



MINDARK PE AB (PUBL)
Q1 2026



INTERIM REPORT

Q1 2026

1 JANUARY – 31 MARCH 2026

Comparative figures in parentheses refer to the same period last year.

- Turnover amounted to 16 MSEK (16.6 MSEK)
- Work in progress amounted to 6.2 MSEK (4.8 MSEK)
- Operating profit amounted to -5.6 MSEK (-4.9 MSEK)
- Profit before tax amounted to -6.5 MSEK (-2.6 MSEK)
- Cash & cash equivalents including short-term investments 20.3 MSEK
- The Company has no interest-bearing liabilities
- Provision for unspent user funds amounted to 31.5 MSEK
- Earnings per share for the period amounted to -0.19 SEK (-0.08 SEK)

This information is information that MindArk PE AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication 08:00 CEST on May 19, 2026.

SIGNIFICANT EVENTS

FIRST QUARTER 2026

 No significant events have occurred during the quarter of the year.

AFTER THE END OF Q1 PERIOD

 After the end of the period, on April 9, 2026, the Board of Directors resolved to propose to the Annual General Meeting on May 21, 2026, that it be authorized to apply for delisting of the company's shares from Spotlight Stock Market. The proposal is motivated by the limitations of the listing environment in relation to the company's strategic position, the ongoing AI-driven transformation, and the costs and requirements associated with the listing. The Board has also communicated that a necessary notice period will be observed between the AGM decision and a potential last day of trading, and that the company intends to continue interim reporting in the form of semi-annual reports following a potential delisting.

SALES AND PROFIT IN SUMMARY

	Q1 2026	Q1 2025	2025	2024
(In TSEK)	January - March	January - March	January - December	January - December
Total operating income	22 310	21 507	100 683	112 109
Total operating expenses	-27 907	-26 457	-104 265	-102 619
Profit before tax	-6 459	-2 592	2 644	6 035
Earnings per share for the period	-0.19 SEK	-0.08 SEK	0.07 SEK	0.15 SEK

COMPANY DESCRIPTION

ABOUT MINDARK

MindArk PE AB (publ) develops and operates Entropia Universe and the Entropia Platform. Entropia Universe is a virtual universe consisting of several planets with different themes and activities which together occupy a total land area of 3,776 km². These planets are scattered in a space expanding over 6,144 km³. Entropia Universe users can immerse themselves in a multiplanetary experience with social and economic interactions beyond what is possible in the real world.

Entropia Universe offers a wide variety of opportunities for users with market instincts and entrepreneurial spirit to create value for themselves and others. Entropia is currently the only online world with a functioning monetary system that is not linked to a blockchain. The digital real-cash economy (RCE) is based on the fact that raw materials, goods, land and buildings are represented as digital assets, all of which have a calculated base value. Beyond the base value the free market can set a higher value based on supply and demand, just like in the real world. The Entropia Universe in-game currency "Project Entropia Dollar" ("PED") has a fixed exchange rate against the USD. The economic system and its peg to the USD have been proven and has built up strong and important trust over more than 20 years in full operation. The software is provided globally and free of charge with the possibility to spend and earn money in the universe for anyone with access to PC and internet.

The Entropia Platform is the technical platform that powers Entropia Universe. The platform is shared with partners who develop their own unique game content for their respective planets in the Entropia Universe.

AI-DRIVEN DEVELOPMENT MODEL

During 2025 and 2026, MindArk carried out a structural transformation toward an AI-driven development and operations model. The company's AI systems form an integrated part of its production framework and contribute both to code development for Entropia Universe and to ongoing quality, stability, and modernization efforts. The systems independently identify development needs, devise technical solutions, and deliver code that is reviewed by the company's programmers prior to deployment. This model enables MindArk, despite a relatively lean organization, to maintain and further develop a complex real-cash online platform with a high pace of development and strong technical quality. The AI initiative is therefore not merely an internal efficiency measure, but a central part of the company's strategic direction and long-term competitive position.

REVENUE MODEL

Usage & microtransactions (B2C)

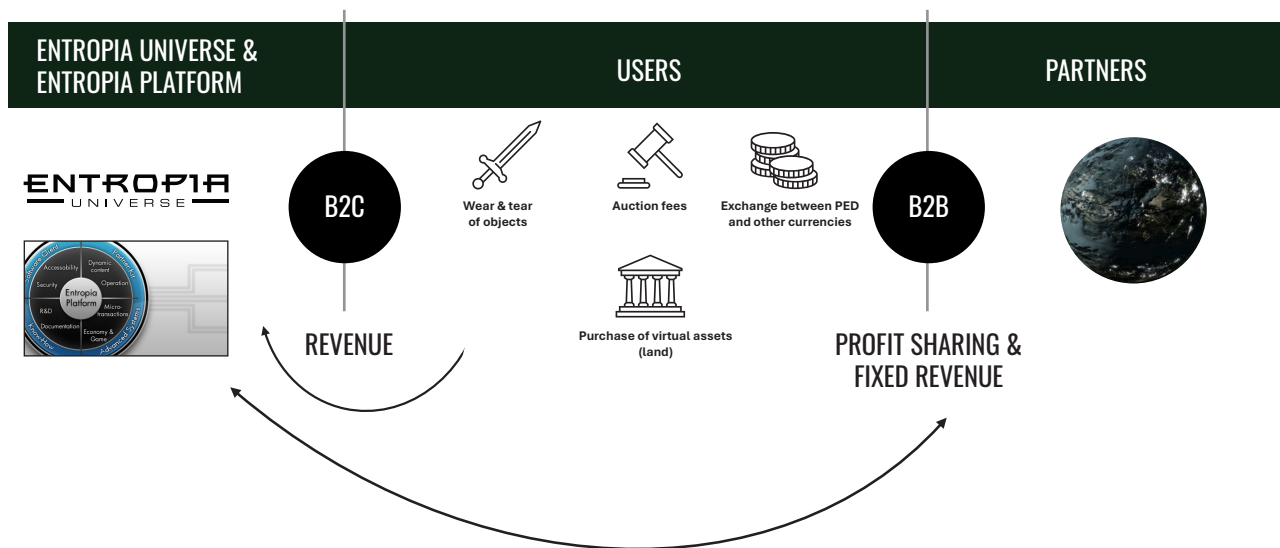
Entropia Universe is a “free-to-play” game, meaning it is free to download and there is no monthly fee or upfront cost. MindArk’s revenue is generated through microtransactions that occur when users utilize various items or features in Entropia Universe. As in the real world, most activities in Entropia Universe are resource intensive. Users convert their local currency into PED, the platform’s in-game currency (fixed at 1 USD = 10 PED). The corresponding amount of PED, calculated using the European Central Bank’s daily USD rate, is credited to the user’s Entropia Universe account and can be used to purchase digital items such as weapons, vehicles or real estate.

Revenue is generated through usage, wear and tear, auction fees (when items are traded between users) and direct sales (which include the sale of virtual items and properties, typically via auctions in Entropia Universe). In addition to traditional PC gaming entertainment, users can also earn money through revenue-generating activities, which further increases activity in Entropia Universe and drives revenue for MindArk.

Deed sales

MindArk also generates revenue through “deed sales”. Deeds are land rights sold to users via in-game auctions. For example, a deed may represent a portion of a planet in Entropia Universe. Deeds generate periodic payments in PED to the holder based on activity related to the associated property or area. Deed sales are conducted sporadically and prudently to avoid saturating demand.

Revenue model in summary



Entropia Platform (B2B)

In addition to Entropia Universe, MindArk has built the Entropia Platform, where partners contribute content to the universe. There is essentially no limit to how much additional production capacity content partners can add on top of MindArk's core production. The B2B segment accounts for a relatively small share of total revenue, generally below ten percent. Partners can participate at different levels, from individual creators to larger actors that create and operate entire planets ("planet partners"). All content becomes part of Entropia Universe and its market economy and adheres to defined requirements on performance, quality and economic balance.

Revenue sharing between content partners and MindArk depends on which partner owns the customer relationship, where in the universe the user is located and what content the user accesses when generating activity. For planet partners, MindArk always receives at least 50% of the revenue generated on planets in Entropia Universe; the owner of the customer relationship receives 25%, and the planet creator receives 25%.



MESSAGE FROM THE CEO

The first quarter of 2026 was marked by clear technical progress, while a lower USD/SEK exchange rate had a negative impact on reported earnings. The underlying activity in Entropia Universe, however, developed positively, with increased user activity and about 5% higher user deposits compared to the corresponding quarter of the previous year.

Net revenue amounted to 16.0 MSEK, compared to 16.6 MSEK in the same quarter of 2025, a decrease of approximately three percent. The decline was essentially currency related. The average USD/SEK exchange rate during the quarter was 9.13, compared to 10.68 in the corresponding quarter of the previous year, meaning that revenues in USD and PED were translated into fewer Swedish kronor. That net revenue decreased by only three percent despite an approximately 15% lower average exchange rate indicates that underlying activity levels and monetization developed more strongly than what revenue in SEK alone suggests.

Operating profit for the quarter amounted to -5.6 MSEK (-4.9 MSEK). At the end of the quarter, the company had 46 employees compared to 43 a year earlier, while costs related to AI tools increased. Financial items amounted to -862 TSEK and largely consisted of accounting-related revaluation effects without significant impact on liquidity.

During the quarter, we continued to strengthen the technical platform through modernization of core systems, improvements to the user experience, and continued investment in a more scalable and robust infrastructure. Our AI initiatives also delivered tangible results in the form of more efficient development processes, improved code quality, and measures enhancing stability and quality in the player experience. In parallel, launches and updates were carried out with a focus on user engagement, content distribution, and organic growth.

We also continued to develop the content pipeline in Entropia Universe. During the quarter, new content updates were delivered, while work on upcoming systems and launches progressed according to plan. Overall, this strengthens our assessment that the company is better positioned both technically and operationally for the remainder of the year.

Overall, my assessment is that MindArk today stands technically stronger and operationally better positioned than a year ago. Currency effects will continue to impact revenues quarter by quarter, but the underlying user activity, our content pipeline, and the increased robustness of the technical platform together provide a solid foundation for continued development.

 **LEIF EVANDER ANDERSSON**
CEO MindArk PE AB (publ)

TECHNICAL DEVELOPMENT OF ENTROPIA UNIVERSE Q1 2026

The Entropia Universe team focused on growth and infrastructure during the first quarter of 2026, implementing a comprehensive overhaul of numerous backend and frontend systems. Alongside these technical upgrades, new acquisition-focused systems were introduced to attract more players.

In January, the team delivered a complete overhaul of the Entropia Universe website, to a modern look, and user experience. Following this, the crafting system received a significant user interface upgrade, providing players with enhanced functionality and improved usability thanks to the new Chromium Embedded Framework implementation.

The backend team implemented several technical enhancements, including a major refactoring of game code facilitated by CelesteAI. This effort centred on resolving crashes and bugs that significantly hindered the player experience. Furthermore, as part of ongoing modernization initiatives, databases and other critical backend systems were successfully upgraded.

The AI team released “Entropia Rewind”, a new in-game feature allowing players to screen record gameplay, edit videos directly, and publish them straight to YouTube from within the game client, aimed at encouraging content creation to boost the visibility of the game.

MindArk also released the “Recruit a Colonist” feature, allowing players to bring their friends, followers, or subscribers to join Entropia with their unique invite code, providing rewards for both the inviter and invitee as they skill up and progress in the game.

The content team delivered Phase 2 of the Umbranoid Return, bringing new and exciting boss creatures with unique mechanics to the game. This release also featured many new blueprints and exciting in-game items for players to discover and strive for as part of the Umbranoid content and wider game.

Lastly, the team worked on developing the new Fishing and Cooking systems, set to be one of the biggest Entropia Universe releases, launching in the second quarter.

FINANCIAL INFORMATION



INCOME STATEMENT

(in TSEK)	2026-01-01 - 2026-03-31	2025-01-01 - 2025-03-31	2025-01-01 - 2025-12-31
Net sales	16 032	16 583	78 379
Capitalized work	6 164	4 791	21 871
Other income	114	133	433
Total income	22 310	21 507	100 683
<i>Operating expenses</i>			
Other external costs	-8 811	-8 899	-33 798
Personnel costs	-12 846	-12 402	-48 370
Amortization and depreciation	-6 250	-5 156	-22 097
Total operating expenses	-27 907	-26 457	-104 265
Operating profit	-5 597	-4 950	-3 582
<i>Financial items</i>			
Profit from other securities and receivables accounted for as non-current assets	625	-118	763
Other interest income and similar items	17	61	161
Other interest expenses and similar items	-982	0	-210
Exchange rate differences	-522	2 415	5 512
Total financial items	-862	2 358	6 226
Profit after financial items	-6 459	-2 592	2 644
Profit before tax	-6 459	-2 592	2 644
Income tax	567	76	-463
Net profit	-5 892	-2 516	2 181
Profit per share	-0.19	-0.08	0.07

BALANCE SHEET - ASSETS

(in TSEK)	2026-03-31	2025-12-31
ASSETS		
Non-current assets		
<i>Intangible assets</i>		
Entropia Platform and Entropia Universe	107 051	106 352
Other intangible assets	3 835	4 232
Total intangible assets	110 886	110 584
<i>Tangible assets</i>		
Equipment and computer hardware	4 398	4 021
Total tangible assets	4 398	4 021
<i>Financial assets</i>		
Other long-term securities	1	1
Total financial assets	1	1
Total non-current assets	115 285	114 606
Current assets		
<i>Stock-in-trade etc.</i>		
Commercial goods	72	76
Total stock-in-trade etc.	72	76
<i>Short-term receivables</i>		
Accounts receivable	441	436
Receivables from payment providers	870	1 434
Current tax assets	5 121	3 898
Other receivables	474	455
Prepaid expenses and accrued income	4 290	4 445
Total short-term receivables	11 196	10 668
<i>Short-term investments</i>		
Other short-term investments	0	10 077
<i>Cash and bank balances</i>	20 323	15 193
Total current assets	31 591	36 014
TOTAL ASSETS	146 876	150 620

BALANCE SHEET - EQUITY & LIABILITIES

(in TSEK)	2026-03-31	2025-12-31
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	1 576	1 576
Revaluation reserve	12 748	13 419
Restricted reserves	50	50
Fund for development	87 512	85 968
Total restricted equity	101 886	101 013
Non-restricted equity		
Share premium reserve	33 951	33 951
Profit brought forward	-41 764	-43 072
Net profit	-5 892	2 181
Total non-restricted equity	-13 705	-6 940
Total equity	88 181	94 073
Allocations		
Allocation unconsumed user holdings	31 501	31 065
Estimated deferred tax	9 709	10 277
Total allocations	41 210	41 342
Long-term liabilities		
Other liabilities	41	41
Total long-term liabilities	41	41
Short-term liabilities		
Accounts payable	4 682	3 749
Other liabilities	3 116	3 212
Accrued expenses and prepaid income	9 646	8 203
Total short-term liabilities	17 444	15 164
TOTAL EQUITY AND LIABILITIES	146 876	150 620

STATEMENT OF CASH FLOWS

(in TSEK)	2026-01-01 - 2026-03-31	2025-01-01 - 2025-03-31	2025-01-01 - 2025-12-31
Operating activities			
Operating profit before financial items	-5 597	-4 950	-3 581
Adjustment for depreciation	6 250	5 156	22 097
Adjustment for other non-cash items, etc.	-6 625	-5 040	-21 606
	-5 972	-4 834	-3 090
Interest received	17	61	161
Income tax paid	-1 489	-1 437	-651
	-7 444	-6 210	-3 580
Increase/decrease in inventories	5	4	14
Increase/decrease in trade receivables	-5	1	9
Increase/decrease in other current receivables	700	1 082	-1 581
Increase/decrease in trade payables	932	1 242	2 305
Increase/decrease in other current operating liabilities	631	-2 088	-5 418
Cash flow from operating activities	-5 181	-5 969	-8 251
Investeringsverksamheten			
Purchase of equipment	-766	0	-1 861
Increase/decrease in short-term financial investments and receivables	10 702	-5293	2 637
Cash flow from investing activities	9 936	-5 293	776
Cash flow for the period	4 756	-11 262	-7 475
Ingoing cash and bank balances	15 193	21 524	21 524
Exchange rate differences in cash and bank balances	374	-63	1 144
Outgoing cash and bank balance	20 323	10 199	15 193

COMMENTS ON THE FINANCIAL REVIEW

UNCONSUMED USER HOLDINGS IN Q1

All users in Entropia Universe have an in-game account where cash in the form of the virtual in-game currency PED or digital items are held. The sum of these cash funds and items constitutes the unconsumed user holdings. This amount fluctuates with activity in Entropia Universe. Over the past eight years, withdrawals have ranged from 20.1% to 26% of deposits. The remaining funds are either consumed or remain in the accounts of users in the form of inventory, or cash in the form of the virtual currency PED. The portion of unconsumed user holdings that is likely to be withdrawn is recognized as a provision. The remaining funds deposited are recognized as revenue.

During Q1 2026, the total amount of unconsumed user holdings increased slightly from 148.1 million PED to 148.8 million PED (+0.7 million PED). However, the total amount in SEK increased significantly more, as the SEK/USD exchange rate rose from 9.20 SEK/USD at the end of December 2025 to 9.52 SEK/USD at the end of March 2026 (10 PED = USD 1). As a result, the total amount increased by 4.7 MSEK, from 136.3 MSEK to 140.9 MSEK.

As of March 31, 2026, the total amount related to unconsumed user holdings was 148.8 million PED. Using the five-year average withdrawal-to-deposit ratio yields a provision rate of 22.9% (22.8% in Q4 2025). Based on this, the company estimates the recognized liability at 33.9 million PED, equivalent to 31.5 MSEK.



OPERATIONS DURING JANUARY – MARCH 2026

Net revenue for the first quarter amounted to 16 MSEK (16.6 MSEK), a decrease of 3% compared with the corresponding quarter of the previous year. However, both activity in Entropia Universe and user deposits increased during the quarter, but the decline is explained by a strong Swedish krona and a weak US dollar. The exchange rate during the quarter was nearly 15% lower, which directly impacted revenues. This is because the company's revenues are linked to USD through Entropia Universe's in-game currency, PED, which is directly pegged to the US dollar (10 PED = 1 USD). The average exchange rate during the quarter was 9.13 SEK/USD, compared to 10.68 SEK/USD in the corresponding quarter of 2025. As a result, revenue denominated in USD translated into fewer Swedish kronor than in the prior year.

Capitalised development expenditure for the quarter totalled 6.2 MSEK (4.8 MSEK). Other operating income amounted to 114 TSEK (133 TSEK) and total income for the period amounted to 22.3 MSEK (21.5 MSEK).

External costs were in line with the same period last year, amounting to 8.8 MSEK compared to 8.9 MSEK. This reflects lower consulting costs but higher licensing costs because of the company's AI initiatives. Personnel costs increased by 444 TSEK compared to the corresponding quarter of the previous year, primarily due to a higher number of employees. At the end of the first quarter of 2026, the company had 46 employees, compared to 43 at the end of the first quarter of 2025.

Depreciation expenses also increased, primarily because of capitalised development expenditure of 23.2 MSEK over the last 12 months, leading to higher ongoing depreciation.

Total operating expenses for the quarter amounted to 27.9 MSEK (26.5 MSEK), resulting in an operating loss of -5.6 MSEK (-4.9 MSEK) for the first quarter.

Financial items amounted to -862 TSEK (2.4 MSEK) and consist partly of a positive income of 625 TSEK related to the closure of a capital insurance policy. At the same time, earnings were negatively impacted by two accounting-related negative items, i.e., non-cash items, relating to forward contracts entered into and the currency revaluation of unconsumed user holdings caused by a temporarily higher USD exchange rate. These items are of an accounting-technical nature and do not affect the company's cash and cash equivalents in the quarter. The effect is primarily due to the fact that the dollar exchange rate was temporarily higher on the balance sheet date of March 31, when the rate amounted to 9.52 SEK/USD. The positive financial item in the previous year was mainly attributable to a favourable currency revaluation of unconsumed user holdings.

Loss before tax amounted to -6.5 MSEK (-2.6 MSEK). Income tax for the period comprises changes in deferred tax, which at the end of the period primarily related to temporary differences between the carrying amounts and tax bases of the Company's assets.

Earnings per share

Profit after tax for the first quarter amounts to -5.9 MSEK. When divided by 31.5 million shares outstanding, earnings per share amount to -0.19 SEK per share (-0.08 SEK per share, divided by the same number of shares).

Investments

The capitalization of salary and consultancy costs for the development of Entropia Universe amounted to 6.2 MSEK (4.8 MSEK) for the quarter. The increase compared to the first quarter of 2025 is mainly explained by the fact that the development department has been strengthened and currently consists of 28 employees, compared to 25 employees during the corresponding period the previous year. In addition, a larger share of development resources has worked on new development, which means that the entire salary cost for these employees has been capitalized.

The capitalized amounts are reported under the heading non-current assets in the balance sheet and total revenue in the income statement, respectively. Other investments relating to computers and servers during the quarter amounted to 766 TSEK, while no corresponding other investments were made during the first quarter of the previous year.

Currency exposure

All financial transactions within Entropia Universe are denominated in the virtual in-game currency PED. All exchange transactions to and from PED are controlled by MindArk. Furthermore, MindArk repurchases PED at a fixed exchange rate against the USD (10 PED = 1 USD). The exchange rate between USD and MindArk's accounting currency SEK fluctuated during the first quarter of 2026, between about 8.83 SEK per USD to a maximum of about 9.52 SEK per USD. Deposits to MindArk's bank accounts (directly or through payment providers) in foreign currencies, mainly USD, are translated into SEK at the current daily exchange rate. The company's income in PED is converted via USD to SEK at the average monthly USD exchange rate.

Assets and liabilities in foreign currencies were translated at the exchange rate on March 31, 2026, which was 9.52 SEK/USD. The company currently hedges at least 50% of the net USD inflow to be converted into SEK 12 months ahead, i.e., after USD-denominated payments have been settled. This policy significantly reduces currency exposure.

Equity

MindArk's adjusted equity amounted to 88.2 million SEK at the end of the period, divided into 31.5 million shares. The adjusted equity per share amounted to 2.80 SEK per share (2.84 SEK per share).

Pledged assets

The company has a corporate mortgage of 3 million SEK for an unutilized overdraft facility with SEB.

Employees

At the end of the period, MindArk employed a total of 46 (43) people, including 12 (9) women.

Reporting period

The report covers the period January 1 - March 31, 2026.

Rounding

All amounts in the report are stated in thousands of SEK unless otherwise stated. Rounding differences may occur in tables that sum multiple amounts.

SHARES & SHAREHOLDERS

Ownership structure as of March 31, 2026

MindArk PE AB (publ), reg. no. 556640-4769, is a public company listed on the Spotlight Stock Market. The share has the ISIN code SE0019354358 and trades under the ticker MNDRK. The ownership overview reflects the situation as of March 31, 2026. The information is sourced from Euroclear Sweden, which administers the Company's share register.

Shareholder	Shares	Votes
Tetiana Karunna*	34.89%	34.89%
Fam. Bothén**	18.93%	18.93%
Nordic Tender Holdings	3.49%	3.49%
Mindarkkoncernens Vinstandelsstiftelse	1.89%	1.89%
Kronboken	1.41%	1.41%
Lars Hammarström	1.26%	1.26%
<i>Other (about 900 shareholders)</i>	<i>38.13%</i>	<i>38.13%</i>
Total	100%	100%

*Close relative of founder Jan Welter Timkrans

**In person and via company

Number of shares

MindArk PE AB (publ) had 31 524 625 shares outstanding as of March 31, 2026. The quota value amounted to 0.05 SEK.

OTHER INFORMATION

Accounting principles

The interim report has been prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Årsredovisning och koncernredovisning (K3). The accounting principles applied in this report are set out in the 2025 annual report.

Significant risks and uncertainties

MindArks operations and financial situation may be impacted by a number of risks and uncertainties. These are described in the annual report for 2025.

No significant events have occurred during the period that have affected or changed the descriptions of the Company's risks and its management.

Related party transactions

No transactions that significantly affected the Company's results and financial position have been carried out with related parties during the period.

Auditor

This financial statement has not been reviewed by the Company's auditor.

Financial calendar

Annual General Meeting 2026	May 21, 2026
Interim Report Q2 2026	August 27, 2026
Interim Report Q3 2026	November 27, 2026

DECLARATION FROM THE BOARD OF DIRECTORS

The Board of Directors and the CEO declare that this interim report gives a true and fair view of the company's operations, financial position and results, and describes the material risks and uncertainties facing the Company.

Gothenburg, May 19, 2026

Björn Dierks
Chairman

Leif Evander Andersson
Board Member & CEO

Karl Linus Norén
Board Member

Klas Moreau
Board Member

DEFINITIONS

Project Entropia Dollar (PED)	The in-game currency used in Entropia Universe that has a fixed exchange rate against the USD.
MMORPG	Genre of computer game in which a large number of users interact with each other in a virtual world.
Virtual world	Computer-generated environment where users can interact with a digital environment and often with other users in real time. These worlds can be three-dimensional and simulate real or imaginary environments.
Free-to-play	The game is free to download and instead the developer's revenue comes from in-game microtransactions.
Unconsumed user funds	The total amount of user funds not yet spent.
Real Cash Economy (RCE)	Real Cash Economy (RCE) means that items in the virtual world also have a real value.
Q1	First quarter of the reporting year.
EBITDA	Earnings before interest, taxes, depreciation & amortization.





MindArk PE AB (publ)

Masthamnsgatan 5

413 29 Göteborg

031-607 260

info@mindark.com

www.mindark.com

www.entropiauniverse.com

