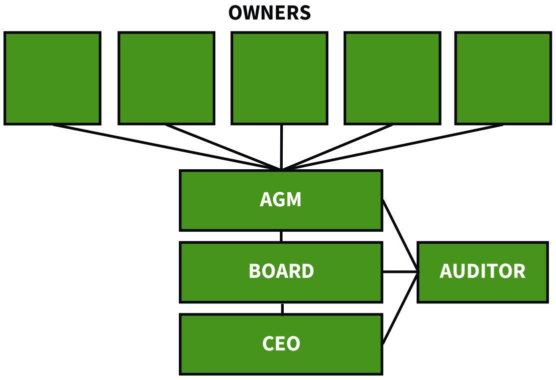
CORPORATE GOVERNANCE REPORT

Paradox Interactive AB (publ) is a Swedish public limited liability company and is governed based on Swedish law and internal rules and regulations. The Swedish Code of Corporate Governance (the Code) is applicable for Swedish companies with shares listed on a regulated market in Sweden. Nasdaq First North Premier Growth Market where the company is listed is not a regulated market but requires companies to apply the Code. Companies need not comply with all rules in the Code and have the option to apply alternative solutions believed to better fit their purposes, as long as any discrepancies are reported and the alternative solution is described and the reasons explained (the principle of comply or explain) in the corporate governance report. The company has during financial year 2025 complied with the Swedish Code of Corporate Governance without any deviations. The report is contained in the administration report and has been reviewed by the auditor. The audit is reported in the audit report on page 72.

CORPORATE GOVERNANCE MODEL



IMPORTANT EXTERNAL REGULATIONS

- The Companies Act
- Accounting legislation, Bookkeeping Act, Annual Accounts Act
- Nasdaq First North Premier Growth Market – Rulebook
- The Swedish Code of Corporate Governance (the Code)

IMPORTANT INTERNAL REGULATIONS

- Articles of association
- Rules of procedure for the Board of Directors
- Instructions for board committees
- Insider policy
- Communication policy
- Finance policy
- Other policies, guidelines and manuals

CORPORATE GOVERNANCE FOUNDATION

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

SHARES AND SHAREHOLDERS

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

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

GENERAL MEETING

The general meeting is the highest decision-making body in which shareholders exercise their influence over the company. The general meeting is held annually within six months of the end of the financial year. Time and place of the AGM are published at the latest in connection with the third interim report. Each shareholder also has, independent of the number of shares, the right to have a matter addressed at a general meeting on a request to be submitted to the Board of Directors in good time so that the matter can be included in the notice of the meeting. Notice to the AGM and Extraordinary General Meeting where a change in the articles of association is to be resolved must be made no earlier than six weeks and not later than four weeks ahead of the general meeting. Notice to other extraordinary general meetings must be made no earlier than six weeks and not later than two weeks ahead of the general meeting. Notice of a general meeting shall be made by an announcement in the Official Gazette (Sw. Post- och Inrikes Tidningar) and by making the notice available on the company's website. The company shall advertise in Svenska Dagbladet that notice has been made. Shareholders wishing to participate in a general meeting must be entered in a transcript or other publication of the complete share register covering the status the number of days prior to the meeting as prescribed under the Companies Act, and give notice of attendance to the company no later than the day specified in the notice of the general meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and must not be earlier than the fifth weekday prior to the general meeting. Shareholders or proxies may be accompanied by not more than two assistants, but only if the shareholder notifies the company of the number of assistants in the manner described above. The general meeting's decision is made by a simple majority of the votes cast. However, some decisions, such as amendments to the Articles of Association, require qualified majority voting.

At the annual general meeting the following shall be addressed:

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

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

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

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

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

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

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

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

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

Attendance at the annual general meeting

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

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

THE BOARD OF DIRECTORS

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

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

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

Duties of the board of directors

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

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

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

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

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

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

Composition of the board and attendance in 2025

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

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

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

Board meetings 2025

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

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

Per Håkan Börjesson, chairman (appointed by Investment AB Spiltan)
Håkan Sjunnesson (chairman of the board)
Oscar Ingdahl (appointed by Westerinvest AB)
James Mitchell (appointed by Tencent Holdings Limited)

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

Nomination committee's work ahead of the AGM 2026
The nomination committee's work was conducted in accordance with the Code and the instructions established by the 2024 AGM. The nomination committee held two minuted meetings ahead of the 2025 AGM and maintained ongoing contact as needed in addition to this. As part of its work, an evaluation of the board's work was also conducted, among other things through a survey sent to board members.

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

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

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

BOARD COMMITTEES

Audit committee
The board has appointed an audit committee consisting of at least three members. A majority of the members shall be independent in relation to the company and company management. The committee's responsibilities are, among other things, to monitor the company's financial reporting and prepare the board's work on quality assurance of the same, to monitor the company's internal control, internal audit and risk management regarding financial reporting, and to establish guidelines for the procurement of additional services from the company's auditor. In addition, the committee shall assist the nomination committee in the preparation of proposals for election of auditors and auditor fees and continuously meet the company's auditor. All audit committee meetings are minuted and the protocols are given to the board together with a verbal report in connection with the board's decision-making.

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

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

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

Important matters addressed by the CEO and senior management in 2025 included:
The CEO and senior management have presented interim reports on a recurring basis, presented proposals for investments in new game projects, presented the status of the ongoing game development, and proposals for approval of gaming project phases.

REMUNERATION TO CEO AND SENIOR MANAGEMENT

Guidelines last determined by the AGM 2022
Remuneration for senior executives may consist of a fixed cash salary, variable cash compensation, pension benefits and other

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

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

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

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

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

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

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

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

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

BOARD OF DIRECTORS

HÅKAN SJUNNESSON
Position: Chairman of the board, elected as board member in 2010.
Born: 1956
Education: M.Sc. in Business and Economics from Stockholm School of Economics.
Other current assignments: Chairman of the board in Qvalia Group AB, AktivBo Group AB, Resitu Medical AB and Coolstuff AB. Member of the board in NuvoAir Holdings Inc, Captario AB and Clira AB.
Previous assignments: Investment Manager, Spiltan Invest; Managing Partner Nordic Countries, Monitor Group; Vice President & Country Manager, Gemini Consulting.
Shareholding: 3,091,437 shares – through company.
Independence: Independent in relation to the company and senior management. Not independent in relation to major shareholders, employee of Spiltan Invest.

FREDRIK WESTER
Position: Board member. Elected in 2010.
Born: 1974
Education: International Civil Economics Program, Business School of Gothenburg 1993–1998, International Business Studies at Hokkaido Tokai Daigaku, Sapporo, Japan 1997–98.
Other current assignments: CEO Paradox Interactive. Board member of Q-Group AB.
Shareholding: 35,235,937 shares – through company.
Independence: Not independent in relation to the company and senior management. Not independent in relation to major shareholders.

LINDA HÖGLUND
Position: Board member. Elected in 2020.
Born: 1973
Education: Master of Science in Business and Economics, Stockholm School of Economics.
Other current assignments: CFO Jobandtalent S.L., Non-executive IC member Luminar Ventures AB. Board member CINT AB.
Previous assignments: COO Klarna Bank AB, CFO/General Partner Luminar Ventures AB, CFO Grab, CFO Klarna AB, CFO Electronic Arts Games Europe, CFO Digital Illusions AB, CFO/Co-founder BlueFactory AB, Analyst Investment banking Goldman Sachs.
Shareholding: –
Independence: Independent in relation to the company and senior management. Independent in relation to major shareholders.

MATHIAS HERMANSSON
Position: Board member. Elected in 2019.
Born: 1972
Education: Business Administration, Gothenburg School of Economics and University of Edinburgh.
Other current assignments: CFO and Deputy CEO at VOI Technology AB. Board member of Tele2 AB and Aityr AB. CEO and owner of NC Management AB.
Previous assignments: CFO at Veoneer Inc and Modern Times Group MTG AB. Executive Chairman at MTGx AB. Board member at CTC Media Inc. Chairman of Viaplay AB and MTG TV AB.
Shareholding: 6,400 shares – direct ownership.
Independence: Independent in relation to the company and senior management. Independent in relation to major shareholders.

ANDRAS VAJLOK
Position: Board member. Elected in 2021.
Born: 1971
Education: Bachelor of Science in Economics and Business Administration at the School of Business, Economics and Law at the University of Gothenburg, 1996.
Other current assignments: Board member of Unibap, Jumpgate, Besedo, The Gifted Company, Gazella, Amanda AI and Silfverlok Invest.
Previous assignments: CFO of Paradox Interactive, Head of Post Trade Solutions Equities of Nasdaq.
Shareholding: 100,000 shares – indirect ownership.
Independence: Independent in relation to the company and senior management. Independent in relation to major shareholders.

GUSTAV PALMQVIST
Position: Employee representative, elected to the board in 2025.
Born: 1983
Education: Computer Science, Linköping University.
Other current assignments: Tech Lead at Paradox Development Studio, chairman of the local Unionen branch at Paradox Interactive.
Previous assignments: Various roles in programming at Paradox Development Studio since 2012.
Shareholding: 2,004 shares – direct ownership.

SENIOR MANAGEMENT

ALEXANDER BRICCA
Position: Chief Financial Officer (CFO)
Born: 1976
Education: MSc in Business Law and BSc in Business Administration, Linköping University.
Other current assignments: Board member of CDON AB and Alyssa AB.
Previous assignments: CFO Viaplay AB, Board member of Stillfront Group AB, CFO Voddler Group AB, Investment Manager Deseven Capital AB, Business lawyer Bricca Affärsjuridik AB, Corporate legal counsel ECI Net AB.
Shareholding: 5,103 shares – direct ownership. 99,500 warrants – direct ownership.

MATTIAS LILJA
Position: Deputy CEO and Chief of Staff (COS)
Born: 1972
Education: BSc in Physiotherapy, Uppsala University and History of Science and Ideas, Umeå University.
Other current assignments: –
Previous assignments: Partner Free League Publishing, Chief Operating Officer, Chief Production Officer, EVP of Studios and other studio and game development roles at Paradox Interactive.
Shareholding: 1,094 shares – direct ownership. 99,500 warrants – direct ownership.

HENRIK FÅHRAEUS
Position: Chief Creative Officer (CCO)
Born: 1973
Education: MSc in Technology and MSc in Education, Luleå University.
Other current assignments: –
Previous assignments: Creative Director, Game Director, Design Director, Producer and other Game Design related roles at Paradox Interactive.
Shareholding: 33,768 shares – direct ownership. 99,500 warrants – direct ownership.

MATTIAS RENGSTEDT
Position: Chief Business Officer (CBO)
Born: 1980
Education: BSc in Electrical Engineering, Chalmers University of Technology and MSc in Business Administration, Gothenburg School of Business, Economics and Law.
Other current assignments: –
Previous assignments: VP of Sales Paradox Interactive, Commercial Manager Paradox Interactive, Commercial Product Manager ASSA ABLOY, Product Manager Atlas Copco and Group Solutions Manager Niscayah Group.
Shareholding: 14,250 shares – direct ownership. 75,000 warrants – direct ownership.

PAULA THELIN
Position: VP of Culture & Engagement
Born: 1987
Education: Bachelor's degree in Media and Communications, Linnaeus University.
Other current assignments: Member of the Advisory Board for The Game Assembly and Future Games.
Previous assignments: VP of Culture & Engagement and Event Manager at Paradox Interactive; Communications Manager at Zound Industries; Events Project Manager at Bonnier Group AB, Dagens Nyheter and Dagens Industri.
Shareholding: 30,000 warrants – direct ownership.

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

INTERNAL AUDIT

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

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

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

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

AUDITOR’S REPORT

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

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

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

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

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

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

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

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

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information. In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A statutory sustainability report has been prepared.

Stockholm, April 2, 2026

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow
Authorized Public Accountant