INTERIM REPORT

JANUARY–JUNE 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–JUNE 2026

SECOND QUARTER

- Revenues amounted to MSEK 524 (MSEK 459), an increase of 14% compared to the same period last year.
- Operating profit amounted to MSEK 182 (MSEK 133), an increase of 37%.
- Profit after financial items amounted to MSEK 188 (MSEK 139), and profit after tax amounted to MSEK 149 (MSEK 110).
- Cash flow from operating activities amounted to MSEK 105 (MSEK 262), and cash flow from investing activities amounted to MSEK -168 (MSEK -208).
- Earnings per share before dilution amounted to SEK 1.41 (SEK 1.04) and after dilution to SEK 1.41 (SEK 1.04).
- Revenues for the quarter are primarily attributable to Age of Wonders 4, Cities: Skylines, Cities: Skylines II, Crusader Kings III, Europa Universalis V, Hearts of Iron IV, Stellaris, Vampire: The Masquerade – Bloodlines 2, and Victoria 3.

FIRST SIX MONTHS

- Revenues amounted to MSEK 955 (MSEK 922), an increase of 4% compared to the same period last year.
- Operating profit amounted to MSEK 283 (MSEK 280), an increase of 1%.
- Profit after financial items amounted to MSEK 294 (MSEK 293), and profit after tax amounted to MSEK 235 (MSEK 234).
- Cash flow from operating activities amounted to MSEK 413 (MSEK 528), and cash flow from investing activities amounted to MSEK -290 (MSEK -425).
- Earnings per share before dilution amounted to SEK 2.22 (SEK 2.22) and after dilution to SEK 2.22 (SEK 2.21).

SIGNIFICANT EVENTS SECOND QUARTER

- New downloadable content was released for games during the period: Songs of the Realm to Crusader Kings III, Thunder at our Gates and Peace for our Time to Hearts of Iron IV, Nomads to Stellaris, Secrets of the Archmages to Age of Wonders 4, Fate of the Phoenix to Europa Universalis V, Loose Cannon and The Flower & the Flame to Vampire: The Masquerade – Bloodlines 2.
- Paradox Interactive AB’s shares were admitted to trading on the Nasdaq Stockholm Main Market on 9 June 2026. The listing was completed without an offering or issuance of new shares.
- A publishing partnership was entered into with Urban Games for the publishing of Transport Fever 3.
- A Publisher Sale was held on Steam during the period, offering discounts across a large part of its game catalogue.
- At the Annual General Meeting held on 12 May, Lars Jörnow and Kaisa Salakka were elected as new members of the Board of Directors.

COMMENTS BY THE CEO

We close the first half of the year with a strong quarter. The results were driven by solid catalogue sales combined with a broad range of new content for our established games. That is, of course, very encouraging, but when I look back at the quarter, it is not really the numbers that stand out to me. What gives me the greatest confidence in the future is what it says about Paradox's ability to build for the long term.

Many years ago, our business was largely about launching games. Today, it is about building worlds that players want to return to for many years. When our largest franchises continue to grow long after launch, it confirms that this shift has been the right one. A launch is not the end of a project. It is the beginning of a long relationship with our players.

That is also why much of our work during the quarter focused on continuing to develop our existing games. New content for Crusader Kings III, Hearts of Iron IV, Stellaris, Europa Universalis V, and others is not just about giving players more content. It is about continuing to deepen the experience, create new stories, and give players new reasons to come back. It is a model we believe in strongly, and one that continues to deliver.

One example that I believe illustrates our philosophy particularly well is Hearts of Iron IV: Peace for Our Time. The content was developed in close collaboration with three modders from our community. To me, it is much more than a small content pack. It demonstrates the talent and creativity within our player community and how we can build even stronger games by working more closely with them. We believe user generated content (UGC) is an area where we have only begun to explore the possibilities.

We are also continuing our work on Cities: Skylines II together with Iceflake Studios. The game did not get the start we wanted for our players, but that never changed our ambition. Since the beginning of the year, a methodical improvement effort has produced clear results. After the game reached a "Mostly Positive" rating in recent Steam reviews for the first time earlier this year, that positive momentum continued throughout the quarter, with more players returning and base game sales performing well. To me, this illustrates an important strength of our business model. We have built a company that can afford to take the long view and continue investing until a game reaches the level of quality that both we and our players expect.

In the quarter, we also entered into a new publishing partnership for Transport Fever 3. This is a concrete step in the expansion of our project portfolio that we outlined earlier this year, where, alongside our own game development, we are also strengthening our position through publishing partnerships. The management genre remains an area where we see significant potential, and this title is an excellent fit for our portfolio. It shares many of the qualities we value: depth, high replayability, a strong modding community, and an engaged player base. We look forward to working with Urban Games and helping make the series even stronger.

The quarter also marked an important milestone as Paradox shares were admitted to trading on the Nasdaq Stockholm Main Market on 9 June. The listing was completed without an offering or share issue. We do not need additional capital, and to me it is a testament to the stability and long-term strength we have built. At the same time, I would like to extend a warm welcome to Lars Jörnow and Kaisa Salakka, who were elected to the Board of Directors at the Annual General Meeting in May.

When I look at Paradox today, I feel a strong sense of confidence. Over many years, we have built an organisation with experienced development teams, a culture shaped by long-term thinking, and a business model that has proven its strength over time. We continue to invest in our teams and in AI tools that support our employees. Taken together this gives us both the financial stability, and the expertise required to develop games that engage players for many years.

When I look at the projects now taking shape, I am very optimistic about the future. It is not about any single title, but about a portfolio of games with the potential to become an important part of Paradox for many years to come.

Finally, as is often the case, the third quarter will be somewhat quieter than the second quarter of the year when it comes to launching new content for our existing games. At the same time, activity remains high, and at Gamescom we look forward to showcasing several projects that our teams have been working on for a long time. More on that this fall.

Fredrik Wester, CEO

KEY FIGURES FOR THE GROUP

	2026-04-01 2026-06-30	2025-04-01 2025-06-30	2026-01-01 2026-06-30	2025-01-01 2025-06-30	2025-01-01 2025-12-31
Coming releases	8	9	8	9	7
Revenues, MSEK	524	459	955	922	2,192
Operating profit, MSEK	182	133	283	280	146
Profit after financial items, MSEK	188	139	294	293	167
Profit after tax, MSEK	149	110	235	234	125
Operating margin	35%	29%	30%	30%	7%
Profit margin	36%	30%	31%	32%	8%
Equity/assets ratio	76%	81%	76%	81%	79%
Cash flow from current operations, MSEK	105	262	413	528	1,237
Investments in capitalised development, MSEK	-166	-161	-287	-280	-606
Capitalised development, MSEK	1,080	1,628	1,080	1,628	1,015
Cash and cash equivalents	956	1,019	956	1,019	1,375
Earnings per share before dilution, SEK	1.41	1.04	2.22	2.22	1.19
Earnings per share after dilution, SEK	1.41	1.04	2.22	2.21	1.18
Average number of shares before dilution, millions	106	106	106	106	106
Average number of shares after dilution; millions	106	106	106	106	106
Average number of employees	695	640	688	618	638

For definitions of key figures, see the annual report

MAIN RELEASES SECOND QUARTER

Title	Date	Price USD	Developer	Platform
Age of Wonders 4: Secrets of the Archmages	16 June	19.99	Triumph Studios	PC, console
Crusader Kings III: Songs of the Realm	20 April	4.99	Paradox Development Studio	PC
Europa Universalis V: Fate of the Phoenix	6 May	9.99	Paradox Tinto	PC
Hearts of Iron IV: Peace for Our Time	22 April	5.99	Paradox Development Studio, Logan Calkins, Abbus Fung, Marijn Vroegh	PC
Hearts of Iron IV: Thunder at Our Gates	11 June	19.99	Paradox Development Studio	PC
Stellaris: Nomads	15 June	24.99	Paradox Development Studio	PC
Vampire: The Masquerade - Bloodlines 2: Loose Cannon	27 April	14.99	The Chinese Room	PC, console
Vampire: The Masquerade - Bloodlines 2: The Flower & the Flame	11 June	14.99	The Chinese Room	PC, console
Victoria 3: The Great Wave	28 April	29.99	Paradox Development Studio	PC

FINANCIAL OVERVIEW

REVENUE AND PROFIT SECOND QUARTER

Revenues amounted to MSEK 524 (MSEK 459), an increase of 14% since last year.

Revenues for the quarter are primarily attributable to Age of Wonders 4, Cities: Skylines, Cities: Skylines II, Crusader Kings III, Europa Universalis V, Hearts of Iron IV, Stellaris, Vampire: The Masquerade - Bloodlines 2 and Victoria 3.

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

Revenue growth compared to the previous year was primarily driven by the new games Europa Universalis V and Vampire: The Masquerade – Bloodlines 2, both released during the fourth quarter 2025. In addition, Cities: Skylines II continued to perform strongly despite the absence of new releases during the quarter, driven by continued strong sales of the base game following quality improvements and free updates released over the past year.

Among the quarter's releases, Thunder at our Gates and Peace for our Time for Hearts of Iron IV were significant contributors to revenue. Revenue from Crusader Kings III, however, was, compared to the corresponding period last year, negatively affected as this year's PC release, Songs of the Realm, was smaller in scope than the expansion Khans of the Steppe released in the comparative period.

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

Cost of goods sold amounted to MSEK 259 (MSEK 232), attributable to game development, development support, operation and maintenance of games, costs for licenses, trademarks and similar rights, as well as royalties and revenue-based contingent consideration to development studios and other rights holders.

Amortisation of released games amounts to MSEK 103 (MSEK 79). 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. Amortisation of the game Surviving Mars: Relaunched that was released in November 2025, also contributed to the increase. At the same time, depreciation for previously released downloadable content for Crusader Kings III decreased.

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 19). Amortisation has decreased primarily due to the excess values arising from the acquisition of Playrion Games Studio now being fully amortised.

In addition to depreciation, amortisation and write-downs within costs of goods sold, a total of MSEK 141 (MSEK 127) 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 83 (MSEK 76). 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 30 (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 28 (MSEK 26). Royalties increased primarily due to higher sales of Cities: Skylines and Cities: Skylines II, while 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 53 (MSEK 54). The decrease was primarily attributable to lower costs related to the launch of Europa Universalis V, while costs for other titles in the product portfolio increased.

Administrative expenses for the period amounted to MSEK 33 (MSEK 27). The increase compared to the previous year was primarily driven by non-recurring costs related to the transfer of the listing to the Nasdaq Stockholm Main Market. Administrative expenses are generally unchanged over time and are relatively unaffected by other operations.

Other operating income amounted to MSEK 4 (MSEK 2) and other operating expenses to MSEK 0 (MSEK 15). 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.

Operating profit amounted to MSEK 182 (MSEK 133).

Financial income amounted to MSEK 6 (MSEK 7) and consisted primarily of interest income from bank accounts. Financial expenses amounted to MSEK 0 (MSEK 1) and consisted primarily of calculated interest on lease liabilities.

Profit after financial items amounted to MSEK 188 (MSEK 139), and profit after tax amounted to MSEK 149 (MSEK 110).

FINANCIAL POSITION

Capitalised development expenses at the end of the period amounted to MSEK 1,080 (MSEK 1,628). 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 game Prison Architect 2. 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 92 (MSEK 124). 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 22 (MSEK 22), attributable to the acquisition of Iceflake Studios.

Right-of-use assets for rental premises amounted to MSEK 153 (MSEK 51). The increase refers to the renewed lease agreement for the office on Södermalm, Stockholm.

Accounts receivable at the end of the period amounted to MSEK 253 (MSEK 199).

Prepaid expenses and accrued income amounted to MSEK 262 (MSEK 86). The increase was primarily attributable to guarantee payments (advances) made under a partnership agreement with an external developer for an upcoming game. The developer has received USD 20 million to date and, under the agreement, will receive an additional USD 10 million, payable upon the commencement of pre-orders and when the game becomes available for download.

Cash and cash equivalents at the end of the period amounted to MSEK 956 (MSEK 1,019).

Equity amounted to MSEK 2,216 (MSEK 2,612).

Long-term lease liabilities amount to MSEK 120 (MSEK 14). The increase is due to an extension of the lease agreement commitment for the office premises in Södermalm, Stockholm, through the end of September 2031, replacing the current lease agreement from October 1, 2026.

Deferred tax liabilities amounted to MSEK 153 (MSEK 167) relating to tax on untaxed reserves and intangible assets from acquisitions.

Short-term lease liabilities amounted to MSEK 26 (MSEK 31), relating to short-term rental commitments for office premises.

Accrued expenses and deferred income amounted to MSEK 286 (MSEK 277) at the end of the period. Provisions for royalties payable to game developers increased compared to the previous year. Deferred income remained in line with the previous year.

CASHFLOW SECOND QUARTER

Cash flow from operating activities for the period amounted to MSEK 105 (MSEK 262), primarily attributable to operating profit adjusted for depreciations, amortisations and write-downs. Cash flow from operating activities was negatively impacted by an advance payment of MSEK 185 under the publishing partnership entered into during the quarter. Cash flow from investing activities amounted to MSEK -168 (MSEK -208) and mainly relates to investments in game development. Cash flow from financing activities amounted to MSEK -538 (MSEK -538) and primarily related to dividends distributed to shareholders and repayments of lease liabilities for office premises.

FIRST SIX MONTHS IN SUMMARY

Revenue amounted to MSEK 955 (MSEK 922), an increase of 4% compared to the corresponding period last year. Cost of goods sold amounted to MSEK 524 (MSEK 453), 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 283 (MSEK 280), an increase of 1%. Profit after financial items amounted to MSEK 294 (MSEK 293), and profit after tax amounted to MSEK 235 (MSEK 234). Cash flow from operating activities amounted to MSEK 413 (MSEK 528). Cash flow from investing activities amounted to MSEK -290 (MSEK -425). Cash flow from financing activities amounted to MSEK -548 (MSEK -548).

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 SECOND 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 515 (MSEK 459). Operating profit amounted to MSEK 183 (MSEK 184). Profit after financial items amounted to MSEK 448 (MSEK 190). Profit after financial items includes dividends received from subsidiaries of MSEK 300 (MSEK 0), as well as impairment of shares in subsidiaries of MSEK -39 (MSEK 0). Profit after tax amounted to MSEK 409 (MSEK 148).

PARENT COMPANY FIRST SIX MONTHS

The parent company's revenues for the period amounted to MSEK 946 (MSEK 920). Operating profit amounted to MSEK 296 (MSEK 398). Profit after financial items amounted to MSEK 566 (MSEK 410). Profit after tax amounted to MSEK 508 (MSEK 323).

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 valued at accrued acquisition value essentially corresponds to its fair value as the discounting effect is not significant. Accounting principles and calculation bases are in accordance with the principles applied in the company's most recent annual report.

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 PROGRAMME

At the Annual General Meeting on 12 May 2026, the Board of Directors was authorised to resolve on the repurchase of the Company's own shares in accordance with the proposal presented in the notice. No share repurchases were carried out during the reporting period.

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

Interim Report January-September 2026	2026-10-29
Year-end Report 2026	2027-02-04

CONTACT

Additional information about the company can be found on the corporate website www.paradoxinteractive.com. 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 6 August 2026

Håkan Sjunnesson, Chairman of the Board

Fredrik Wester, CEO and Member of the Board

Mathias Hermansson, Member of the Board

Linda Höglund, Member of the Board

Lars Jörnow, Member of the Board

Gustav Palmqvist, Member of the Board

Kaisa Salakka, Member of the Board

Andras Vajlok, Member of the Board

This report has not been subject to review by the company's auditors.

This information is information that Paradox Interactive AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act (2007:528). The information was submitted for publication at 08:00 CEST on 6 August 2026.

GROUP INCOME STATEMENT (MSEK)

	Note	2026-04-01 2026-06-30	2025-04-01 2025-06-30	2026-01-01 2026-06-30	2025-01-01 2025-06-30	2025-01-01 2025-12-31
Revenues	1	524	459	955	922	2,192
Cost of goods sold	2	-259	-232	-524	-453	-1,657
Gross profit		**265**	**226**	**432**	**469**	**535**
Selling expenses	2	-53	-54	-94	-102	-236
Administrative expenses	2	-33	-27	-64	-52	-111
Other income		4	2	10	5	9
Other expenses		-0	-15	-1	-40	-52
Operating profit		**182**	**133**	**283**	**280**	**146**
Financial income		6	7	11	14	23
Financial expense		-0	-1	-0	-1	-2
Profit after financial items		**188**	**139**	**294**	**293**	**167**
Tax		-39	-29	-59	-59	-42
Profit for the period		**149**	**110**	**235**	**234**	**125**

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

Earnings per share before dilution, SEK	1.41	1.04	2.22	2.22	1.19
Earnings per share after dilution, SEK	1.41	1.04	2.22	2.21	1.18

OTHER COMPREHENSIVE INCOME (MSEK)

	2026-04-01 2026-06-30	2025-04-01 2025-06-30	2026-01-01 2026-06-30	2025-01-01 2025-06-30	2025-01-01 2025-12-31
Profit for the period	149	110	235	234	125
Other comprehensive income					
Items that may be reclassified to profit or loss					
Translation differences	4	4	8	-9	-17
Other comprehensive income	**4**	**4**	**8**	**-9**	**-17**
Total comprehensive income for the period	**153**	**114**	**243**	**225**	**108**

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

GROUP BALANCE SHEET (MSEK)

	2026-06-30	2025-06-30	2025-12-31
ASSETS			
Non-current assets			
Capitalised development	1,080	1,628	1,015
Licenses, brands and similar rights	92	124	106
Goodwill	22	22	22
Property and equipment	10	7	8
Right-of-use assets	153	51	172
Other long term assets	19	19	19
Total non-current assets	**1,376**	**1,851**	**1,341**
Current assets			
Accounts receivable	253	199	271
Tax assets	20	53	91
Other receivables	32	30	27
Prepaid expenses and accrued revenue	262	86	63
Cash and cash equivalents	956	1,019	1,375
Total current assets	**1,523**	**1,386**	**1,828**
TOTAL ASSETS	**2,899**	**3,237**	**3,170**
EQUITY AND LIABILITIES			
Equity			
Share capital	1	1	1
Other capital contributed	30	30	30
Reserves	23	23	15
Retained earnings	2,163	2,558	2,453
Total equity	**2,216**	**2,612**	**2,498**
Long-term liabilities			
Lease liabilities	120	14	137
Deferred tax liabilities	153	167	154
Total long-term liabilities	**272**	**182**	**291**
Current liabilities			
Accounts payable	64	66	41
Current tax liabilities	3	16	1
Lease liabilities	26	31	28
Other liabilities	32	54	32
Accrued expenses and prepaid revenues	286	277	278
Total current liabilities	**411**	**444**	**380**
TOTAL EQUITY AND LIABILITIES	**2,899**	**3,237**	**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				235	235
Other comprehensive income					
Translation difference			8		8
Total other comprehensive income	**-**	**-**	**8**	**-**	**8**
Total comprehensive income	**-**	**-**	**8**	**235**	**243**
Transactions with owners					
Share-based payments staff	-	-	-	3	3
Dividends	-	-	-	-528	-528
Total transactions with owners	**-**	**-**	**-**	**-525**	**-525**
AT THE END OF THE PERIOD 2026-06-30	**1**	**30**	**23**	**2,163**	**2,216**

	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				234	234
Other comprehensive income					
Translation difference			-9		-9
Total other comprehensive income	**-**	**-**	**-9**	**-**	**-9**
Total comprehensive income	**-**	**-**	**-9**	**234**	**225**
Transactions with owners					
Share-based payments staff	-	-	-	5	5
Dividends	-	-	-	-528	-528
Total transactions with owners	**-**	**-**	**-**	**-523**	**-523**
AT THE END OF THE PERIOD 2025-06-30	**1**	**30**	**23**	**2,558**	**2,612**

GROUP CASH FLOW STATEMENT (MSEK)

	2026-04-01 2026-06-30	2025-04-01 2025-06-30	2026-01-01 2026-06-30	2025-01-01 2025-06-30	2025-01-01 2025-12-31
Cash flow from operations					
Operating profit	182	133	283	280	146
Adjustment of depreciation, amortisation and write-downs	121	108	258	206	1,180
Other adjustments	1	2	3	5	8
Interest received	6	7	11	14	23
Interest paid	-0	-1	-0	-1	-2
Tax paid	-41	-58	14	-41	-91
Cash flow before changes in working capital	**268**	**191**	**569**	**463**	**1,264**
Changes in working capital					
Change in current receivables	-199	30	-185	62	15
Change in current liabilities	35	41	30	3	-42
Cash flow from current operations	**105**	**262**	**413**	**528**	**1,237**
Investing activities					
Investments in capitalised development	-166	-161	-287	-280	-606
Investments in licenses, brands and similar rights	-	-47	-	-47	-47
Investments in equipment	-1	-0	-3	-1	-3
Investments in subsidiaries	-	-	-	-97	-97
Cash flow from investing activities	**-168**	**-208**	**-290**	**-425**	**-753**
Financing activities					
Amortisation of lease liability	-10	-10	-19	-19	-39
Paid dividend	-528	-528	-528	-528	-528
Cash flow from financing activities	**-538**	**-538**	**-548**	**-548**	**-567**
Cash flow for the period	-601	-483	-424	-444	-83
Cash and cash equivalents at the beginning of the period	1,555	1,502	1,375	1,469	1,469
Exchange rate effect	3	0	6	-7	-11
Cash and cash equivalents at the end of the period	**956**	**1,019**	**956**	**1,019**	**1,375**

PARENT COMPANY INCOME STATEMENT (MSEK)

	2026-04-01 2026-06-30	2025-04-01 2025-06-30	2026-01-01 2026-06-30	2025-01-01 2025-06-30	2025-01-01 2025-12-31
Revenues	515	459	946	920	2,196
Cost of goods sold	-252	-183	-508	-338	-1,525
Gross profit	**263**	**276**	**439**	**582**	**671**
Selling expenses	-51	-52	-89	-95	-225
Administrative expenses	-33	-27	-63	-52	-109
Other income	3	1	10	3	6
Other expenses	-	-14	-	-39	-50
Operating profit	**183**	**184**	**296**	**398**	**294**
Profit from shares in subsidiaries	261	-	261	-	-
Financial income	4	5	9	11	18
Financial expense	-	-0	-0	-0	-0
Profit after financial items	**448**	**190**	**566**	**410**	**312**
Year-end appropriations	-	-	-	-	-75
Tax	-39	-41	-58	-87	-66
Profit for the period	**409**	**148**	**508**	**323**	**171**

OTHER COMPREHENSIVE INCOME (MSEK)

	2026-04-01 2026-06-30	2025-04-01 2025-06-30	2026-01-01 2026-06-30	2025-01-01 2025-06-30	2025-01-01 2025-12-31
Profit for the period	409	148	508	323	171
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	**409**	**148**	**508**	**323**	**171**

PARENT COMPANY BALANCE SHEET (MSEK)

	2026-06-30	2025-06-30	2025-12-31
ASSETS			
Non-current assets			
Capitalised development	1,036	1,513	954
Licenses, brands and similar rights	45	62	53
Property and equipment	4	1	2
Shares in subsidiaries	283	320	320
Other long term assets	17	17	17
Total non-current assets	**1,386**	**1,913**	**1,347**
Current assets			
Accounts receivable	248	190	266
Receivables from group companies	10	2	10
Tax assets	11	-	84
Other receivables	27	25	19
Prepaid expenses and accrued revenues	266	89	70
Cash and cash equivalents	719	643	876
Total current assets	**1,281**	**949**	**1,326**
TOTAL ASSETS	**2,667**	**2,862**	**2,672**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	1	1	1
Capitalised development reserve	1,036	1,513	954
Non-restricted equity			
Share premium reserve	30	30	30
Retained earnings	-51	-177	384
Profit for the period	508	323	171
Total equity	**1,523**	**1,689**	**1,540**
Untaxed reserves	**695**	**755**	**695**
Current liabilities			
Accounts payable	56	45	32
Liabilities to group companies	155	113	164
Current tax liabilities	-	19	-
Other liabilities	9	22	14
Accrued expenses and prepaid revenues	229	219	227
Total current liabilities	**449**	**418**	**438**
TOTAL EQUITY AND LIABILITIES	**2,667**	**2,862**	**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;

	2026-04-01 2026-06-30	2025-04-01 2025-06-30	2026-01-01 2026-06-30	2025-01-01 2025-06-30	2025-01-01 2025-12-31
USA	458	392	813	797	1,873
Sweden	9	11	20	20	59
Rest of Europe	42	47	96	86	213
Rest of the World	14	9	27	18	47
Total	**524**	**459**	**955**	**922**	**2,192**

During the quarter and the six-month period, MSEK 461 (MSEK 395) and MSEK 798 (MSEK 776), respectively, of the Group's revenue was generated through a single platform, Steam.

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

	2026-04-01 2026-06-30	2025-04-01 2025-06-30	2026-01-01 2026-06-30	2025-01-01 2025-06-30	2025-01-01 2025-12-31
PC	466	405	811	795	1,896
Console	46	38	117	87	223
Mobile	9	12	20	25	46
Other	3	4	8	14	28
Total	**524**	**459**	**955**	**922**	**2,192**

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

	2026-04-01 2026-06-30	2025-04-01 2025-06-30	2026-01-01 2026-06-30	2025-01-01 2025-06-30	2025-01-01 2025-12-31
Cost of goods sold	118	105	253	201	1,169
Selling expenses	1	1	2	2	4
Administrative expenses	2	2	4	3	7
Total	**121**	**108**	**258**	**206**	**1,180**

NOTE 3. SUBSEQUENT EVENTS

On 5 August 2026, the Board of Directors resolved to initiate a share repurchase programme under the authorisation granted by the Annual General Meeting on 12 May 2026.

HISTORIC FIGURES

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