson	531	–	–	–	–	531
Board member Linda Höglund	456	–	–	–	–	456
Board member Andras Vajlok	500	–	–	–	–	500
CEO						
Fredrik Wester	2	–	2	–	–	4
Other senior executives						
(6)	14,382	492	40	2,851	2,885	20,650
Total	16,821	492	42	2,851	2,885	23,091

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



The AGM decides on guidelines for remuneration to the CEO and other senior executives. The most recently adopted guidelines are set out in the corporate governance report, page 32.

The chairman of the board receives KSEK 800 in board fees and other board members receive KSEK 400, with the exception of Fredrik Wester who has requested not to receive any fees. Chairman of the audit committee Andras Vajlok receives KSEK 100 and members of the audit committee Håkan Sjunnesson and Mathias Hermansson receive KSEK 75. Chairman of the remuneration committee Håkan Sjunnesson receives KSEK 75 and members of the remuneration committee Linda Höglund and Mathias Hermansson receive KSEK 56.

The salary line for other senior executives includes remuneration attributable to notice period terms for a former senior executive.

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

NOTE 9. SHARE-BASED EMPLOYEE REMUNERATION

The group has share-based incentive programmes for senior executives and key employees. The fair value of instruments granted is determined at the date of grant and expensed over the vesting period with a corresponding increase in equity.

Terms per program

	2025/2029	2024/2028	2023/2027	2022/2026
Grant date	2025-05-14	2024-05-15	2023-05-17	2022-05-10
Options granted	525,000	527,000	520,000	527,500
Options outstanding	477,500	450,000	397,500	328,500
Exercise price (SEK)	225.81	200.61	300.53	236.39
Exercise period	2028/2029	2027/2028	2026/2027	2025/2026
Fair value at grant date (SEK)	21.96	9.76	55.82	31.03

Valuation assumptions

	2025/2029	2024/2028	2023/2027	2022/2026
Share price VWAP at at valutaion	186.47	132.83	263.08	181.95
Expected volatility	27%	30%	35%	36%
Risk free interest rate	2%	2%	3%	2%
Expected term (Years)	3.9	3.1	3.1	3.1
Expected dividend	2%	2%	1%	1%

Fair value at grant has been calculated using the Black & Scholes model based on the valuation assumptions above.

A previous incentive programme of the same type and terms expired during the year without resulting in any share allotment and is therefore not included in the table above.

Summary of issued warrants:

	Group	
	2025	2024
As at January 1	1,641,050	1,212,150
Granted during the year	525,000	527,500
Forfeited during the year	-512,550	-98,600
As at December 31	1,653,500	1,641,050

Vested and exercisable at December 31

The weighted average remaining term for outstanding options amounted to 1.9 years (2.0 years) at the end of the year.

The cost for share-based remuneration recognised during the year amounted to KSEK 8,357 (KSEK 11,915) and has been allocated across relevant functions in the income statement with a corresponding increase in equity.

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

	Group		Parent company	
	2025	2024	2025	2024
Cost of goods sold	-1,168,759	-698,446	-710	-383,444
Selling expenses	-4,122	-3,870	-	-
Administrative expenses	-6,893	-8,198	-710	-4,428
Total	-1,179,774	-710,513	-965,424	-387,872

NOTE 11. REMUNERATION TO THE AUDITOR

	Group		Parent company	
	2025	2024	2025	2024
PwC				
Audit related assignments	876	976	876	976
Tax advise	51	46	51	46
Other services	3,081	-	3,081	-
Total	4,008	1,022	4,008	1,022

NOTE 12. OTHER INCOME

	Group		Parent company	
	2025	2024	2025	2024
Exchange gains	1,390	40,109	-	39,691
Rental income	5,843	5,143	5,843	5,143
Other income	2,020	13,042	194	12,058
Total	9,253	58,294	6,037	56,892

NOTE 13. OTHER EXPENSES

	Group		Parent company	
	2025	2024	2025	2024
Exchange loss	-51,522	-10,580	-50,476	-9,718
Other expenses	-28	-110	-	-
Total	-51,551	-10,690	-50,476	-9,718

NOTE 14. PROFIT FROM SHARES IN SUBSIDIARIES

	Parent company	
	2025	2024
Dividend from subsidiaries	-	43,154
Write-downs	-	-101,904
Total	-	-58,750

Write-downs in the previous year relate to shares in the subsidiaries Harebrained Schemes and Playrion Game Studio.

NOTE 15. FINANCIAL INCOME

	Group		Parent company	
	2025	2024	2025	2024
Interest income	23,287	37,791	18,092	33,030
Other financial income	182	4,312	-	3,399
Total	23,469	42,103	18,092	36,429

Of which interest income from group companies

NOTE 16. FINANCIAL EXPENSES

	Group		Parent company	
	2025	2024	2025	2024
Interest expense lease	-1,098	-1,878	-	-
Other interest expense	-974	-4,287	-1	-704
Total	-2,072	-6,165	-1	-704

Of which interest expense to group companies



NOTE 17. APPROPRIATIONS

	Parent company	
	2025	2024
Group contributions received	-	140,000
Group contributions given	-135,000	-
Reversal of tax allocation	160,000	-
Transfer to tax allocation	-100,000	-150,000
Total	-75,000	-10,000

NOTE 18. INCOME TAX

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

	Group		Parent company	
	2025	2024	2025	2024
Profit before tax	167,397	757,303	236,822	422,618
Tax according to applicable tax rate	-34,484	-156,004	-48,785	-87,059
Tax attributable to prior years	9,922	-1,096	789	-1,096
Adjustment for differences in foreign tax rates	1,423	-368	-	-
Other	-	-2,153	-	-2,153
Other non-taxable income	741	282	661	9,168
Other non-deductible items	-19,542	-13,335	-18,673	-33,576
Recognised tax expense	-41,940	-172,675	-66,009	-114,716

Specification of recognised tax expense:

Current tax				
On net profit	-71,634	-150,628	-66,797	-111,467
Adjustment on prior year tax	9,922	-1,096	789	-1,096
Other	-	-2,153	-	-2,153
Deferred tax				
Change in temporary differences	19,772	-18,798	-	-
Tax reported in the income statement	-41,940	-172,675	-66,009	-114,716

NOTE 19. CAPITALISED DEVELOPMENT

	Group		Parent company	
	2025	2024	2025	2024
Opening accumulated cost	4,665,576	4,057,904	3,609,757	3,351,683
Acquisition business combinations	44,846	-	-	-
Activated development	605,806	602,510	917,407	258,074
Exchange rate differences	-11,057	5,162	-	-
Closing accumulated cost	5,305,171	4,665,576	4,527,164	3,609,757
Opening amortisation	-2,376,709	-1,969,283	-1,803,076	-1,639,191
Exchange rate differences	7,263	-3,738	-	-
Amortisation	-732,766	-403,688	-592,238	-163,885
Closing accumulated amortisation	-3,102,212	-2,376,709	-2,395,313	-1,803,076
Opening accumulated write-downs	-834,555	-625,419	-822,012	-613,967
Exchange rate differences	2,049	-1,091	-	-
Write-downs	-355,343	-208,045	-355,343	-208,045
Closing accumulated write-downs	-1,187,849	-834,555	-1,177,355	-822,012
Closing residual value	1,015,110	1,454,312	954,495	984,669

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

market's assumption of the time value of money and specific risks of the games. The applicable discount rate has amounted to 18% (18%) during the year.

Write-downs for the year amount to KSEK 355,343 (KSEK 208,045). The recoverable amount after write-down amounted to KSEK 39,764 and has been determined based on value in use calculated through discounting of projected cash flows. The write-down is attributable to updated sales forecasts following the launch of the game Vampire: The Masquerade – Bloodlines 2. The previous year's write-downs relate to the cancellation of the game Life by You, developed by Paradox Tectonic.

At the end of the year, 48% (67%) of the capitalised development expenditures relate to the group's three largest game projects under development. The item consists of 65% (65%) of games and expansions to games that are under development and are not yet amortised.

Capitalised development expenditures are amortised over the estimated useful life of the games, which normally amounts to approximately 18 months. For games where revenue generation is assessed to be higher in an early stage, a degressive amortisation method is applied, to better reflect the consumption of the economic benefits.

During the year, expensed research and development expenditures amounted to KSEK 280,360 (KSEK 315,270).

NOTE 20. LICENSES, BRANDS AND SIMILAR RIGHTS

	Group		Parent company	
	2025	2024	2025	2024
Opening accumulated cost	551,728	534,052	203,768	203,768
Acquisition business combinations	60,680	-	-	-
Addition	46,540	-	46,540	-
Exchange rate differences	-33,986	17,676	-	-
Closing accumulated cost	624,961	551,728	250,308	203,768
Opening accumulated depreciation	-489,148	-418,595	-170,503	-158,988
Exchange rate differences	30,667	-15,425	-	-
Depreciation	-50,763	-55,128	-17,134	-11,515
Outgoing accumulated depreciations	-509,244	-489,148	-187,636	-170,503
downs	-9,925	-9,925	-9,925	-9,925
Closing accumulated write-downs	-9,925	-9,925	-9,925	-9,925
Closing residual value	105,792	52,655	52,746	23,340

Impairment testing of licenses, brands and similar rights is carried out per game, as each game constitutes a cash-generating unit.

The recoverable amount has been determined based on value in use. The calculations are based on projected cash flows from a detailed three-year forecast followed by an extrapolation of cash flows for the game's remaining useful life using a declining growth rate. The cash flow projections are based on management's assessment of each game's commercial development, including sales forecasts and launch plans.

The present value of the projected cash flows is calculated by discounting with a discount rate that corresponds to the market's assumption of the time value of money and specific risks of the games. The discount rate amounts to 18% (18%) before tax.



Write-downs for the year within the item amount to KSEK 0 (KSEK 0).

NOTE 21. GOODWILL

	Group	
	2025	2024
Opening accumulated cost	23,137	22,350
Exchange rate differences	-1,347	787
Closing accumulated cost	21,790	23,137
Closing residual value	21,790	23,137

The group's cash-generating units (CGUs) consist of individual game projects, as each game generates cash flows that are in all material respects independent of other games.

Goodwill is entirely attributable to the acquisition of Iceflake Studios and has been allocated to the game projects developed within the studio that are expected to benefit from the synergies and development capacity that the acquisition brought to the business.

The recoverable amount for each cash-generating unit is determined based on value-in-use calculations using projected cash flows from each game project.

The calculations are based on projected cash flows from a detailed three-year budget, followed by an extrapolation of cash flows for the game's remaining useful life. The projections are based on management's assessment of future sales, launch plans and historical development.

At the extrapolation stage, a declining growth rate is applied. The present value of the cash flows is calculated by discounting with a discount rate that reflects the market's assessment of the time value of money and specific risks attributable to each game project. The discount rate amounts to 18% (18%) before tax.

Management has conducted sensitivity analyses of key assumptions, including discount rate and projected cash flows. Reasonably possible changes in these assumptions are not assessed to result in any impairment requirement for goodwill.

NOTE 22. PROPERTY, PLANT AND EQUIPMENT

	Group		Parent company	
	2025	2024	2025	2024
Opening accumulated cost	64,179	70,276	47,704	47,704
Addition	3,516	1,280	1,448	-
Disposals	-239	-7,964	-239	-
Exchange rate difference	-1,214	587	-	-
Outgoing accumulated cost	66,242	64,179	48,914	47,704
Opening accumulated depreciations	-55,861	-57,242	-45,989	-41,562
Disposals	239	8,019	239	-
Exchange rate difference	762	-355	-	-
Depreciation	-2,972	-6,283	-710	-4,428
Outgoing accumulated depreciations	-57,832	-55,861	-46,461	-45,989
Closing residual value	8,410	8,318	2,453	1,715

NOTE 23. RIGHT-OF-USE ASSETS

	Group	
	2025	2024
Opening accumulated cost	245,668	265,793
Addition right-of-use assets	139,928	-
Divestment	-	-20,900
Exchange differences	-1,324	775
Outgoing accumulated cost	384,272	245,668
Opening accumulated depreciations	-175,989	-153,278
Depreciations	-37,566	-37,637
Divestment	-	15,274
Exchange differences	874	-348
Outgoing accumulated depreciations	-212,681	-175,989
Closing residual value	171,591	69,679

NOTE 24. LEASE AGREEMENTS

	Group	
	2025	2024
Short term	27,833	30,875
Long term	137,403	33,911
Total lease liabilities	165,236	64,786

Changes in lease liabilities are presented below;

	Group	
	2025	2024
Opening balance	64,786	108,580
Amortisation as part of cash flow	-39,000	-38,301
Revaluation lease agreements	139,928	-
Translation difference	-478	-5,493
Closing balance	165,236	64,786

The increase in the lease liability during the year relates mainly to a remeasurement of the lease agreement for the group's office premises on Södermalm in Stockholm as a result of an extension of the lease term.

Interest costs attributable to lease liabilities recognised in cash flow from operating activities amounted to KSEK 1,098 (KSEK 1,878) during the year.

The group rents offices for publishing operations and development studios. Except for short-term lease agreements and for lease agreements for which the underlying asset has a low value, a right of use and a lease liability are reported in the statement of financial position. Variable lease fees that do not depend on an index or price are excluded in the initial calculation of lease liability and assets. The group classifies its rights of use in the category right-of-use assets as part of tangible fixed assets, see note 23.

At the end of the year, the group has four office premises classified as right-of-use assets. Remaining maturity amounts to 0–6 years, with an average remaining maturity of 3 years. All agreements are signed with an extension option; four of the agreements have variable fees related to the index. One of the agreements has the option of termination during the agreement period.

The lease agreements are secured by the underlying asset being pledged as security for the lease liability.



Minimum lease fees 2025	Within 1 year	2-3 years	4-5 years	After 5 years	Total
Lease fees	29,541	64,777	62,849	23,193	180,359
Financial expenses	-1,708	-8,771	-4,263	-382	-15,123
Present value	27,833	56,006	58,585	22,811	165,236

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

Lease agreements that are not recognised as a liability

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

	Group	
	2025	2024
Short-term leases	1,486	915
Lease agreements with assets of low value	1,039	1,446
Variable lease payments	10,513	9,882
Total	13,038	12,243

The total cash flow attributable to lease agreements during the year amounted to KSEK 53,136 (KSEK 52,422).

NOTE 25. FINANCIAL INSTRUMENTS

The accounting policies include a description of the group's categories of financial assets and liabilities and the related accounting policies. The table below shows the carrying values of the group's financial assets and liabilities.

	Group	
	2025	2024
Other long term receivables	18,658	18,736
Accounts receivables	271,185	280,056
Other current assets	27,143	10,466
Cash and cash equivalents	1,375,272	1,469,356
Total assets	1,692,258	1,778,615
Accounts payable	41,161	45,842
Other liabilities	32,171	21,697
Total liabilities	73,332	67,539

Information on the group's exposure to financial risks, such as credit risk, liquidity risk and market risk, and how these risks are managed, is provided in note 41.

All financial assets and liabilities are recognised at amortised cost. For accounts receivable, other current receivables, cash and cash equivalents, and accounts payable and other current liabilities, the carrying amounts are considered a reasonable approximation of fair value given the short-term nature of these instruments.

NOTE 26. SHARES IN SUBSIDIARIES

Name	Domicile	Shares	Book value	Book value
Triumph Holding BV	Netherlands	18,000	40,900	40,900
Paradox Development Studio AB	Sweden	100,000	90	90
Harebrained Holdings Inc	USA	10,000,000	40,502	40,502
Paradox Interactive Inc	USA	1,000,000	0	0
Playrion Game Studio SAS	France	3,150	93,957	93,957
Iceflake Studios OY	Finland	417	28,427	28,427
Paradox Tinto SL	Spain	3,000	31	31
Haemimont Games EAD	Bulgaria	7,000	115,604	-
			319,512	203,908

All holdings are wholly owned by the parent company. Corporate identity number for the Swedish holding, Paradox Development Studio AB – 556723-5378.

	Parent company	
	2025	2024
Opening accumulated cost	203,908	305,812
Write-off Harebrained Holdings Inc	-	-26,070
Write-off Playrion Game Studio SAS	-	-75,834
Acquisition Haemimont Games EAD	115,604	-
Outgoing accumulated cost	319,512	203,908

Impairment testing of shares in subsidiaries takes place when there are indications of a decline in value. The recoverable amount is determined based on value-in-use calculations using projected cash flows from each holding. The discount rate amounted to 15% (15%).

Based on the calculations performed, the value in use exceeds the carrying amount for all holdings.

NOTE 27. OTHER LONG-TERM ASSETS

	Group		Parent company	
	2025	2024	2025	2024
Opening balance	18,737	18,691	17,393	17,393
Exchange differences	-78	46	-	-
Outgoing balance	18,659	18,737	17,393	17,393

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

NOTE 28. ACCOUNTS RECEIVABLE

	Group		Parent company	
	2025	2024	2025	2024
Accounts receivable gross	271,185	280,056	266,042	272,841
Provision for expected credit loss	-	-	-	-
Total	271,185	280,056	266,042	272,841

All amounts are short-term. Book value net of accounts receivable is considered a reasonable approximation of fair value. All the group's account receivables have been reviewed for indications of a need for write-downs. No significant accounts receivable had to be written down, like the previous year. For age analysis of the group's accounts receivable, see credit risk, note 41.

NOTE 29. PREPAID EXPENSES AND ACCRUED REVENUES

	Group		Parent company	
	2025	2024	2025	2024
Prepaid rent	3,943	3,704	12,159	11,920
Prepaid royalty	8,932	33,641	8,932	33,641
Other prepaid costs	18,390	18,603	16,530	16,635
Accrued revenue	32,007	27,551	32,007	27,551
Total	63,272	83,498	69,629	89,747



NOTE 30. CASH AND CASH EQUIVALENTS

	Group		Parent company	
	2025	2024	2025	2024
Balances with banks	1,121,303	1,219,356	622,234	881,589
Kortfristiga placeringar	253,968	250,000	253,968	250,000
Total	1,375,272	1,469,356	876,202	1,131,589

Cash and cash equivalents in the cash flow statement correspond to the cash and cash equivalents item in the statement of financial position. Short-term investments refer to bank placements with an original maturity of no more than three months.

NOTE 31. EQUITY

Share capital

The share capital in the parent company consists of fully paid ordinary shares with a par value of SEK 0.005. All shares have equal rights to dividends and carry one vote per share.

Share premium reserve

Share premium relates to amounts received on the issue of shares in excess of the par value of the shares (share premium), after deduction of issue costs and related tax effects.

Reserves

Reserves relate to translation differences arising from the translation of foreign entities' financial statements into the group's reporting currency.

NOTE 32. UNTAXED RESERVES

	Parent company	
	2025	2024
Untaxed reserves:		
fiscal year 2020	–	160,000
fiscal year 2021	125,000	125,000
fiscal year 2022	200,000	200,000
fiscal year 2023	120,000	120,000
fiscal year 2024	150,000	150,000
fiscal year 2025	100,000	–
Total	695,000	755,000

NOTE 33. DEFERRED TAX LIABILITIES

Reported amounts relate to temporary differences attributable to:

	Group	
	2025	2024
Untaxed reserves	143,170	155,530
Intangible assets from acquisitions	10,416	7,930
Closing balance	153,586	163,460

Deferred tax relating to untaxed reserves relates to the latent tax arising from the allocation of the parent company's untaxed reserves into deferred tax liabilities and equity in the consolidated financial statements.

Deferred tax on intangible assets relates to temporary differences arising in connection with the identification of intangible assets in business combinations.

Changes in deferred tax are normally recognised in profit or loss, except when they relate to items recognised in other comprehensive income, directly in equity or in connection with business combinations.

NOTE 34. OTHER LIABILITIES

	Group		Parent company	
	2025	2024	2025	2024
Liabilities to employees	10,673	11,460	3,173	2,958
VAT liabilities	8,732	3,157	119	–
Other liabilities	12,766	7,080	10,976	1,324
Total	32,171	21,697	14,268	4,282

NOTE 35. ACCRUED EXPENSES AND PREPAID REVENUES

	Group		Parent company	
	2025	2024	2025	2024
Accrued personnel costs	92,599	118,585	41,477	50,560
Accrued royalty costs	39,362	58,287	39,362	58,287
Prepaid revenues	144,568	145,114	144,568	145,114
Other accrued costs	1,833	4,086	1,833	4,001
Total	278,362	326,073	227,240	257,962

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

NOTE 36. ASSETS PLEDGED AND CONTINGENT LIABILITIES

	Group		Parent company	
	2025	2024	2025	2024
Assets pledged				
Business mortgage	19,600	19,600	19,600	19,600
Pledged bank funds	17,393	17,393	17,393	17,393
Total	36,993	36,993	36,993	36,993
Contingent liabilities	None	None	None	None

NOTE 37. RELATED PARTY TRANSACTIONS

Group

The group's related parties consist of the board, the CEO and other senior executives, as well as group companies.

Remuneration to the board, CEO and other senior executives is set out in note 8.

No other material transactions with related parties have occurred during the year.

Parent company

The parent company has during the year had transactions with subsidiaries relating to the sale and purchase of services within the group.

The parent company's sales to subsidiaries during the year amounted to KSEK 50,238 (KSEK 64,225), and purchases amounted to KSEK 890,406 (KSEK 772,434). Group contributions paid to subsidiaries amounted to KSEK 135,000 (KSEK 0). Group contributions received from subsidiaries amounted to KSEK 0 (KSEK 140,000). Sales and purchases between group companies mainly refer to the development activities carried out in the subsidiaries.

Receivables and liabilities to subsidiaries are shown in the statement of financial position.

NOTE 38. SUBSEQUENT EVENTS

Application for listing on Nasdaq Stockholm

Paradox Interactive AB has applied for admission to trading of the company's shares on the Nasdaq Stockholm main market (Main Market).



A listing on Nasdaq Stockholm is conditional upon the exchange's approval of the company's application. If the application is approved, it is the company's intention to carry out the transfer of listing during 2026. Paradox will provide further information once Nasdaq Stockholm has notified its decision.

NOTE 39. DEFINITIONS

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

Gross profit

	Group	
	2025	2024
Revenues	2,191,918	2,200,943
Cost of goods sold	-1,656,913	-1,203,649
Gross profit	535,005	997,294

Definition: Revenues minus cost of goods sold.

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

Operating profit

	Group	
	2025	2024
Revenues	2,191,918	2,200,943
Cost of goods sold	-1,656,913	-1,203,649
Selling expenses	-236,076	-223,881
Administrative expenses	-110,632	-99,653
Other income	9,253	58,294
Other expenses	-51,551	-10,690
Operating profit	145,999	721,364

Definition: Revenues minus all costs within the business.

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

Operating margin

	Group	
	2025	2024
Revenues	2,191,918	2,200,943
Operating profit	145,999	721,364
Operating margin	7%	33%

Definition: Operating profit as a percentage of revenues.

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

Profit margin

	Group	
	2025	2024
Revenues	2,191,918	2,200,943
Profit after financial items	167,397	757,303
Profit margin	8%	34%

Definition: Profit after financial items as a percentage of revenues.

Reason for use: The key figure is used to show profitability after financial items.

Equity/assets ratio

	Group	
	2025	2024
Equity	2,498,322	2,909,640
Total assets	3,169,621	3,532,350
Equity/assets ratio	79%	82%

Definition: Equity as a percentage of total assets.

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

Equity per share

	Group	
	2025	2024
Equity	2,498,322	2,909,640
Number of shares, thousands	105,623	105,623
Equity per share	23.65	27.55

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

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

NOTE 40. BUSINESS COMBINATIONS

Haemimont Games

On 18 February 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 consideration linked to the sellers' continued employment, game releases and achieved sales targets may amount to up to a total of EUR 11.0 million.

The acquisition is a further step in Paradox's strategic focus on growing within the management game genre by building a strong internal capacity that complements the group's current studio organisation. The cash flow effect of the acquisition at group level is MSEK -98.0 during the reporting period, where MSEK -0.7 relating to expensed acquisition costs is recognised under administrative expenses.

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

Purchase price:	2025-02-18
Cash consideration	115,604

Reported amounts of identifiable net assets	
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
	115,604

Goodwill	-
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NOTE 41. FINANCIAL RISK MANAGEMENT

Risk management objectives and policies

The group is exposed to various risks in relation to financial instruments. For summary information on the group's financial assets and financial liabilities divided into categories, see note 25.

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

The group does not engage in active trading of financial assets for speculative purposes. The most significant financial risks to which the group is exposed are described below.

Currency risk

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

Of the group's total revenue, 2% (2%) is in Swedish kronor. Of the group's total costs, 48% (47%) are in Swedish kronor. Considering this exposure, a sensitivity analysis of income and expenses in the income statement has been carried out. If the Swedish krona had strengthened against all other currencies by 10%, the year's result would have been KSEK 78,957 (KSEK 92,985) lower.

The group's currency risk in financial instruments is primarily related to accounts receivable and trade payables and other liabilities in Sweden. As of the balance sheet date, outstanding balances net in USD amount to KSEK 227,011 (KSEK 237,378), net in EUR amount to KSEK 20,471 (KSEK 22,279). In a sensitivity analysis where the Swedish krona strengthens against the USD by 10%, the year's profit after tax is affected by KSEK -18,025 (KSEK -18,848), and in a sensitivity analysis where the Swedish krona strengthens against the EUR by 10%, the year's profit after tax is affected by KSEK -1,625 (KSEK -1,769).

Interest risk

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

Credit risk

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

The group continuously monitors cancellations from customers and other counterparties. The group works with a few different major customers who provide the group's games on different

platforms. The credit terms with these usually vary between 0 and 30 days. The ongoing credit risk is managed through a regular review of the age analysis.

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

	2025	2024
Overdue:		
Less than three months	14,910	9,828
More than three but not more than six months	-	317
More than six but not more than twelve months	989	535
More than a year	416	-
Total	16,315	10,680

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

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

Liquidity risk

The liquidity risk is the risk that the group will not be able to meet its payment obligations due to lack of liquidity. The group manages liquidity needs by monitoring forecasted inflows and outflows in the business. Long-term liquidity needs for a period of 36 months are identified quarterly. The net cash requirements are compared with available cash and cash equivalents to determine that there is a safety margin. The group's goal is to have cash and cash equivalents amounting to at least KSEK 200,000. This target was achieved during the reporting periods. At the end of the year, interest-bearing liabilities amounted to KSEK 0 (KSEK 0). Financial liabilities mainly consist of accounts payable and other liabilities, all within a term of 12 months. In addition to this, the group also has lease liabilities for which the outflow of lease fees is presented in note 24.

Capital management

The group's objective regarding capital structure is to ensure a sound financial position that enables continued development and launch of games and to maintain flexibility in the business.

The group defines capital as equity. At the end of the year, the group had no interest-bearing liabilities for financing the operations. Equity amounted to KSEK 2,498,322 (KSEK 2,909,640) at the end of the year.

The group is not subject to any external capital requirements.

NOTE 42. EARNINGS PER SHARE AND DIVIDEND

Earnings per share

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



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

Number of shares	2025	2024
Weighted average number of shares used to calculate earnings per share before dilution	105,623,025	105,623,025
Adjustments for calculation of diluted earnings per share:		
Options	97,913	33,165
Weighted average number of shares used to calculate earnings per share after dilution	105,720,938	105,656,190

Options granted to employees within the group's incentive programmes constitute potential ordinary shares. For the calculation of diluted earnings per share, those options for which the performance conditions are assessed to be met and which give rise to a dilutive effect are included. Options that do not meet these criteria have not been taken into account but may give rise to dilution in the future. Further information on the options is set out in note 9.

Dividend

During 2025, Paradox Interactive paid a dividend of KSEK 528,115 (KSEK 316,869) for the financial year 2024 to its shareholders. This corresponds to a dividend of SEK 5.00 per share (SEK 3.00 per share).

For the financial year 2025, the board proposes an ordinary dividend of KSEK 528,115, corresponding to SEK 5.00 (SEK 3.00) per share, and a special dividend of KSEK 0, corresponding to SEK 0.00 (SEK 2.00) per share. As the parent company's dividend must be approved by the general meeting, no liability for the dividend is reported in the group's financial statements for 2025.



NOTE 43. APPROVAL OF THE FINANCIAL STATEMENTS

Consolidated financial statements for the reporting period ended 31 December 2025 (including comparatives) were approved by the board on 2 April 2026.

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

Stockholm 2026-04-02

Håkan Sjunnesson
Chairman of the Board

Fredrik Wester
CEO

Andras Vajlok

Mathias Hermansson

Linda Höglund

Gustav Palmqvist
Employee representative

Stockholm 2026-04-02

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow
Authorised public accountant



AUDITOR'S REPORT

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

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Paradox Interactive AB (publ) for the year 2025, except for the corporate governance report and the sustainability report on pages 32–38 and 39–45 respectively. The annual accounts and consolidated accounts of the company are included on pages 28–71 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance report and the sustainability report on pages 32–38 and 39–45 respectively. The statutory administration report is consistent with other parts of the annual accounts and consolidated accounts.

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

Basis for Opinions

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

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

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 1–27 and 39–45. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Paradox Interactive AB (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

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

The Auditor's examination of the corporate governance report

The Board of Directors is responsible for that the corporate governance report on pages 32-38 has been prepared in accordance with the Annual Accounts Act. Our examination of the corporate governance report is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance report. This means that our examination of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

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

Auditor's report on the statutory sustainability report

It is the board of directors who is responsible for the statutory sustainability report on pages 39-45 and that it has been prepared in accordance with the Annual Accounts Act in accordance with the older wording that applied before July 1, 2024.

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

A statutory sustainability report has been prepared.

Stockholm, April 2, 2026

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow
Authorized Public Accountant



FINANCIAL CALENDAR

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



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