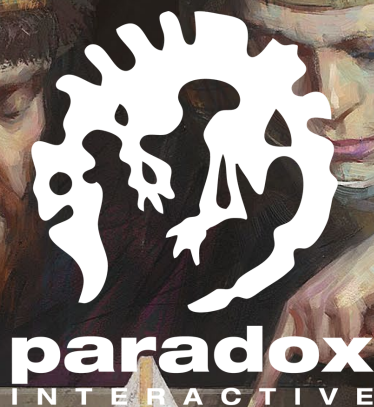




INTERIM REPORT

JANUARY-SEPTEMBER 2026

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



INTERIM REPORT

JANUARY–SEPTEMBER 2026

THIRD QUARTER

- Revenues amounted to MSEK 456 (MSEK 395), an increase of 15% compared to the same period last year.
- Operating profit amounted to MSEK 142 (MSEK 112), an increase of 27%.
- Profit after financial items amounted to MSEK 146 (MSEK 116), and profit after tax amounted to MSEK 127 (MSEK 93).
- Cash flow from operating activities amounted to MSEK 197 (MSEK 195), and cash flow from investing activities amounted to MSEK -160 (MSEK -182).
- Earnings per share before dilution amounted to SEK 1.21 (SEK 0.88) and after dilution to SEK 1.21 (SEK 0.88).
- Revenues for the quarter are primarily attributable to Age of Wonders 4, Cities: Skylines, Cities: Skylines II, Crusader Kings III, Hearts of Iron IV, Stellaris, Transport Fever 3 and Victoria 3.

FIRST NINE MONTHS

- Revenues amounted to MSEK 1,411 (MSEK 1,317), an increase of 7% compared to the same period last year.
- Operating profit amounted to MSEK 425 (MSEK 391), an increase of 9%.
- Profit after financial items amounted to MSEK 440 (MSEK 409), and profit after tax amounted to MSEK 362 (MSEK 327).
- Cash flow from operating activities amounted to MSEK 610 (MSEK 723), and cash flow from investing activities amounted to MSEK -450 (MSEK -607).
- Earnings per share before dilution amounted to SEK 3.43 (SEK 3.09) and after dilution to SEK 3.43 (SEK 3.09).

SIGNIFICANT EVENTS THIRD QUARTER

- The new game Transport Fever 3, developed by Urban Games, was released for PC and consoles.
- New downloadable content was released for games during the period: Feeding the Future to Surviving Mars: Relaunched and By God Alone to Crusader Kings III.
- Steam Summer Sale was held during the period, offering discounts across a large part of the game catalogue.
- During the quarter, 1,221,425 own shares were repurchased for a total amount of MSEK 178 as part of the company's share repurchase program.
- The new games Afterworld, developed by Paradox Development Studio, and LEGO® Skylines, developed by Iceflake Studios, were announced.
- Paradox Interactive sold its subsidiary Playrion to Trophy Games. The sale resulted in a gain of MSEK 40, which was recognised in other operating income as part of operating profit.



COMMENTS BY THE CEO

The third quarter was marked by few releases that came late in the period. This means that it was above all sales from our wider catalogue that carried the quarter. That is how our third quarters often look. What matters is that we build games over time that players want to return to and that keep selling for many years. On that note, we announced two new games during the quarter and released one.

At Gamescom we carried out our largest marketing effort to date. We announced the grand strategy game *Afterworld* and the city builder *LEGO® Skylines*, and we opened the preorder campaign for *Transport Fever 3*.

Afterworld and *LEGO® Skylines* are both developed in house and were given a very warm reception by players. That is a good start, even if a great deal of work remains before the games are ready for release. These titles also show where we want to place the bulk of our resources: on our own games, in genres we know well, with teams that have worked closely with our players for a long time. That is where we have the best conditions for building games our fans want to return to for many years.

Transport Fever 3 released at the end of the quarter and sales are in line with our expectations. The reception has been good, and Urban Games has developed a game we are glad to publish.

The deal differs from how we usually work. We normally want to own the brands we publish and to enter the project earlier in development. For *Transport Fever 3* we saw good reasons to make an exception. It is a good and engaging game with an audience that overlaps with our own. The capital is also tied up for a relatively short period, while we see the possibility of revenues over many years. We will continue to be selective with deals of this kind, but this one we look forward to developing together with Urban Games.

During the quarter we also sold the mobile games studio Playrion, which gave an additional contribution to the result. The sale follows the direction we have chosen for Paradox. We are

concentrating our resources on the platforms, genres and franchises where we have the deepest knowledge and see the best opportunities over the long term. That also means we have to choose what not to do.

A period with more releases now lies ahead. The *Crusader Kings III* team, for example, is preparing for the year's big release, *Silk & Silver*, following a strong launch of *By God Alone* in the quarter. We also announced expansion passes for *Age of Wonders 4* and *Cities: Skylines II* during the quarter, with a great deal of content to come. For *Cities: Skylines II* these will be Iceflake Studios' first paid expansions. We are happy that the game is now in a place where we can work with larger content additions. We look forward to putting them in players' hands later this year.

Fredrik Wester, CEO





KEY FIGURES FOR THE GROUP

	2026-07-01 2026-09-30	2025-07-01 2025-09-30	2026-01-01 2026-09-30	2025-01-01 2025-09-30	2025-01-01 2025-12-31
Coming releases	7	8	7	8	7
Revenues, MSEK	456	395	1,411	1,317	2,192
Operating profit, MSEK	142	112	425	391	146
Profit after financial items, MSEK	146	116	440	409	167
Profit after tax, MSEK	127	93	362	327	125
Operating margin	31%	28%	30%	30%	7%
Profit margin	32%	29%	31%	31%	8%
Equity/assets ratio	77%	78%	77%	78%	79%
Cash flow from current operations, MSEK	197	195	610	723	1,237
Investments in capitalised development, MSEK	-166	-182	-454	-462	-606
Capitalised development, MSEK	1,153	1,738	1,153	1,738	1,015
Cash and cash equivalents, MSEK	814	1,020	814	1,020	1,375
Earnings per share before dilution, SEK	1.21	0.88	3.43	3.09	1.19
Earnings per share after dilution, SEK	1.21	0.88	3.43	3.09	1.18
Average number of shares before dilution, millions	105	106	106	106	106
Average number of shares after dilution, millions	105	106	106	106	106
Average number of employees	707	654	694	630	638

For definitions of key figures, see the annual report.



MAIN RELEASES THIRD QUARTER

TITLE	DEVELOPER	PLATFORM	DATE	PRICE USD
Surviving Mars: Relunched Feeding the Future	Haemimont Games	PC, console	8 Sep	9.99
Transport Fever 3	Urban Games (external)	PC, console	29 Sep	49.99
Crusader Kings III By God Alone	Paradox Development Studio	PC	30 Sep	19.99



FINANCIAL OVERVIEW

REVENUE AND PROFIT THIRD QUARTER

Revenues amounted to MSEK 456 (MSEK 395), an increase of 15% since last year.

Revenues for the quarter are primarily attributable to Age of Wonders 4, Cities: Skylines, Cities: Skylines II, Crusader Kings III, Hearts of Iron IV, Stellaris, Transport Fever 3 and Victoria 3.

The change in revenue is strongly correlated with variation in the releases that occur.

Revenue growth compared to the previous year was primarily driven by the new game Transport Fever 3, released during the quarter. In addition, Crusader Kings III performed positively, driven by the larger core expansion By God Alone, compared to the smaller event pack Coronations from last year's comparative quarter.

Revenue development for Age of Wonders 4 and Stellaris is impacted by strong comparative figures from the previous year, when the larger expansions Archon Prophecy and Shadows of the Shroud, respectively, were released. Victoria 3 also faces a strong comparative period, following the release of the immersion pack National Awakening in the previous year.

Cities: Skylines II has continued to perform positively, driven by sustained strong sales of the base game following the quality improvements and free updates implemented over the past year.

The Group's revenue is mainly in currencies other than SEK and is therefore exposed to exchange rate fluctuations. The quarter's revenue has been positively affected by the exchange rate development, mainly due to the strengthening US dollar compared to the Swedish krona. This effect was further amplified by a significant portion of the quarter's sales occurring in September, when the US dollar strengthened further.

Cost of goods sold amounted to MSEK 269 (MSEK 203), attributable to game development, development support, operation and maintenance of games, costs for licenses, trademarks and similar rights, as well as

royalties and revenue-based contingent consideration payable to development studios and other rights holders.

Amortisation of released games amounts to MSEK 94 (MSEK 71). The games are generally amortised over 18 months using a degressive depreciation method. The purpose of the amortisation is to provide a fair presentation of the company's operations and gross profit but may contribute to volatility in the cost of goods sold item. The increase compared to last year was primarily driven by amortisation of the games Vampire: The Masquerade – Bloodlines 2 and Europa Universalis V which were released during the fourth quarter 2025, as well as higher amortisation of the game Crusader Kings III due to the release of the core expansion By God Alone during the quarter.

Write-downs recognised in cost of goods sold for the period amounted to MSEK 0 (MSEK 0).

Amortisation of licenses, trademarks and similar rights amounted to MSEK 8 (MSEK 9).

In addition to depreciation, amortisation and write-downs within costs of goods sold, a total of MSEK 160 (MSEK 116) was expensed for non-capitalised development costs, development support, operation and maintenance of games, royalties and revenue based earn-outs.

Non-capitalised development costs amounted to MSEK 66 (MSEK 68). These costs relate to the development expenses recognised as running costs since they do not meet the Group requirements for capitalisation. This includes costs generated in the early stages of a project and other expenses that are not directly attributable to specific development projects suited for capitalisation or not expected to generate future economic benefits.

Costs for development support, operations, and maintenance of games amounted to MSEK 27 (MSEK 24). This item primarily refers to internal costs for technical support and platform functions related to the development, launch, and management of the Group's game portfolio.



Royalties and revenue-based contingent consideration amounted to MSEK 67 (MSEK 23). Royalties increased primarily due to the release of Transport Fever 3, but also higher sales of Cities: Skylines and Cities: Skylines II. Meanwhile expenses relating to the revenue-based contingent consideration for Age of Wonders 4 decreased due to the expiry of the earn-out period in April 2026.

Selling expenses for the period amounted to MSEK 59 (MSEK 50). The increase was primarily attributable to higher costs related to the announcement of Afterworld and LEGO® Skylines as well as the release of Transport Fever 3. Conversely, the increase was partly offset by lower costs for Europa Universalis V and Vampire: The Masquerade – Bloodlines 2.

Administrative expenses for the period amounted to MSEK 29 (MSEK 29). Administrative expenses are generally unchanged over time and are relatively unaffected by other operations.

Other operating income amounted to MSEK 43 (MSEK 2) and other operating expenses to MSEK 0 (MSEK 3). Other operating income and other operating expenses consist primarily of currency rate changes in the Group's cash and cash equivalents, operating receivables and operating liabilities during the quarter. During the quarter, the French subsidiary Playrion was sold to Trophy Games. The initial consideration amounted to MEUR 3.1, including adjustments for net cash and working capital. The agreement also includes revenue-based contingent consideration over a three-year period. The divestment resulted in a gain of MSEK 40, recognised as part of other operating income, including the reclassification of accumulated foreign currency translation differences of MSEK 7 from other comprehensive income.

Operating profit amounted to MSEK 142 (MSEK 112).

Financial income amounted to MSEK 4 (MSEK 5) and consisted primarily of interest income from bank accounts. Financial expenses amounted to MSEK 0 (MSEK 0) and consisted primarily of calculated interest on lease liabilities.

Profit after financial items amounted to MSEK 146 (MSEK 116), and profit after tax amounted to MSEK 127 (MSEK 93).

FINANCIAL POSITION

Capitalised development expenses at the end of the period amounted to MSEK 1,153 (MSEK 1,738). This item relates both to games that have not yet been completed and games that have been released and are subsequently amortised. The decrease compared to the previous year is mainly attributable to the releases of Vampire: The Masquerade – Bloodlines 2 in October 2025 and Europa Universalis V in November 2025. At the same time, capitalised development costs remain for, among others, the announced games Prison Architect 2, Afterworld and LEGO® Skylines. Development is also ongoing for several unannounced games, with development costs being capitalised on an ongoing basis, as well as for expansions to previously released games.

Licenses, trademarks, and similar rights amounted to MSEK 85 (MSEK 115). The item mainly relates to the acquired publishing rights to Stranded: Alien Dawn, as well as excess values from the acquisition of Haemimont Games.

Goodwill amounted to MSEK 23 (MSEK 22), attributable to the acquisition of Iceflake Studios.

Right-of-use assets for rental premises amounted to MSEK 144 (MSEK 181) and primarily relates to office premises of the Group.

Non-current prepaid expenses amounted to MSEK 58 (MSEK 0). The item relates to the non-current portion of advance payments made under a partnership agreement with an external developer for a game released during the quarter.

Accounts receivable at the end of the period amounted to MSEK 218 (MSEK 185).

Prepaid expenses and accrued income amounted to MSEK 206 (MSEK 80). The increase was primarily attributable to guarantee payments (advances) made under a partnership agreement with an external developer. During the quarter, a further MUSD 5 was paid, meaning the developer has received MUSD 25 to date and, under the agreement, will receive an additional MUSD 5. Expense recognition of the advance payments commenced upon the game's release during the quarter.



Cash and cash equivalents at the end of the period amounted to MSEK 814 (MSEK 1,020).

Equity amounted to MSEK 2,165 (MSEK 2,703).

Long-term lease liabilities amount to MSEK 113 (MSEK 144) and primarily relate to long-term rental commitments for office premises.

Deferred tax liabilities amounted to MSEK 152 (MSEK 167) relating to tax on untaxed reserves and intangible assets from acquisitions.

Short-term lease liabilities amounted to MSEK 27 (MSEK 31), relating to short-term rental commitments for office premises.

Accrued expenses and deferred income amounted to MSEK 271 (MSEK 304) at the end of the period. Provisions for royalties payable to game developers decreased compared to the previous year. Deferred income remained in line with the previous year.

CASH FLOW THIRD QUARTER

Cash flow from operating activities for the period amounted to MSEK 197 (MSEK 195), primarily attributable to operating profit adjusted for depreciations, amortisations and write-downs. Cash flow from investing activities amounted to MSEK -160 (MSEK -182) and mainly relates to investments in game development. Cash flow from financing activities amounted to MSEK -184 (MSEK -10) and primarily related to repurchase of own shares and repayments of lease liabilities for office premises.

FIRST NINE MONTHS IN SUMMARY

Revenue amounted to MSEK 1,411 (MSEK 1,317), an increase of 7% compared to the corresponding period last year. Cost of goods sold amounted to MSEK 793 (MSEK 656), relating to game development, development support, game operations and maintenance, as well as royalties and revenue-based contingent consideration payable to third parties. Impairments recognised within cost of goods sold amounted to MSEK 0 (MSEK 0) during the period. Operating profit amounted to MSEK 425 (MSEK 391), an increase of 9%. Profit after financial items amounted to MSEK 440 (MSEK 409), and profit after tax amounted to MSEK 362 (MSEK 327). Cash flow from operating activities amounted to MSEK 610 (MSEK

723). Cash flow from investing activities amounted to MSEK -450 (MSEK -607). Cash flow from financing activities amounted to MSEK -731 (MSEK -557).

RELATED PARTY TRANSACTIONS

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

PARENT COMPANY THIRD QUARTER

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

The parent company's revenues for the quarter amounted to MSEK 489 (MSEK 396). Operating profit amounted to MSEK 102 (MSEK 137). Profit from shares in Group companies comprises of dividends received from subsidiaries of MSEK 17 and a loss of MSEK 7 from the sale of shares in Group companies. Profit after financial items amounted to MSEK 116 (MSEK 141). Profit after tax amounted to MSEK 97 (MSEK 109).

PARENT COMPANY FIRST NINE MONTHS

The parent company's revenues for the period amounted to MSEK 1,436 (MSEK 1,317). Operating profit amounted to MSEK 398 (MSEK 535). Profit after financial items amounted to MSEK 682 (MSEK 550). Profit after tax amounted to MSEK 605 (MSEK 433).

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting as well as RFR 1 and the annual accounts act. The parent company applies the Swedish Financial Reporting Board's recommendation RFR 2, accounting for legal entities. The carrying amount of the Group's short-term financial instruments measured at amortised cost essentially corresponds to its fair value as the discounting effect is not significant. Accounting principles and calculation bases are in accordance with the principles applied in the company's most recent annual report.



Advances paid under external publishing agreements that are recoupable against future royalties are recognised as prepaid royalties. The advances are continuously recognised as royalty expenses as the related revenue is earned, based on the contractual or estimated royalty rate. The recoverability of the carrying amount is assessed based on expected future sales and the ability to recoup the advances against future royalties.

IFRS 18 and related amendments to other standards are effective for financial years beginning on or after January 1, 2027, with retrospective application. The new standard, which has been endorsed by the EU, replaces IAS 1. The standard does not affect the recognition or measurement of items in the financial statements but only introduces changes to presentation and disclosures. An assessment of the standard's impact on the Group is ongoing. The standard has not been early adopted. No other new or amended accounting standards or interpretations effective from 2026 are expected to have a material impact on the Group's financial statements.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

In preparing the financial statements, management and the Board of Directors are required to make certain estimates and assumptions that affect the carrying amounts of assets and liabilities, income and expenses, and other information disclosed. Actual results may differ from these estimates if the estimates or underlying circumstances change. The significant estimates and assumptions applied in the preparation of this interim report are consistent with those described in Note 4 of the 2025 Annual Report.

RISKS AND UNCERTAINTIES

Paradox is, like most companies, exposed to certain risks in its operations. The risks and uncertainties are described in the Annual Report for 2025, page 30. Risks to be specifically mentioned include dependency on key employees, dependency on a few sales partners, delays of game projects, cancellations of unfinished game projects, low revenues from game releases, and foreign currency. These risks and uncertainties may have a direct or indirect impact on the group's financial position and results.

DIVIDEND

The ordinary dividend of SEK 5.00 per share, resolved upon by the Annual General Meeting on 12 May 2026, was paid through Euroclear Sweden AB on 20 May 2026.

SHARE REPURCHASE PROGRAM

Pursuant to the authorisation granted by the Annual General Meeting on May 12, 2026, the Board of Directors resolved on August 5, 2026, to initiate a share repurchase program of up to MSEK 200, with the aim of optimising the Company's capital structure through a reduction of its share capital. During the quarter, a total of 1,221,425 shares were repurchased for an aggregate amount of MSEK 178. At the end of the period, the Company held 1,221,425 shares, corresponding to 1.2% of the total number of shares in the Company.

DIVIDEND POLICY

The Company's primary objective is to create long-term shareholder value. Shareholder distribution will be determined annually based on capital available after funding organic growth initiatives, potential acquisitions and maintaining a prudent capital structure. Distributions may be made through cash dividends and/or share repurchase programmes.



FINANCIAL CALENDAR

Year-end Report 2026	2027-02-04
Annual Report 2026	2027-04-14
Interim Report January-March 2027	2027-04-29
Annual General Meeting 2027	2027-05-12
Interim Report January-June 2027	2027-08-05
Interim Report January-September 2027	2027-10-28
Year-end Report 2027	2028-02-03

CONTACT

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

ASSURANCE BY THE BOARD OF DIRECTORS

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

Stockholm 29 October 2026

Fredrik Wester, CEO and Member of the Board

This information is information that Paradox Interactive AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was submitted for publication at 08:00 CET on 29 October 2026.



THE AUDITOR'S REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have conducted a limited review of the condensed interim financial information (interim report) for Paradox Interactive AB (publ) as of September 30, 2026, and the nine-month period ending on that date. The board of directors and the managing director are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our limited review.

Scope of Review

We have conducted our limited review in accordance with the International Standard on Review Engagements ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A limited review consists of making inquiries, primarily of persons responsible for financial and accounting matters, performing analytical procedures, and other review procedures. A limited review has a different focus and a significantly smaller scope compared to the focus and scope of an audit conducted in accordance with ISA and generally accepted auditing standards. The review procedures taken in a limited review do not enable us to obtain the assurance that we would become aware of all significant matters that might have been identified in an audit. Therefore, the conclusion expressed based on a limited review does not have the assurance that a conclusion expressed based on an audit has.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the group in accordance with IAS 34 and the Annual Accounts Act and for the parent company in accordance with the Annual Accounts Act.

Stockholm October 29, 2026

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow

Authorized Public Accountant



GROUP INCOME STATEMENT (MSEK)

		2026-07-01 2026-09-30	2025-07-01 2025-09-30	2026-01-01 2026-09-30	2025-01-01 2025-09-30	2025-01-01 2025-12-31
	Note					
Revenues	1	456	395	1,411	1,317	2,192
Cost of goods sold	2	-269	-203	-793	-656	-1,657
Gross profit		187	192	618	661	535
Selling expenses	2	-59	-50	-153	-152	-236
Administrative expenses	2	-29	-29	-93	-82	-111
Other income	4	43	2	54	7	9
Other expenses		-0	-3	-1	-43	-52
Operating profit		142	112	425	391	146
Financial income		4	5	15	19	23
Financial expense		-0	-0	-0	-1	-2
Profit after financial items		146	116	440	409	167
Tax		-19	-23	-78	-82	-42
Profit for the period		127	93	362	327	125
Profit for the period is attributable to the shareholders of the parent company.						
Earnings per share before dilution, SEK		1.21	0.88	3.43	3.09	1.19
Earnings per share after dilution, SEK		1.21	0.88	3.43	3.09	1.18

OTHER COMPREHENSIVE INCOME (MSEK)

	2026-07-01 2026-09-30	2025-07-01 2025-09-30	2026-01-01 2026-09-30	2025-01-01 2025-09-30	2025-01-01 2025-12-31
Profit for the period	127	93	362	327	125
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Translation differences	-1	-2	7	-11	-17
Other comprehensive income	-1	-2	7	-11	-17
Total comprehensive income for the period	126	91	368	316	108

Total comprehensive income for the period is attributable to the shareholders of the parent company



GROUP BALANCE SHEET (MSEK)

	2026-09-30	2025-09-30	2025-12-31
ASSETS			
Non-current assets			
Capitalised development	1,153	1,738	1,015
Licenses, brands and similar rights	85	115	106
Goodwill	23	22	22
Property and equipment	10	7	8
Right-of-use assets	144	181	172
Other long term assets	29	19	19
Other pre-paid expenses	58	-	-
Total non-current assets	1,501	2,082	1,341
Current assets			
Accounts receivable	218	185	271
Tax assets	43	72	91
Other receivables	43	29	27
Prepaid expenses and accrued revenue	206	80	63
Cash and cash equivalents	814	1,020	1,375
Total current assets	1,324	1,386	1,828
TOTAL ASSETS	2,825	3,468	3,170
EQUITY AND LIABILITIES			
Equity			
Share capital	1	1	1
Other capital contributed	30	30	30
Reserves	22	21	15
Retained earnings	2,112	2,651	2,453
Total equity	2,165	2,703	2,498
Long-term liabilities			
Lease liabilities	113	144	137
Deferred tax liabilities	152	167	154
Total long-term liabilities	266	311	291
Current liabilities			
Accounts payable	61	51	41
Current tax liabilities	3	9	1
Lease liabilities	27	31	28
Other liabilities	32	60	32
Accrued expenses and prepaid revenues	271	304	278
Total current liabilities	395	454	380
TOTAL EQUITY AND LIABILITIES	2,825	3,468	3,170



CHANGE IN GROUP EQUITY (MSEK)

	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
At the beginning of the period 2026-01-01	1	30	15	2,453	2,498
Profit for the period				362	362
Other comprehensive income					
Translation difference			7		7
Total other comprehensive income	-	-	7	-	7
Total comprehensive income	-	-	7	362	368
Transactions with owners					
Repurchase of own shares				-178	-178
Share-based payments staff	-	-	-	5	5
Dividends	-	-	-	-528	-528
Total transactions with owners	-	-	-	-702	-702
AT THE END OF THE PERIOD 2026-09-30	1	30	22	2,112	2,165
	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
At the beginning of the period 2025-01-01	1	30	32	2,847	2,910
Profit for the period				327	327
Other comprehensive income					
Translation difference			-11		-11
Total other comprehensive income	-	-	-11	-	-11
Total comprehensive income	-	-	-11	327	316
Transactions with owners					
Share-based payments staff	-	-	-	6	6
Dividends	-	-	-	-528	-528
Total transactions with owners	-	-	-	-523	-523
AT THE END OF THE PERIOD 2025-09-30	1	30	21	2,651	2,703



GROUP CASH FLOW STATEMENT (MSEK)

	2026-07-01 2026-09-30	2025-07-01 2025-09-30	2026-01-01 2026-09-30	2025-01-01 2025-09-30	2025-01-01 2025-12-31
Cash flow from operations					
Operating profit	142	112	425	391	146
Adjustment of depreciation, amortisation and write-downs	112	90	370	296	1,180
Adjustment for gain on sale	-40	-	-40	-	-
Other adjustments	1	0	5	6	8
Interest received	4	5	15	19	23
Interest paid	-0	-0	-0	-1	-2
Tax paid	-42	-50	-29	-91	-91
Cash flow before changes in working capital	177	157	745	620	1,264
Changes in working capital					
Change in current receivables	34	21	-151	83	15
Change in current liabilities	-14	17	16	21	-42
Cash flow from current operations	197	195	610	723	1,237
Investing activities					
Investments in capitalised development	-166	-182	-454	-462	-606
Investments in licenses, brands and similar rights	-	-	-	-47	-47
Investments in equipment	-2	-1	-5	-1	-3
Investments in subsidiaries	9	-	9	-97	-97
Cash flow from investing activities	-160	-182	-450	-607	-753
Financing activities					
Amortisation of lease liability	-5	-10	-25	-29	-39
Repurchase of own shares	-178	-	-178	-	-
Paid dividend	-	-	-528	-528	-528
Cash flow from financing activities	-184	-10	-731	-557	-567
Cash flow for the period	-147	3	-571	-441	-83
Cash and cash equivalents at the beginning of the period	956	1,019	1,375	1,469	1,469
Exchange rate effect	4	-1	10	-8	-11
Cash and cash equivalents at the end of the period	814	1,020	814	1,020	1,375



PARENT COMPANY INCOME STATEMENT (MSEK)

	2026-07-01 2026-09-30	2025-07-01 2025-09-30	2026-01-01 2026-09-30	2025-01-01 2025-09-30	2025-01-01 2025-12-31
Revenues	489	396	1,436	1,317	2,196
Cost of goods sold	-306	-182	-814	-520	-1,525
Gross profit	183	214	622	796	671
Selling expenses	-56	-47	-145	-143	-225
Administrative expenses	-28	-29	-92	-81	-109
Other income	3	1	13	4	6
Other expenses	-	-3	-	-42	-50
Operating profit	102	137	398	535	294
Profit from shares in subsidiaries	10	-	271	-	-
Financial income	4	4	13	15	18
Financial expense	-0	-0	-0	-0	-0
Profit after financial items	116	141	682	550	312
Year-end appropriations	-	-	-	-	-75
Tax	-19	-31	-77	-118	-66
Profit for the period	97	109	605	433	171

OTHER COMPREHENSIVE INCOME (MSEK)

	2026-07-01 2026-09-30	2025-07-01 2025-09-30	2026-01-01 2026-09-30	2025-01-01 2025-09-30	2025-01-01 2025-12-31
Profit for the period	97	109	605	433	171
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	97	109	605	433	171



PARENT COMPANY BALANCE SHEET (MSEK)

	2026-09-30	2025-09-30	2025-12-31
ASSETS			
Non-current assets			
Capitalised development	1,108	1,655	954
Licenses, brands and similar rights	41	57	53
Property and equipment	5	1	2
Shares in subsidiaries	228	320	320
Other long term assets	29	17	17
Other pre-paid expenses	58	-	-
Total non-current assets	1,469	2,050	1,347
Current assets			
Accounts receivable	217	179	266
Receivables from group companies	14	8	10
Tax assets	34	-	84
Other receivables	38	24	19
Prepaid expenses and accrued revenues	211	82	70
Cash and cash equivalents	636	620	876
Total current assets	1,150	913	1,326
TOTAL ASSETS	2,619	2,962	2,672
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	1	1	1
Capitalised development reserve	1,108	1,655	954
<i>Non-restricted equity</i>			
Share premium reserve	30	30	30
Retained earnings	-301	-319	384
Profit for the period	605	433	171
Total equity	1,443	1,799	1,540
Untaxed reserves	695	755	695
Current liabilities			
Accounts payable	48	35	32
Liabilities to group companies	196	82	164
Current tax liabilities	-	9	-
Other liabilities	12	34	14
Accrued expenses and prepaid revenues	225	250	227
Total current liabilities	480	409	438
TOTAL EQUITY AND LIABILITIES	2,619	2,962	2,672



NOTES (MSEK)

NOTE 1. SEGMENT REPORTING

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

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

	2026-07-01 2026-09-30	2025-07-01 2025-09-30	2026-01-01 2026-09-30	2025-01-01 2025-09-30	2025-01-01 2025-12-31
USA	376	335	1,188	1,132	1,873
Sweden	17	8	38	28	59
Rest of Europe	43	42	139	128	213
Rest of the World	19	10	46	29	47
Total	456	395	1,411	1,317	2,192

During the quarter and the nine-month period, MSEK 375 (MSEK 341) and MSEK 1,172 (MSEK 1,116), respectively, of the Group's revenue was generated through a single platform, Steam.

The Group's revenue by major product category is presented below;

	2026-07-01 2026-09-30	2025-07-01 2025-09-30	2026-01-01 2026-09-30	2025-01-01 2025-09-30	2025-01-01 2025-12-31
PC	383	349	1,193	1,144	1,896
Console	57	32	174	120	223
Mobile	10	11	30	37	46
Other	6	3	14	17	28
Total	456	395	1,411	1,317	2,192

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

	2026-07-01 2026-09-30	2025-07-01 2025-09-30	2026-01-01 2026-09-30	2025-01-01 2025-09-30	2025-01-01 2025-12-31
Cost of goods sold	109	88	362	288	1,169
Selling expenses	1	1	3	3	4
Administrative expenses	2	2	5	5	7
Total	112	90	370	296	1,180

NOTE 3. EMPLOYEE STOCK OPTIONS PROGRAM 2026/2030

The annual general meeting on May 12, 2026, decided to introduce an employee stock option program aimed at employees in the group. A total of 577,500 options were subscribed with the right to subscribe for an equal number of shares in Paradox Interactive AB (publ). At the end of the period, the number of outstanding employee options amounted to 577,500.

Allotted employee options were issued free of charge at a market value of SEK 9.83 according to a valuation based on the Black & Scholes model. The exercise price for the options was set at SEK 163.78, and subscription of shares is expected to take place 30 days after the publication of the company's Interim Report for the second quarter of 2029, the third quarter of 2029, and the first quarter of 2030 respectively. The exercise price corresponded to 120% of the average share price during the period May 1 to May 7, 2026. Vesting of options is conditional on continued employment in the company. Personnel-related costs excluding social security contributions for the program amount to MSEK 0.5 (MSEK 0.0) during the period. If these options are fully subscribed, the parent company's equity will be increased by MSEK 95.



NOTE 4. DISPOSAL OF GROUP COMPANIES

DISPOSAL OF PLAYRION GAMES

On September 30, 2026, Paradox Interactive divested the wholly owned French subsidiary Playrion to Trophy Games Development A/S. Playrion develops and manages mobile games, primarily in the flight and airport simulation genre.

The fixed purchase consideration amounted to approximately MEUR 3.1, including adjustments for net cash and working capital. In addition, the agreement includes contingent consideration corresponding to 9 percent of the revenue generated from certain specified games over a three-year period following the closing date. The contingent consideration has been measured at fair value at the date of disposal.

The disposal resulted in a gain of MSEK 40, which is recognised in other operating income.

Impact of the disposal on the Group

	2026-09-30
Purchase consideration, excluding contingent consideration	35
Fair value of contingent consideration	11
Total purchase consideration	46
Net assets disposed of	- 13
Reclassification of accumulated translation differences	7
Gain on disposal	40

Cash flow effect of the disposal

Cash consideration received	35
Less: Cash and cash equivalents in the disposed subsidiary	- 26
Net cash flow from the disposal	9

NOTE 5. SUBSEQUENT EVENTS

After the end of the period, the share buyback program of MSEK 200, which was decided by the Board of Directors on August 5, 2026, was completed. The program ended on October 8, 2026, and comprised a total of 1,369,425 repurchased shares, corresponding to approximately 1.3% of the total number of shares in the company.



HISTORIC FIGURES

	2026 Q3	2026 Q2	2026 Q1	2025 Full year	2024 Full year	2023 Full year	2022 Full year	2021 Full year
Coming releases	7	8	8	7	8	9	15	14
Revenues, MSEK	456	524	431	2,192	2,201	2,642	1,973	1,447
Operating profit, MSEK	142	182	101	146	721	658	887	307
Profit after financial items, MSEK	146	188	106	167	757	688	884	304
Profit after tax, MSEK	127	149	86	125	585	531	709	248
Operating margin	31%	35%	23%	7%	33%	25%	45%	21%
Profit margin	32%	36%	25%	8%	34%	26%	45%	21%
Equity/assets ratio	77%	76%	80%	79%	82%	73%	73%	66%
Cash flow from current operations, MSEK	197	105	309	1,237	1,124	1,452	1,085	737
Investments in capitalised development, MSEK	-166	-166	-121	-606	-603	-676	-794	-744
Capitalised development, MSEK	1,153	1,080	1,016	1,015	1,454	1,463	1,650	1,199
Cash and cash equivalents, MSEK	814	956	1,555	1,375	1,469	1,098	748	600
Earnings per share before dilution, SEK	1.21	1.41	0.82	1.19	5.54	5.02	6.71	2.35
Earnings per share after dilution, SEK	1.21	1.41	0.82	1.18	5.53	4.99	6.70	2.34
Average number of shares before dilution, millions	105	106	106	106	106	106	106	106
Average number of shares after dilution; millions	105	106	106	106	106	106	106	106
Average number of employees	707	695	681	638	587	649	672	716

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.

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