



2024 Annual Report

FRAGBITE
GROUP

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The year in brief

213.2

Revenue (SEK million)

7.8

EBITDA (SEK million)



Playdigious continues to deliver with good profitability, signs additional major titles for porting to mobile and publishes its first PC game under the Playdigious Originals brand.



Fragbite AB sets another audience record for the Swedish Cup, maintains profitability, strengthens EBITDA and lays the foundation for a new business vertical.



FunRock Prey expands operations, signs two work-for-hire contracts alongside in-house development and closes 2024 with profitability.



Lucky Kat begins development of its own gaming protocol, launches Kumo as an NFT collection and licences the brand for retail.

We are Fragbite Group

We create
entertainment
for a new
generation
of gamers.



We develop, adapt and
publish games and esports
content for traditional and
modern platforms.

Fragbite Group is
based in Stockholm
and publicly traded
on Nasdaq First North
Growth Market.

With focus on the gaming experience

Fragbite Group AB (publ) ("The Company") is a publicly traded, Swedish company with a portfolio of established subsidiaries that develop, adapt and publish games and esports content within GAMING, ESPORTS and WEB3. Our products are developed for traditional platforms – PC, console and mobile – as well as modern platforms built on blockchain technology. The Group is headquartered in Stockholm and has employees in Sweden, France, the Netherlands and Gibraltar.

OUR BUSINESS

Fragbite Group acquires and develops fast-growing and well-managed subsidiaries with strong management, whose business complements the existing companies. We help companies grow through cutting-edge expertise, capital and cross-fertilisation with other operations in the Group. Together we create entertainment for the global gaming market by meeting the needs of a new generation of gamers to Play, Watch and Own.

THE GROUP IS FORMED

In 2020, Fragbite Group's growth journey began when the Company (then FunRock AB) acquired P Studios AB ("Prey Studios"). The Company made three acquisitions in 2021: Fragbite AB ("Fragbite"), Playdigious SAS ("Playdigious") and Lucky Kat B.V. ("Lucky Kat"). In 2022, the subsidiary WAGMI Ltd. ("Wagmi") was established. Fragbite Group's listing on Nasdaq First North Growth Market in July 2021 not only provided growth capital but also represented an important quality hallmark and contributed to increased awareness.



Our subsidiaries

fragbite

Fragbite is based in Sweden and is one of the Nordic region's largest esports communities. The company develops IPs and editorial content, as well as operates tournament concepts. Marketing services and advertising in esports and gaming are offered under the Config brand.



Funrock & Prey Studios is a game studio based in Sweden that develops game engines and games for mobile platforms, under their own IP:s and within the framework of work-for-hire contracts.



Lucky Kat is a game studio based in the Netherlands that develops hypercasual mobile games as well as web3 games and services connected to blockchain-based ecosystems.



Playdigious is a game studio based in France that develops and ports successful game titles from PC to mobile. Under the Playdigious Originals brand, indie games for PC and console are published.

wagmi

Wagmi is the Group's issuer of financial assets within web3, such as tokens and NFTs. Based in Gibraltar and registered as a Virtual Asset Service Provider by the Gibraltar Financial Services Commission.

CEO's comments

As we summarise 2024, with its successes and setbacks, I can say that much of the year was a steel bath for Fragbite Group. On 23 May, the Board was forced to declare the subsidiary Fall Damage bankrupt, a decision that was very difficult but necessary. In July, a rights issue was completed, which placed great demands on both us who run the Company and our shareholders.

2024 was also a year of positive development in our Swedish entities, with both Fragbite AB and FunRock & Prey Studios increasing their revenue and delivering profitability. The Group's strongest subsidiary, Playdigious, reported a stable, profitable year. A cost reduction programme with total annual savings of around SEK 11 million was implemented. Much of it was concentrated on the Parent Company where we worked closely on streamlining.

PLAYDIGIOUS CONTINUES ON TRACK

Our French subsidiary has continued on its charted course and started the year by signing a number of important agreements that expanded its pipeline of upcoming games. A strong brand and successful titles such as *Loop Hero*, with a Q2 release that exceeded expectations, pave the way for Playdigious to sign even larger IPs related to porting operations going forward. July saw

the publication of *Linkito*, the first PC game under the Playdigious Originals brand, after which a great deal of effort was devoted to preparing for the imminent release of the title *Fretless*. The subsidiary, which has been profitable since 2019, delivered a good result for the full year but not at the budgeted level due to delays to several games initiated by the IP owners. Playdigious therefore has several releases and announcements to come in 2025 that were initially planned for 2024.

An important distribution agreement with Epic Games was signed in the fourth quarter. No fewer than four Playdigious titles were part of the launch offer when the global Epic Game Store for mobile games opened its doors on 24 January 2025, and negotiations for additional titles are in progress. With this positive distribution agreement, Playdigious has again broadened its distribution, which is a key factor in leveraging the full portfolio over time.

ESPORTS STILL PROFITABLE

2023 was the year that Fragbite AB turned the ship around and delivered a profitable year after a period when the entire esports market suffered in the aftermath of Covid. I am proud of the team, which continued to deliver at the same level in 2024, resulting in the year closing with profitability again. Revenue was in



line with 2023, while EBITDA almost doubled, showing more efficient operations and planning.

During this year's Swedish Cup, the 2023 levels of audience engagement were surpassed on all metrics, which is a key indicator of the tournament's relevance to commercial partners. With satisfied participants, partners and sponsors, there is scope for the Swedish Cup to continue to grow. The subsidiary has also initiated a collaboration on tournaments at Nordic level, thereby taking a first step in the long-planned expansion of the business to the Nordic region.

The agency business under the Config brand is increasingly finding its place in the modern media landscape. Recently, a new business vertical called Config Ads was presented – an advertising network that will be the Nordic region's largest in gaming and esports with over a hundred connected channels and websites.

REVENUE MODEL DRIVES GROWTH

Early in the year, our development studio FunRock & Prey Studios established a new revenue model, a form of hybrid work-for-hire, which has produced results. The subsidiary closed the full year 2024 with a positive EBITDA and has been cash flow positive since November. I am proud of the team that has worked hard to get to this point.

The wind in FunRock & Prey Studio's sails mainly comes from two work-for-hire contracts that have been in progress since Q2 2024. They both concern development of white label games based on the game engines for *MMA Manager* and *Capital War*, an inactive IP that is now being utilised again. Both contracts include the possibility of profit-sharing if the games are successful, which means that they are broader than normal WFH. The goal is for the subsidiary to establish more hybrid projects of this type in parallel with its own game development and maintenance, thereby ensuring long-term profitability and growth. We recently announced the extension of the first agreement and the opening of dialogue on a third game, with *MMA Manager 2* also showing excellent figures since the end of 2024. FunRock & Prey Studios have finally caught a tailwind, and we are working together to build on this.

CHALLENGES AND OPPORTUNITIES IN WEB3 BUSINESS AREA

During the second quarter, work began on improving the infrastructure that underpins \$KOBAN, the token that represents the hub of the business area's ecosystem of games based on blockchain technology. New expertise was brought to subsidiaries Lucky Kat and Wagmi, and work on an updated brand profile, including a successful NFT collection under the Kumo brand mascot, was established to promote the ecosystem around

\$KOBAN. During the third quarter, an agreement was signed to license Kumo for physical production and in January 2025, a first collection of plushies with integrated digital assets was sold. At the same time, work on titles *Panzerdogs* and *Cosmocadia* continued.

In November, we were able to announce that \$KOBAN is being developed into a protocol token and that work on our own gaming protocol has begun. The benefits of building our own protocol are that we can create a long-term sustainable B2B business in which we sell services to other developers to build their games and digital assets on our protocol. The establishment of a proprietary protocol based on nodes, which in turn can be sold, enables the long-term stability that the business area currently lacks.

Despite significant product development, the business area has suffered major delays in 2024 and with them an increasingly strained cash position. The public launch of \$KOBAN, which started in April 2025, should have been completed during 2024 and the revenue budgeted by the subsidiaries for 2024 did not materialise, which in turn had a negative

impact on the Group's cash flow. We have focused a great deal on supporting the business area and driving the realisation of projects and revenues in various ways – getting the business back on track financially is our top priority at this time.

FOCUS ON PROFITABLE BUSINESS

We close 2024 with profitability in the Gaming and Esports business areas, but at the same time with a tough situation for the Web3 business. From the beginning of the year and onwards, efforts are focused on reviewing the entire organisation, selling assets where favourable and strategically redirecting where necessary so that we can reduce debt and close 2025 with profitability across the entire Group.

Stefan Tengvall,
Acting President & CEO



Board of Directors

According to the Articles of Association, the Board of Directors shall consist of no fewer than three and no more than eight members, with no more than one deputy, who are to be elected annually by the Annual General Meeting for the period until the next AGM is held. The Company's Board of Directors currently consists of four members elected by the AGM, including the Chairman of the Board.



Sten Wranne

Born 1961
Chairman since 2024

Education and experience:

Sten holds an MSc in Technical Physics from Chalmers University of Technology, Gothenburg. He has held a number of CFO roles during his career, including at Stillfront Group, Adcore AB and Connecta AB. Sten has extensive experience of both financial management and the listed environment, as well as M&A, in gaming and other industries. He also has experience from a number of directorships, both previous and current, and is a partner and executive Board member of the management consultancy group Newground Alliance. Sten joined the Board in 2021.

Holdings in Fragbite Group:

Sten owns 83,485 shares: 20,211 privately and the remainder through companies. He holds 50,000 warrants of series OP 2022/2025.

Other appointments:

Board member of Newground Alliance AB. Board member or Deputy Board member of a number of companies in the Newground Alliance Group. Board member of Black Ocean Development AB, Deseven International AB and Black Ocean Invest AB. Deputy Board member and CEO of Deseven Capital AB.

Independent of the Company and its management: Yes

Independent of major shareholders: Yes



Stefan Tengvall

Born 1976
Board member since 2022

Education and experience:

Stefan studied the Master's Programme in Accounting, Valuation & Financial Management at Stockholm School of Economics. He has extensive experience as an entrepreneur and investor in the field of information and communication technology. Stefan is one of the founders of Ownit Broadband and helped to build up the company to revenue of SEK 134 million and EBIT of SEK 29 million until it was sold to Telenor in 2012. He was previously an investor and Chairman of Scrive.

Holdings in Fragbite Group:

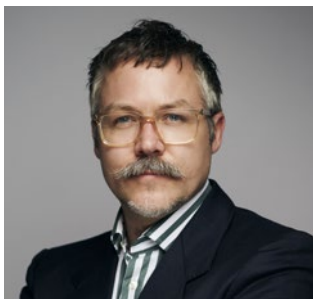
Stefan owns 117,247 shares: 1,455 privately and the remainder through companies. He holds 100,000 warrants of series OP 2022/2025.

Other appointments:

Chairman of the Board of uNorth AB. Board member of Travel Contracts Sweden AB, Internet Legends AB, Verification Topco AB, BuddyCompany Group AB, Mobility46 AB, Elbilio AB, Shinjitsu AB, Incaprettamento AB, Sören Tengvall Bygg och Inredningar Aktiebolag and Hello Ebbot AB. Board member and CEO of Twin Mountain Group AB and Autonoma System i Stockholm AB.

Independent of the Company and its management: No

Independent of major shareholders: Yes



Niclas Bergkvist

Born 1978

Board member since 2024

Education and experience:

Niclas holds a Bachelor of Science from Halmstad University. He has experience as an investor, entrepreneur and management consultant and has previously held leading roles in several companies such as Getinge Sterilisation AB, Allergon, Benzlers and Stora Enso. Niclas is an active investor through his own investment company WB Invest AB and works in parallel as a management consultant for various clients and as General Manager of BioFarming Sweden AB. Niclas served as a Board member of Fragbite Group during the period 2020-2023, including two years as Chairman.

Holdings in Fragbite Group:

Niclas owns 41,933 shares privately and 67,407 through companies. He holds 50,000 warrants of series OP 2022/2025.

Other appointments:

Chairman of Wilhelmsson Holding i Laholm AB. Chairman and CEO of Grannsak AB and WB Invest AB. Board member of WB Fastigheter Syd AB and Goodspot Group AB.

Independent of the Company and its management: Yes

Independent of major shareholders: Yes



Mikael A. Pettersson

Born 1972

Board member since 2024

Education and experience:

Mikael Pettersson is an experienced entrepreneur and professional investor with an extensive background in both building and selling businesses in various sectors. He was a key player in the creation of Humble Group AB, listed on Nasdaq Stockholm, where he also served on the Board of Directors. He has served on the nomination committee for Orrön Energy (formerly Lundin Energy), among other appointments. Mikael has actively invested in the gaming sector over the past decade and was one of the first investors in Fragbite Group. Today Mikael works exclusively with long-term investments.

Holdings in Fragbite Group:

Mikael owns 733,819 shares privately and through companies.

Other appointments:

Board member of Dita Invest AB, Dita Invest Holding AB and Bostadsrättsföreningen Syrenblomman. Deputy Board member of RHR Form och Design Uppsala AB.

Independent of the Company and its management: Yes

Independent of major shareholders: No

Risks and risk management

Uncertainty about future events is a natural part of any business. Future events may have a positive impact and present opportunities for increased value creation, or a negative impact and affect the result unfavourably. Active risk management is a prerequisite for the successful operation of the Company.

Fragbite Group's Board of Directors is responsible to shareholders for the Company's risk management. Risk management associated with business development and long-term strategic planning is prepared by the management team, and decisions are made by the Board. The management team reports regularly to the Board on risk issues such as the Group's financial status and compliance with financial and accounting policies. Fragbite Group monitors the external environment continuously, assessing and evaluating the risks to which the Group is and may be exposed. Critical external factors are managed on an ongoing basis within the framework of operating activities.

Some of the strategic and operational risks that may be of significance to the Company's future development are described below. The list is not exhaustive, and the risks are not described in order of importance or potential impact on the Company's performance or financial position.

RISKS RELATED TO THE COMPANY'S BUSINESS AND INDUSTRY

Risks related to the Company's products and its users' preferences

Fragbite Group's operational and financial performance is dependent on the attractiveness of the products developed, marketed

and distributed by the Company and its partners. Revenues are currently generated from the Company's games, web3 operations, publishing operations and esports operations. To generate recurring revenues, Fragbite Group needs to work actively on maintaining a high level of knowledge of the Company's markets and customer awareness of existing game titles and of the games covered by the Company's publishing activities and the activities conducted within the framework of the esports business.

The commercial success of existing and future games and esports content may deteriorate or not be achieved at all if the Company fails to identify and adapt to trends and end-user expectations and demands for gaming experiences and esports content.

Risks related to competition in the Company's market

The gaming industry is attractive and competitive, and characterised by relatively high development costs at often high risk, but at the same time high potential profit should a product be well received by the players. In order for Fragbite Group to maintain its competitive position and thereby continue to grow and develop, the Company must develop, release and successfully market competitive games that appeal to players and to provide

content on the Company's esports platform that is attractive to esports enthusiasts. The Company must also ensure a broad and long-term sustainable distribution network with risk diversification across different remuneration models to secure revenues in the long term.

Risks related to the Company's game development

All development and releasing of games involves a certain amount of uncertainty when it comes to estimating the time and resources required to complete games. It may transpire that game development projects need more development work than was originally planned. Projects in progress may also need to change direction or design for commercial reasons. This may, for example, be due to changes in gaming trends or expectations and demands from gamers. Delays in product releases and technological developments in the gaming market could cause Fragbite Group's games to become outdated compared with competing games.

Risks related to dependence on partners

The Company's game development and/or marketing may take place in cooperation with external partners such as developers and distributors. With this type of cooperation, the Company may have less control over processes for marketing and other key activities than

when development, publishing, marketing and distribution is carried out entirely in-house. Delays and interruptions in the marketing of the Company's current and future game projects may lead to delayed or lost revenues. The Company's reputation and relationships with current and potential future partners may also be damaged. Mobile games are distributed via partnerships with various distributors such as the Apple App Store, Netflix and Google Play. If owners of digital distribution platforms were to suspend or limit the Company's access to their platforms, be affected by outages, impair the Company's terms and conditions in respect of, e.g., revenue distribution, or report inaccurate sales figures to the Company, this could have a negative financial impact in the short term, while in the longer term, persistent failures could make it more difficult for the Company to reach out to end users.

Risks related to the web3 market

Web3, i.e. blockchain technology, is considered by many to be a market with very high potential that will fundamentally change the gaming industry, and investors are therefore both large and numerous in this new market. However, it is still under heavy development and therefore immature, as shown by the high volatility in the value of most cryptocurrencies. At the same time, significant global efforts are

being made to regulate this market in order to create greater predictability, and the Company is at the forefront in this area with its registration as a Digital Service Asset Provider in Gibraltar. However, the market being in such an early phase presents risks for early adopters and an unfavourable development could therefore have a negative impact on the Company's operations.

Risks related to the Company's growth strategy

The Group's future growth is expected to be both organic and acquisitive. Acquisitions may also involve legal, financial and operational risks related to the business being acquired, as well as risks that the integration process will be more costly or time-consuming than estimated, or that expected synergies will totally or partly fail to materialise.

IT risks

Fragbite Group is dependent on effective IT infrastructure in order to produce, develop, sell and publish its gaming products and run its esports operations. The Company and its partners and customers are at risk from attacks by hackers, viruses and other forms of cybercrime. There is a risk that information management systems belonging to the Company or other companies with which the Company has a business relationship may be



subject to cybercrime, hacking or other similar events. The effects of such activities may result in total or partial inaccessibility of the Company's IT systems.

Risks related to regulatory requirements

It is of key importance for the Company that its operations are compliant with applicable laws and regulations in the various jurisdictions in which the Company operates. However, regulatory compliance is time-consuming and cost-intensive and may increase in the event of changes to laws and regulations. As esports and web3, and to some extent gaming, are still relatively new industries, laws and regulations may change rapidly and affect the Company's operations and profitability in the short term, for example by requiring the Company to allocate additional resources to regulatory compliance. Furthermore, the Company processes personal data and is therefore subject to the EU Regulation (2016/679) on the protection of natural persons with regard to the processing of personal data ("GDPR") and national data protection legislation. Failure by the Company to comply with the requirements of the GDPR – for example, by improper handling of personal data or not preventing unauthorised disclosure – could result in negative publicity, financial damage or an adverse impact on the Company's brand reputation.

SIGNIFICANT FINANCIAL RISKS AND UNCERTAINTIES

Liquidity risks

To enable acquisitions, game development and other development within its operations, the Company is in need of external financing in cases where the Company's own cash flow is not sufficient. There is a risk that, in the future, external capital cannot be raised when needed and/or cannot be raised on terms acceptable to the Company. This could result in the Company's market position deteriorating in relation to competitors, and the Company's growth strategy being hampered by limited ability to acquire companies.

Currency risks

In the course of its international operations, the Company is exposed to exchange rate fluctuations in the form of transaction exposure, which arises when one currency is exchanged for another. Earnings are also affected by exchange rate fluctuations in the form of translation exposure when the foreign companies' results are translated into Swedish kronor, and the Group's equity is affected by exchange rate fluctuations when foreign assets and liabilities are translated into Swedish kronor. The Company is mainly exposed to exchange rate fluctuations in the currencies EUR and USD. There is currently no hedging of equity in foreign subsidiaries, and there

was no currency hedging of the Company's flows in foreign currency during the year.

Interest rate risks

Changes in interest rates may affect the cost of borrowed capital and the return that the Company receives on cash and cash equivalents. Given the Company's relatively low borrowing and its short investment horizon, the interest rate risk to which the Group's revenues and cash flow are exposed is relatively low.

Credit risks

The Company does not have a significant concentration of credit risks regarding income from marketing and advertising, and cooperates with several established distributors regarding the Company's games. However, in the event of a distributor's suspension of payments, this would have an adverse financial effect on the Company.

Financial risk associated with holdings of crypto assets

The Company is active in web3, which may mean that it has positions in cryptocurrency from time to time. These holdings are reported as intangible assets whose value is exposed to price fluctuations in the global cryptocurrency market.

The share

Fragbite Group's shares were listed on Nasdaq First North Growth Market on 12 July 2021 and are traded under the ticker FRAG. The share's ISIN code is SE0015949334.

SHARE DEVELOPMENT IN 2024

The closing price on the last trading day of the period, 30 December 2024, was SEK 7.25 per share, corresponding to a market capitalisation of SEK 49.2 million for the Company, based on 6,783,086 outstanding shares. The highest price listed during the year was SEK 130.03 and the lowest was SEK 3.34.

SHARE TURNOVER

During the year, a total of about 4 million shares were traded at a value of approximately SEK 65 million. On average, 17,237 shares were traded per trading day, corresponding to average daily turnover of SEK 259,388.

NUMBER OF SHARES AND SHARE CAPITAL

The number of shares in Fragbite Group on 1 January 2024 was 108,525,164, corresponding to the same number of votes, with share capital of SEK 1,808,721 and a quotient value per share of SEK 0.0167.

On 15 April, 681,282 warrants were exercised to subscribe for the same number of shares.

The rights issue carried out in July increased the number of shares by 3,046,617,948. In connection with the rights issue, 66,000,000 new shares were issued to investors who chose to

receive guarantee compensation as newly issued shares rather than a cash amount. The new share issues increased the total number of shares to 3,221,824,394.

In September, the Company engaged an investor and carried out a directed share issue of 50,000,000 shares, increasing the total number of shares to 3,271,824,394.

In October, 119,719,059 warrants, subscribed for in July 2024, were exercised to subscribe for the same number of shares. The exercise increased the total number of shares to 3,391,543,453.

On 4 November, the Company held an EGM, during which it was decided to reduce the Company's share capital and conduct a reverse share split. The decision meant that five hundred (500) shares were consolidated into one (1) share. After the reverse split, the Company's shares totalled 6,783,086. It was decided to reduce share capital by SEK 53,133,204.88 to SEK 3,391,543. After the share capital reduction and reverse share split, each share has a quotient value of SEK 0.5.

Consequently, the total number of shares was 6,783,086 at the end of the year and the share capital amounted to SEK 3,391,543.

OWNERSHIP STRUCTURE

The number of Fragbite Group shareholders was 2,501 on 31 December 2024. The 10 largest shareholders held shares corresponding to 58.83 percent of shares outstanding and votes.

DIVIDEND POLICY

All shares in the Company carry equal rights to dividends, and decisions on dividends are made by the Annual General Meeting. The Company's Board of Directors has not adopted a dividend policy. However, when considering whether to propose a dividend, the Board takes into account a number of factors, including the Company's operations, operating profit, financial position, current and anticipated liquidity needs, expansion plans, contractual restrictions and other material factors. The Board intends to prioritise investments over distribution of dividends to shareholders in the next few years, and will therefore recommend to the AGM that no dividend be paid for the 2024 financial year.

LIST OF SHAREHOLDERS 31 DECEMBER 2024

Ten largest shareholders in Fragbite Group AB (publ)

Shareholder	Number of shares and votes	Share of capital and votes (%)
Santhe Dahl Invest AB	1,080,555	15.93
Moongolde Ltd	556,607	8.21
Avanza Pension	537,964	7.93
Mikael A. Pettersson	508,605	7.50
Nordea Liv & Pension	476,556	7.03
Nordnet Pensionsförsäkring	378,715	5.58
The Barbarian Group AB	118,002	1.74
Stefan Tengvall	117,547	1.73
Måns Johansson	115,600	1.70
House Of K Holding Limited	100,000	1.47
TOTAL	3,990,151	58.83

KEY DATA, FRAGBITE GROUP SHARES

Earnings per share	SEK -19.02
Earnings per share after dilution	SEK -19.02
Shares outstanding at year-end	6,783,086
Closing price at year-end	SEK 7.25
Highest price during the year	SEK 130.03
Lowest price during the year	SEK 3.34
Market cap at year-end	SEK 49,177,374
Number of shareholders	2,501

Corporate governance

Corporate governance within Fragbite Group is based on Swedish law, internal rules and regulations, and Nasdaq First North Growth Market's rules. The Swedish Corporate Governance Code ("the Code") is applicable to all Swedish companies whose shares are listed on a regulated market in Sweden. As Nasdaq First North Growth Market is not a regulated market, the Company is not obliged to apply the Code.

GENERAL MEETING OF SHAREHOLDERS

General information

According to the Swedish Companies Act (2005:551), the general meeting is the Company's highest decision-making body. Shareholders exercise their voting rights on key issues at the general meeting, including the adoption of the income statement and balance sheet, appropriation of the Company's profits, discharge of Board members and the CEO from liability, election of Board members and auditors, and remuneration of the Board and auditors. Fragbite Group's annual general meetings are held in Stockholm within six months of the end of the financial year. Extraordinary general meetings may be convened in addition to the annual general meeting. According to the Articles of Association adopted at the extraordinary general meeting on 3 May 2021, the annual general meeting and general meetings are convened by advertising in Post- och Inrikes Tidningar and on the Company's website. When the notice convening the meeting has been issued, information to this effect shall be published in Dagens Industri.

WORKING METHODS OF THE BOARD OF DIRECTORS AND THE CEO

General information

The Board of Directors is the Company's high-

est decision-making body after the general meeting. According to the Swedish Companies Act, the Board of Directors is responsible for the management and organisation of the Company, which means responsibility for defining goals and strategies, ensuring that procedures and systems are in place for evaluating the defined goals, regularly evaluating the Company's performance and financial position and evaluating its operational management, among other things. The Board is also responsible for ensuring that the annual report and interim reports are prepared in a timely manner. The Board also appoints the Chief Executive Officer. Board members are normally appointed by the annual general meeting for the period until the end of the next annual general meeting. According to Fragbite Group's Articles of Association, the Board of Directors shall consist of no fewer than three and no more than eight members, with no more than one deputy. The Board follows written rules of procedure. The rules of procedure govern matters such as the frequency of Board meetings, functions and the division of work between the Board and the CEO. The Board meets according to a schedule defined each year. In addition to these Board meetings, extra Board meetings may be convened in order to deal with matters that cannot be left until to an ordinary

Board meeting. The Company's CEO prepares a CEO report describing significant events, KPIs, sales development, liquidity etc. before each Board meeting. At the Board meeting on 4 November 2024, the Board adopted and updated the instructions for the CEO. The CEO is responsible for compiling and sending a monthly management report to all ordinary members of the Board. The instructions for the CEO also specify which matters are to be submitted to the Board and deal with the division of work between the CEO and the Board.

Other guidelines

The Company's Board of Directors has adopted an insider trading policy as a complement to current insider trading legislation in Sweden. This policy, which applies to Board members and employees alike, sets out procedures for certain duty of notification, trading in financial instruments issued by the Company, deferral of disclosure of inside information and management of insider lists (logbooks), among other things. The Board has also adopted an information and communication policy which regulates the Company's information disclosure and other matters.

Audit Committee and Remuneration Committee

Provisions on the establishment of audit com-



mittees are set out in the Swedish Companies Act and apply only to companies whose shares are admitted to trading on a regulated market. However, it is the Company's assessment that, given the scope of the business, there is good reason to have a committee to deal with audit matters. At the statutory Board meeting on 21 May 2024, it was decided that the entire Board would form the Remuneration Committee and that an Audit Committee would be established, consisting of Sten Wranne (Chairman) and Stefan Tengvall. At the statutory Board meeting on 4 November, following the EGM, it was decided that the entire Board would form the Audit Committee.

Audit

The Company's auditor is appointed by the annual general meeting for the period until the end of the next AGM. Fragbite Group's auditor audits the annual accounts and annual report and the administration of the Board of Directors and the CEO. The auditor must submit an audit report to the AGM after each financial year. According to the Company's Articles of Association, the Company shall have one or two auditors, with or without deputy auditors. The AGM on 21 May 2024 decided to re-elect Revideco AB as the Company's auditor for the period until the next AGM. Erik Emilsson is chief auditor.

Directors' report

GENERAL INFORMATION ABOUT THE BUSINESS

Fragbite Group AB (publ), corporate ID 556990-2777, is a group of companies listed on Nasdaq First North Growth Market in Stockholm and active in the global GAMING, ESPORTS and WEB3 markets. The Group has a portfolio of established subsidiaries that develop, adapt and publish games and

esports content for both traditional and modern platforms. The Group has approximately 75 employees and is headquartered in Stockholm, Sweden, with physical representation in France (Paris, Montpellier and Nancy), the Netherlands (The Hague) and Gibraltar. The Group acquires and develops fast-growing, well-managed companies with strong management, whose business opera-

tions, supported by the Parent Company, have good potential to grow both organically and through synergies within the Group.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- Board member Zara Zamani takes over as acting CEO of Lucky Kat.
- Playdigious signs several agreements, total estimated net revenue three years from release for the current pipeline of upcoming games increases to between EUR 10 and 17+ million.
- At the AGM on 21 May, Board members Stefan Tengvall, Sten Wranne, Claes Kalborg, Zara Zamani and Maria A. Grimaldi are re-elected. Stefan Tengvall is re-elected Chairman of the Board.
- The subsidiary Fall Damage Studio AB is declared bankrupt.
- Marcus Teilman resigns as CEO at his own request Stefan Tengvall is appointed acting CEO, leaving the role of Chairman of the Board, but continuing as a Board member. Sten Wranne takes over as Chairman of the Board.
- The Company carries out a rights issue, bringing approximately SEK 60.9 million before issue costs.
- Anders Rössel, CFO and Head of M&A,

announces that he wishes to resign from his position. Inger Hasselberg, former Head of Financial Control, is appointed acting CFO and joins the management team.

- The Company changes accounting standard to IFRS with effect from 1 January 2024. In June 2024, it is decided to revert to K3 and delay returning to IFRS.
- Cost reductions of over SEK 11 million on an annual basis are implemented.
- Final earnout for Lucky Kat is set at EUR 0 million, and EUR 4 million provision is written off. The Company's settlement payment to the sellers is set at EUR 0.3 million.
- Maria A. Grimaldi and Claes Kalborg request to resign from the Board as of 16 October. At the EGM held on 4 November, Niclas Bergkvist and Mikael Pettersson are elected to the Board.
- Warrants issued in connection with the rights issue bring the Company approximately SEK 3.6 million before issue costs.
- The Company takes out loans of SEK 5 million from a group of existing shareholders. The loans mature on 16 July 2025 and may, at the Company's initiative and with the lenders' approval, be converted into shares on two occasions.
- A 1:500 reverse share split is carried out at the end of the year.

DEVELOPMENT OF THE COMPANY'S OPERATIONS, RESULTS AND FINANCIAL POSITION

Group, SEK thousands	2024	2023	2022	2021	2020
Revenue	213,230	237,198	254,059	124,041	4,595
EBITDA	7,793	16,193	11,909	6,162	-5,458
EBITDA margin, %	3.65	6.83	4.69	4.97	n/a
Operational EBIT	-3,484	8,028	5,255	-3,110	-5,469
Operating profit, EBIT	-141,761	-96,728	-83,221	-45,746	-22,336
Total assets	193,061	984,521	383,001	304,258	72,257
Equity/assets ratio, %	41.9	14.8	42.2	66.8	93.6
Adjusted equity/assets ratio, %	41.9	37.4	58.0	70.1	93.6

Parent Company, SEK thousands	2024	2023	2022	2021	2020
Revenue	6,027	5,853	7,270	2,359	49
EBITDA	-6,613	-11,932	-7,915	-7,540	-80
Total assets	232,589	850,777	453,275	311,097	83,669
Equity/assets ratio, %	56.9	34.0	56.9	77.5	95.8
Adjusted equity/assets ratio, %	56.9	60.1	67.9	80.7	95.8

Definitions: see note 29.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK thousands	Share capital	Other paid-in capital	Retained earnings incl. net profit	Total equity
2023				
Opening balance	1,511	355,674	-195,675	161,510
Net profit			-53,148	-53,148
New share issue	298	37,421		37,719
Issue expenses		-1,035		-1,035
Translation difference			1,021	1,021
At end of year	1,809	392,060	-247,802	146,067
2024				
Opening balance	1,809	392,060	-247,802	146,067
Net profit			-128,984	-128,984
New share issue	54,716	13,102		67,818
Issue expenses		-11,006		-11,006
Reduced share capital	-53,133	53,133		
Translation difference			6,997	6,996
At end of year	3,392	447,289	-369,789	80,892

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Restricted equity	Unrestricted equity		Total equity
Amounts in SEK thousands	Share capital	Share premium reserve	Retained earnings incl. net profit	
2023				
Opening balance	1,511	355,674	-99,194	257,991
Net profit			-5,513	-5,513
New share issue	298	37,421		37,719
Issue expenses		-1,035		-1,035
At end of year	1,809	392,060	-104,707	289,162
2024				
Opening balance	1,809	392,060	-104,707	289,162
Net profit			-213,689	-213,689
New share issue	54,716	13,102		67,818
Issue expenses		-11,006		-11,006
Reduced share capital	-53,133	53,133		0
At end of year	3 392	447 289	-318 396	132 285

- FunRock & Prey Studios sign a work-for-hire agreement worth SEK 3.3 million with an extension option.
- The Company signs a letter of intent with 4+Ventures AB and Swiss Peak Ventures GmbH on investment in the Web3 business area. The investment entails equity shares of up to 24% in the subsidiaries Lucky Kat and Wagmi at a combined total value of EUR 5 million.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

- The Company finalises the ownership agreement with 4+Ventures AB and Swiss Peak Ventures GmbH according to the previously communicated letter of intent.
- Zara Zamani requests to resign from the Fragbite Group Board and joins the Group management team in her capacity as CEO of Lucky Kat.
- The Company raises loans of SEK 5 million to support the subsidiaries Lucky Kat and Wagmi. The loans mature on 23 July 2025 and may, at the Company's initiative and with the lenders' approval, be converted into shares on two occasions.
- Playdigious signs a distribution agreement with Epic Games.
- Lenders are offered conversion. A total of approximately SEK 3.7 million is to be converted through a set-off issue, of which approximately SEK 2.2 million is attributable to Board members and is subject to approval by the General Meeting.

- An Extraordinary General Meeting is held on 25 March authorising the conversion of Board members' loans.
- Wagmi and Lucky Kat initiates the public launch of \$KOBAN with the pre-sale in two steps. The Company communicates prices and supply ranges.
- Zara Zamani leaves the Group management team as she transitions from CEO to Advisor for Lucky Kat. Arash Asroush, formerly COO, is appointed CEO of Lucky Kat.

EXPECTED FUTURE DEVELOPMENT

The Company continues to develop, adapt and publish high quality games that appeal to players and distribution partners and build the Group's IP portfolio. The Company continues to strengthen its offering in esports with the development of IPs, marketing services and advertising verticals. The Company continues to establish a position in web3 with market-leading games, digital assets and B2B services.

CHANGE OF ACCOUNTING STANDARD

During 2023, the Board decided that the Company would change accounting standard to IFRS, which was implemented in January 2024. In connection with the rights issue in June 2024, the Board decided to revert to the K3 accounting standard in order to enable the rights issue to be carried out within the decided time schedule. All reports have subsequently been presented in accordance with the K3 standard.

IMPORTANT CONDITIONS

On 23 May 2024, the subsidiary Fall Damage Studio AB was declared bankrupt, which had a negative impact of approximately SEK 4 million on the Group's earnings. See section Fall Damage below.

SIGNIFICANT FINANCIAL RISKS AND UNCERTAINTIES

Fragbite Group's Board of Directors is responsible to shareholders for the Company's risk management. See page 9 for significant financial risks and uncertainties.

In addition to the risks described on page 9, detailed liquidity planning to support the going concern assessment was carried out close to the signing of the annual report. Different alternative scenarios have been developed. The liquidity planning is of course dependent on future events over which we have no control, but these scenarios demonstrate that the going concern is valid. We therefore do not consider the remaining uncertainties to be material.

SUSTAINABILITY AND SOCIAL RESPONSIBILITY

Fragbite Group does not conduct any activities subject to permit under the Environmental Code (1998:808). As the Company's gaming operations involve the development of games that are distributed digitally and do not result in a physical product, there is minimal environmental impact. The Company's esports business is also largely digital, so this too does not have any significant environmental impact. In

web3, the Company is exposed to cryptocurrency, a market that initially had some environmental impact, but with the majority of today's blockchains being based on new technology, the environmental impact is insignificant. The first blockchains were based on proof-of-work mechanics, which required all transactions to be verified by each computer on the blockchain solving complex algorithms, resulting in significant electricity consumption. More modern blockchains, such as Sui, are based on proof-of-stake mechanics which, in simple terms, verify transactions against randomly selected users, resulting in exponentially lower electricity consumption. The blockchains to which the Company is exposed are based on proof-of-stake mechanics and the web3 business therefore also has a minimal environmental impact. In terms of day-to-day operations of all the Group's entities, such as travel, purchasing and premises, the Company tries as far as possible to ensure responsible behaviour towards both the environment and communities in the countries of operation.

COST REDUCTIONS AND RESTRUCTURING

In early 2024, Fragbite Group initiated a cost reduction programme consisting of financial and operational measures to increase the Company's efficiency, reduce capital expenditure and contribute to a stronger cash flow in the short and long term.

FINANCIAL MEASURES

Cost reductions were initiated in Q1 2024, after which larger cost reductions were carried

out towards the end of Q2. The costs were mainly related to the reduction of staff and consultants at Group level and in FunRock & Prey Studios, Lucky Kat and Fragbite AB, office space costs for the Swedish units and various Group-wide costs. The measures were finalised and fully implemented between June and October. Total realised savings are around SEK 0.95 million per month. Just over SEK 0.5 million of the savings are at Group level.

OPERATIONAL MEASURES

In parallel with the cost reductions, the Company has reviewed opportunities for rationalisation and restructuring within the Group. To date, this process has resulted in a change in the finance function and a shortening of decision-making paths between subsidiaries and the Parent. The Company continuously evaluates the sale of assets that do not contribute to the core business.

SALE OF SHARES IN LUCKY KAT AND WAGMI

On 13 December 2024, Fragbite Group signed a Letter of Intent for the sale of minority shares in the Web3 business area, followed by an agreement, signed on 21 January 2025. Counterparties are Swedish venture builder company 4+Ventures AB, experts in blockchain, and Swiss company Swiss Peak Ventures GmbH.

Purpose

The parties have an existing collaboration, and the



intention of the agreement is to deepen the partnership in order to pursue the Company's upcoming gaming protocol launch, node sales and \$KOBAN public launch both faster and with a higher financial impact.

Agreement structure

The agreement entails the sale of equity shares of up to a maximum of 24% in subsidiaries Lucky Kat and Wagmi at a combined total value of EUR 5 million. The sale is executed in two steps:

1. Upon signature on 21 January, 4+Ventures AB acquired 3% of Lucky Kat, and Swiss Peak Ventures GmbH acquired 3% of Wagmi for a total purchase consideration of EUR 150,000.
2. Between the date of signature and 1 August 2026, 4+Ventures AB and Swiss Peak Ventures GmbH will provide Fragbite Group with personnel and services. These services pertain to the Company's upcoming gaming protocol launch, node sales and the \$KOBAN public launch. Each month of services according to the mutually agreed specification will constitute payment for equity in Lucky Kat and Wagmi, up to a maximum of another 21% of equity in each subsidiary. In this way, the counterparties' share of equity in the subsidiaries will gradually increase. During the contractual term, 4+Ventures AB and Swiss Peak Ventures GmbH have the right to pay for all or some of the shares in cash. If step 2 is executed fully, it will result in a total 24% equity ownership in Lucky Kat for 4+Ventures AB and

a total 24% ownership in Wagmi for Swiss Peak Ventures GmbH.

As of 31 March 2025, 4+Ventures AB owns approximately 6% of the shares in Lucky Kat, and Swiss Peak Ventures GmbH owns approximately 6% of the shares in Wagmi. However, the process of transferring the shares is not completed.

Valuation

In connection with the negotiation and preparation of the agreement, the parties agreed on a total value for the Web3 business area, consisting of Lucky Kat and Wagmi, of EUR 5 million. During preparation of the accounts for 2024, a routine evaluation of the subsidiaries' carrying amount was carried out in consultation with the Company's auditor, also taking into account the agreement with 4+Ventures and Swiss Peak Ventures. The Company intends to reassess the valuation of Lucky Kat and Wagmi following the completion of node sales and the public launch of \$KOBAN.

Impact on the Group

The agreement means that, for the first time, Fragbite Group is bringing in minority shareholders to its subsidiaries. Beyond what the agreement entails for the Web3 business area, as stated in the press release of 13 December 2024, the agreement has no further impact on the Group. The agreement also does not involve any material changes to the Group's accounting or financial reporting.

FALL DAMAGE

On 23 May 2024, the Company declared its subsidiary Fall Damage bankrupt after the ongoing process of securing publishing partners for the game ALARA Prime could not be completed within the necessary time frame, which led to an unsustainable financial situation. As it was the Board's judgement that the subsidiary would be unable to settle its liabilities as they fell due and this inability was not temporary, a bankruptcy order was deemed necessary.

Effect on the Group's earnings

The bankruptcy is expected to have a final negative effect of approximately SEK 4 million on the Group's earnings, and is included in the Company's operating profit for 2024. The bankruptcy is expected to have a final negative effect of approximately SEK 51 million on the Parent Company's earnings, recognised as impairment of financial assets in profit for the year.

Background

Fall Damage was acquired in October 2023 when there were 9-10 months of development left before the game ALARA Prime could be released. Since autumn 2023, Fall Damage had had multiple dialogues with potential partners regarding publishing ALARA Prime – an extensive process, involving many counterparties, and led by an international consultancy with expertise in the field. Initial contact was made with just over 60 potential partners, leading to dialogue with more than

40 counterparties. Of these, more than 20 dialogues led to one or more game tests. Finally, 8 counterparties remained, all of which carried out several game tests, and dialogue was conducted over the course of many months, some of which resulted in partial offers such as marketing guarantees and regional publishing. All these dialogues were considerably more time-consuming than initially estimated. Despite a very good response on the game's quality and potential, Fall Damage did not manage to establish a sustainable solution within the necessary time frame that would have guaranteed coverage of operational costs until the launch of ALARA Prime.

Dividend from the bankruptcy estate

Fragbite Group is the largest creditor in Fall Damage's bankruptcy estate. The Company has recognised SEK 10 million as a receivable based on information from the receiver.

PROPOSED APPROPRIATION OF THE COMPANY'S PROFIT OR LOSS

The Board of Directors proposes that the unrestricted equity of SEK 128,893,165 be carried forward. Disclosures about the Group's and the Parent Company's financial results and position can be found in the following income statements, balance sheets and accompanying notes.

Financial reports

Consolidated income statement

Amounts in SEK thousands	Note	2024	2023
Revenue		213,230	237,198
Capitalised work on own account		51,857	28,040
Other operating income		5,174	701
Total revenue		270,261	265,939
Operating expenses			
Cost of goods and services sold		-146,731	-161,298
Personnel expenses	2	-66,080	-56,657
Other external costs	3	-49,657	-31,791
EBITDA		7,793	16,193
Depreciation, amortisation and impairment of tangible and intangible fixed assets	8–12	-149,554	-112,921
Operating profit, EBIT		-141,761	-96,728
Financial items			
Interest and similar income	5	57,060	73,507
Interest and similar expenses	6	-41,233	-24,974
Profit/loss after financial items		-125,934	-48,195
Tax on profit/loss for the year	7	-3,050	-4,953
Net profit		-128,984	-53,148
Attributable to Parent Company shareholders		-128,984	-53,148

Consolidated balance sheet

Amounts in SEK thousands	Note	Dec 31, 2024	Dec 31, 2023
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalised expenditure on development and similar work	8	46,443	74,528
Concessions, patents, licences, trademarks and similar rights	9	53	237,178
Cryptocurrency holdings	10	929	8,887
Goodwill	11	99,065	599,888
Total intangible fixed assets		146,490	920,481
Tangible fixed assets			
Equipment, tools and fixtures & fittings	12	763	2,118
Total tangible fixed assets		763	2,118
Financial assets			
Long-term receivables	15	399	522
Total financial assets		399	522
Total fixed assets		147,652	923,121
Current assets			
Short-term receivables			
Accounts receivable		5,200	2,441
Tax receivables		4,805	2,986
Other receivables		12,017	14,334
Prepaid expenses and accrued income	16	13,980	16,584
Total short-term receivables		36,002	36,345
Cash and bank balances		9,407	25,055
Total current assets		45,410	61,400
TOTAL ASSETS		193,061	984,521

Amounts in SEK thousands	Note	Dec 31, 2024	Dec 31, 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	18	3,392	1,809
Other paid-in capital		447,290	392,062
Retained earnings, incl. net result		-369,790	-247,804
Total equity		80,892	146,067
Equity attributable to Parent Company shareholders		80,892	146,067
Provisions			
Deferred tax liability	19	1,574	-
Other provisions	20	-	678,325
Total provisions		1,574	678,325
Long-term liabilities			
Liabilities to credit institutions	21	7,212	14,752
Total long-term liabilities		7,212	14,752
Short-term liabilities			
Liabilities to credit institutions	21	13,168	25,644
Overdraft facilities		8,798	-
Other financial liabilities		12,474	18,623
Accounts payable		6,009	10,795
Current tax liabilities		43	2,975
Other liabilities		21,895	22,380
Accrued expenses and deferred income	23	40,996	64,960
Total short-term liabilities		103,383	145,377
TOTAL EQUITY AND LIABILITIES		193,061	984,521

Consolidated cash flow statement

Amounts in SEK thousands	Note	2024	2023
Operating activities			
Profit/loss after financial items	26	-125,934	-48,195
Adjustment for non-cash items	27	129,501	59,310
Income tax paid		-6,785	-9,353
Cash flow from operating activities before changes in working capital		-3,218	1,762
Increase(-)/decrease(+) in operating receivables		11,607	-4,623
Increase(+)/decrease(-) in operating liabilities		-16,960	1,446
Cash flow from operating activities		-8,571	-1,415
Investing activities			
Acquisition of tangible fixed assets		-393	-490
Acquisition of intangible fixed assets		-61,837	-33,361
Disposal of intangible fixed assets		18,377	457
Acquisition of subsidiaries, net cash effect		-324	-21,459
Acquisition of financial assets		-88	-222
Disposal of financial assets		227	-
Cash flow from investing activities		-44,038	-55,075
Financing activities			
New share issue		56,811	36,685
Increase(+)/decrease(-) in overdraft facilities		8,798	-
Increase(+)/decrease(-) in other financial liabilities		7,005	-
Proceeds from borrowings		25,000	31,340
Repayment of borrowings		-60,773	-27,758
Cash flow from financing activities		36,841	40,267
Cash flow for the year		-15,768	-16,223
Cash and cash equivalents at beginning of year		25,055	40,993
Exchange difference in cash and cash equivalents		120	285
Cash and cash equivalents at end of year		9,407	25,055

Income statement – Parent Company

Amounts in SEK thousands	Note	2024	2023
Revenue		6,027	5,853
Total revenue		6,027	5,853
Operating expenses			
Personnel expenses	2	-8,091	-9,511
Other external expenses	3	-4,549	-8,274
EBITDA		-6,613	-11,932
Financial items			
Profit/loss from participations in Group companies	4	11,253	28,795
Impairment of financial assets		-210,051	-19,492
Interest and similar income	5	11,747	21,675
Interest and similar expenses	6	-20,025	-24,559
Profit/loss after financial items		-213,689	-5,513
Tax on profit/loss for the year	7	-	-
Profit/loss for the year		-213,689	-5,513

Balance sheet – Parent Company

Amounts in SEK thousands	Note	Dec 31, 2024	Dec 31, 2023
ASSETS			
Fixed assets			
Financial assets			
Participations in Group companies	13	205,246	814,026
Receivables from Group companies	14	13,450	31,900
Other long-term receivables	15	255	255
Total financial assets		218,951	846,181
Total fixed assets		218,951	846,181
Current assets			
Short-term receivables			
Receivables from Group companies		2,273	2,970
Current tax assets		-	-
Other receivables		10,036	-
Prepaid expenses and accrued income	16	293	295
Total short-term receivables		12,602	3,265
Cash and bank balances		1,036	1,331
Total current assets		13,638	4,596
TOTAL ASSETS		232,589	850,777

Amounts in SEK thousands	Note	Dec 31, 2024	Dec 31, 2023
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	18	3,392	1,809
Total restricted equity		3,392	1,809
Unrestricted equity			
Unrestricted share premium reserve	19	447,289	392,060
Retained earnings		-104,707	-99,194
Net result		-213,689	-5,513
Total unrestricted equity		128,894	287,353
Total equity		132,285	289,162
Provisions			
Other provisions	20	0	454,384
Total provisions		0	454,384
Long-term liabilities			
Liabilities to credit institutions	21	0	5,159
Liabilities to Group companies	22	65,151	54,695
Total long-term liabilities		65,151	59,854
Short-term liabilities			
Liabilities to credit institutions	21	10,450	22,819
Other financial liabilities		5,435	18,623
Accounts payable		510	691
Liabilities to Group companies		2,203	1,649
Tax liabilities		43	135
Other liabilities		14,806	1,633
Accrued expenses and deferred income	23	1,706	1,827
Total short-term liabilities		35,152	47,377
TOTAL EQUITY AND LIABILITIES		232,589	850,777

Cash flow statement – Parent Company

Belopp i tkr	Note	2024	2023
Operating activities			
Profit/loss after financial items	26	-213,689	-5,513
Adjustment for non-cash items	27	209,977	17,051
Income tax paid		-91	-29
Cash flow from operating activities before changes in working capital		-3,803	11,509
Increase(-)/decrease(+) in operating receivables		286	1,100
Increase(+)/decrease(-) in operating liabilities		1,074	-607
Cash flow from operating activities		-2,443	12,002
Investing activities			
Shareholder contributions paid		-9,755	-12,294
Loans to subsidiaries		-20,150	-13,526
Acquisition of subsidiaries		-230	-22,203
Disposal of financial assets		-	154
Cash flow from investing activities		-30,135	-47,869
Financing activities			
New share issue		56,811	36,685
Proceeds from borrowings		25,000	20,000
Repayment of borrowings		-57,899	-25,520
Loans from subsidiaries		8,621	4,838
Cash flow from financing activities		32,533	36,003
Cash flow for the year		-45	136
Cash and cash equivalents at beginning of year		1,331	1,497
Exchange difference in cash and cash equivalents		-250	-302
Cash and cash equivalents at end of year		1,036	1,331

Notes

Amounts in SEK thousands unless otherwise stated

NOTE 1. Accounting policies

The Annual Report has been prepared in accordance with the requirements of the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3). The Parent Company applies the same accounting policies as the Group, except in the cases described below in the section entitled "The Parent Company's Accounting Policies". The accounting policies are unchanged from previous years. Assets, provisions and liabilities have been measured at cost unless otherwise stated.

Intangible assets

Development expenditure

Intangible assets are recognised at cost less accumulated amortisation and any impairment. The cost of an internally generated intangible asset consists of all directly attributable expenses (e.g. materials and salaries).

The capitalisation model is used for recognition of development expenses. This means that expenses arising during the development phase are recognised as an asset when all the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- It is the intention to complete the intangible asset and to use or sell it;
- The Company has the ability to use or sell the intangible asset;
- The intangible asset is likely to generate future economic benefits;
- The Company has necessary and adequate technical, financial and other resources to complete the development of the intangible asset and to use or sell it; and

- The expenditure attributable to the intangible asset can be reliably measured.

Amortisation

Amortisation is applied on a straight-line basis over the estimated useful life of the asset. Amortisation is recognised as an expense in the income statement.

<i>Internally generated intangible assets</i>	<i>Useful life</i>
Capitalised development expenses	5 years
<i>Intangible assets acquired</i>	<i>Useful life</i>
Licences	5 years
Customer contracts	3 years
Computer programs	5 years
Goodwill	5 years

Tangible fixed assets

Tangible fixed assets are recognised at cost less accumulated depreciation and impairment. In addition to the purchase price, cost includes expenses that are directly attributable to the acquisition.

Subsequent costs

Subsequent costs that qualify as an asset are included in the asset's carrying amount. Expenditure on ongoing maintenance and further development is recognised as an expense as incurred.

Depreciation

Depreciation is applied on a straight-line basis over the estimated useful life of the asset as this reflects the expected consumption of the asset's future economic benefits. Depreciation is recognised as an expense in the income statement.

	<i>Useful life</i>
Equipment	3–5 years

Impairment – tangible and intangible assets and shares in Group companies

An assessment is made at each reporting date to determine whether there is any indication that an asset's value is lower than its carrying amount. If there is such an indication, the asset's recoverable amount is calculated. The recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is based on a calculation of the present value of future cash flows expected to be generated by the asset in ongoing operations and on sale or disposal. A pre-tax discount rate is used, which reflects market assessments of the time value of money and the risks specific to the asset. Previous impairment is only reversed if there has been a change in the reasons that gave rise to the recoverable amount calculation in the case of the most recent impairment.

The Company's cryptocurrency position at any given time is accounted for as an intangible asset and recognised at cost less any impairment. The asset is not subject to amortisation and is not marked to market at the end of the accounting period, but may be subject to impairment if a change in the exchange rate of the relevant currency is considered to be permanent. In the case of divestment, the valuation is based on the first-in, first-out principle.

Foreign currency items

Monetary items in foreign currency are translated using the exchange rate at the reporting date. Non-monetary items are not translated but are recognised at the rate on the date of acquisition.

Non-monetary items in foreign currency that are measured at fair value are translated at the exchange rate on the date on which the fair value was determined. Other non-monetary items are not translated but are recognised at the rate on the date of acquisition.

Exchange differences arising on the settlement or translation of monetary items are recognised in the income statement in the financial year in which they arise.

Net investments in foreign operations

An exchange difference related to a monetary item that is part of a net investment in a foreign operation and measured at cost is recognised directly in the consolidated accounts as a separate component of equity.

Translation of foreign operations

Assets and liabilities, including goodwill and other fair value adjustments, are translated to the reporting currency using the exchange rate at the reporting date. Income and expenses are translated at the spot rate per day for the business events unless a rate that is an approximation of the actual rate is used (e.g. average rate). Exchange differences arising from the translation are recognised directly in equity.

Financial assets and liabilities

Financial assets and liabilities are recognised in accordance with Chapter 12 (Financial instruments measured in accordance with Chapter 4, Section 14a to 14e of the Annual Accounts Act) of BFNAR 2012:1.

Classification and measurement

Financial assets and liabilities have been classified in different measurement categories in accordance with Chapter 12 of BFNAR 2012:1.

(i) Loan receivables and accounts receivable

Loan receivables are non-derivative financial assets that have fixed or determinable payments. These assets are translated to the reporting currency at the closing rate. Accrued interest related to these loan receivables is recognised as accrued interest income under current assets. Accounts receivable



are recognised at the amounts expected to be received, i.e., after a deduction for doubtful receivables.

(ii) Other financial liabilities

Loans and other financial liabilities such as accounts payable are included in this category. The liabilities are translated to the reporting currency at the closing rate. Accrued interest attributable to these loan liabilities is recognised as accrued interest expense under short-term liabilities.

Provisions

Provisions are recognised for obligations to third parties relating to the financial year or previous financial years which, at the reporting date, are either certain or probable but uncertain in terms of amount or timing of settlement.

Employee benefits

Under defined contribution plans, defined contributions are paid to another entity, normally an insurance company, and the Company no longer has any obligation to the employee once the contribution is paid. The size of the employee's post-employment benefits depends on the contributions that have been paid and the return on capital generated by the contributions.

Defined contribution plans

Contributions under defined contribution plans are recognised as an expense. Unpaid contributions are recognised as a liability.

Pension obligations in the Group's foreign subsidiaries are recognised in the same way as in the foreign subsidiary.

Termination benefits

Termination benefits, insofar as the remuneration does not provide the Company with any future economic benefits, are recognised only as a liability and an expense when the Company has a legal obligation to terminate the employment of an employee or group of employees before the normal retirement date.

Share-based payments

The Company currently has two incentive programmes aimed at the Board and employees of Fragbite Group, in the form of warrants based on Fragbite Group AB's share, see note 2.

Tax

Tax on profit for the year in the income statement consists of current tax and deferred tax. Current tax is income tax that is applied to taxable income in the current financial year and the portion of income tax for the previous financial year that has not yet been recognised. Deferred tax is income tax that is applied to taxable income payable in future financial years as a consequence of past transactions or events.

Revenue

Revenue is the inflow of economic benefits that the Company has received or will receive as a result of its ordinary operating activities. Revenue is measured at the fair value of the consideration received or receivable, less any discounts.

An expected loss is recognised as an expense when it is likely that total contract expenditure will exceed total contract revenue.

Service assignments – current account

Revenue from assignments on a current account basis is recognised as work is carried out and materials are delivered or consumed.

Service assignments – fixed price

Revenue and expenses for fixed price assignments are recognised by reference to the stage of completion on the reporting date.

Revenue from token sales

Proceeds from the sale of tokens are recognised as deferred income. Revenue is recognised from inception of the agreement and thereafter as the holders exercise their rights to use the tokens for in-game purchases. Revenue is accrued on a straight-line basis over the estimated economic lifetime of the game.

Basis of consolidation

Subsidiaries

Subsidiaries are entities in which the Parent Company, directly or indirectly, owns more than 50% of the voting rights or has some other form of control. Control exists when the Company has the power to govern the financial and operating policies of an enterprise so as to obtain economic benefits. Business combinations are reported in accordance with the accounting entity method. This means that the acquisition analysis is prepared on the date when the acquirer obtains control. From that date, the acquirer and the acquired entity are perceived as one accounting entity. Application of the entity method also means that all assets (including goodwill) and liabilities, and income and expenses are included in their entirety even for partly-owned subsidiaries. The cost of a subsidiary is calculated as the sum of the acquisition-date fair value of assets acquired and liabilities incurred and assumed, equity instruments issued, expenses that are directly attributable to the business combination and any earnout. The acquisition analysis determines the acquisition-date fair value, with some exceptions, of identifiable assets acquired, liabilities assumed and non-controlling interests. Non-controlling interests are measured at their acquisition-date fair value. The acquired company's revenue and expenses, identifiable assets and liabilities and any goodwill or negative goodwill are included in the consolidated financial statements with effect from the acquisition date.

Goodwill

Goodwill on consolidation arises when the cost of acquired interests in subsidiaries exceeds the fair value of the acquired company's identifiable net assets determined in the acquisition analysis. Goodwill is recognised at cost less accumulated amortisation and any impairment.

Earnout

If, at the time of acquisition, it is likely that the purchase consideration will be subsequently adjusted and the amount can be estimated reliably, the amount is included in the estimated final cost for

the acquired entity. Any adjustment of the earnout value within twelve months of the acquisition date will affect goodwill. Adjustments more than twelve months after the acquisition date are recognised in the consolidated income statement.

Adjustment of acquisition analysis

If the conditions for the acquisition analysis are incomplete, it is adjusted so as to better reflect the actual conditions at the acquisition date. The adjustments are made retrospectively within twelve months of the acquisition date. Adjustments more than twelve months after the acquisition date are recognised as an amended estimate and assessment.

Elimination of transactions between Group companies, associates and jointly controlled entities
Intra-Group receivables and liabilities, income and expenses, and unrealised gains or losses arising from intra-Group transactions are eliminated in full.

The Parent Company's accounting policies

The Parent Company's accounting policies are consistent with the Group's policies stated above, apart from in the cases described below.

Foreign currency

An exchange difference related to a monetary item that is part of the Parent Company's net investment in a foreign operation and measured at cost is recognised in the income statement if the difference arose in the Parent Company.

Shares in subsidiaries

Shares in subsidiaries are recognised at cost less accumulated impairment. In addition to the purchase price, cost includes expenses that are directly attributable to the acquisition.

Shareholder contributions

Shareholder contributions provided without issued shares or other equity instruments being received in exchange are recognised in the balance sheet as an increase in the carrying amount of the investment.

NOTE 2. Average number of employees**Parent Company**

	2024	of which men	2023	of which men
Moderbolaget				
Sweden	5	40%	6	50%
Total, Parent Company	5	40%	6	50%
Subsidiaries				
Sweden	27	87%	22	91%
France	32	59%	22	64%
Netherlands	15	60%	27	70%
Total, subsidiaries	74	71%	71	75%
Total, Group	79	69%	77	73%

* The average number of employees has been calculated by reference to when disposed operations were consolidated from the Group.

Salaries, other benefits and social costs, including pension costs

	2024		2023	
Amounts in SEK thousands	Salaries and benefits	Social costs	Salaries and benefits	Social costs
Parent Company	5,972	2,797	6,609	3,343
(of which pension costs)		741		1,012
Subsidiaries	42,238	13,802	36,606	9,637
(of which pension costs)		2,424		1,599
Total, Group	48,210	16,599	43,215	12,980
(of which pension costs)		3,165		2,611

230 (398) of the Parent company's pension costs relate to the Company's CEO and Board. The Company's outstanding pension obligation to them is 0 (0).

230 (398) of the Group's pension costs relate to the Company's CEO and Board. The Group's outstanding pension obligation to them is 0 (0).

Salaries and other benefits – Board and CEO, and other employees

	2024		2023	
Amounts in SEK thousands	Board and CEO	Other employees	Board and CEO	Other employees
Parent Company	2,225	3,747	2,748	3,861
Subsidiaries	-	42,238	-	36,606
Total, Group	2,225	45,985	2,748	40,467

Remuneration of senior executives

Group	2024			
Amounts in SEK thousands	Basic salary, Board fees	Variable pay	Other benefits	Pension cost
Chairman of the Board Stefan Tengvall (until May 2024)	86	-	-	-
Chairman of the Board Sten Wranne (from May 2024)	152	-	-	-
Board member Sten Wranne (until May 2024)	80	-	-	-
Board member Claes Kalborg (until November 2024)	88	-	-	-
Board member Maria Andersson Grimaldi (until November 2024)	88	-	-	-
Board member Mikael Pettersson (from November 2024)	19	-	-	-
Board member Niclas Bergkvist (from November 2024)	19	-	-	-
Board member Zara Zamani	50	-	-	-
CEO Marcus Teilman (until May 2024)	1,115	-	-	230
CEO Stefan Tengvall (from May 2024)	528	-	-	0
Other senior executives (4 individuals)	4,577	70	7	526
Total	6,802	70	7	756



Remuneration of senior executives

Group	2023			
	Basic salary, Board fees	Variable pay	Other benefits	Pension cost
Amounts in SEK thousands				
Chairman of the Board Stefan Tengvall	225	–	–	–
Board member Claes Kalborg	113	–	–	–
Board member David Wallinder (until AGM 2023)	38	–	–	–
Board member Dawid Myslinski (until AGM 2023)	38	–	–	–
Board member Maria Andersson Grimaldi (from AGM 2023)	75	–	–	–
Board member Niclas Bergkvist (until AGM 2023)	38	–	–	–
Board member Sten Wranne	150	–	–	–
Board member Zara Zamani	113	–	–	–
CEO Marcus Teilman	1,848	113	–	398
Other senior executives (4 individuals)	4,079	–	6	637
Total	6,715	113	6	1,035

Share-based payments

Share option programme 2022/2025

The Annual General Meeting held on 25 May 2022 adopted an incentive scheme for the Board of Directors, senior executives and other key personnel in the Group. The programme was designed as a combination of warrants issued to the Board of Directors and employees in Sweden and France, and employee share options issued to employees in the Netherlands totalling 6,200 warrants with the right to subscribe for the same number of shares in Fragbite Group AB. The warrants were issued at a market price of SEK 605 per option (option premium) according to a valuation based on Black-Scholes. The redemption price for the warrants was set at SEK 4,475 per share, and the share subscription period is 16 June 2025 to 15 July 2025.

Summary

Number of outstanding warrants	2,310
Option price (SEK)	605
Redemption price (SEK)	4,475
Term	3 years (16 June 2022 - 15 July 2025)
Number of outstanding warrants	1,280
Option price (SEK)	–
Redemption price (SEK)	4,475
Term	3 years (16 June 2022 - 15 July 2025)

Share option programme 2023/2026

The Annual General Meeting held on 12 May 2023 adopted a long-term incentive scheme for the Board of Directors, senior executives, other key personnel and employees of the Group comprising a total of 3,010 warrants with the right to subscribe for the same number of shares in Fragbite Group AB. The warrants were issued at a market price of SEK 225 per option (option premium) according to a valuation based on Black-Scholes. The redemption price for the warrants was set at SEK 2,180 per share, and the share subscription period is 2 June 2026 to 15 June 2026.

Summary

Number of outstanding warrants	3,010
Option price (SEK)	225
Redemption price (SEK)	2,180
Term	3 years (2 June 2023 - 15 June 2026)

2024 a reverse split of the Company's shares by 1:500 was carried out, which entailed that five hundred (500) shares were to be consolidated into one (1) share.

The numbers in both share option programme described above are recalculated according to 1:500.

The number of outstanding employee-related options at the end of 2024 was 6,600. The number of shares after dilution amounted to 6,789,686.

NOTE 3. Auditors' fees and remuneration

Amounts in SEK thousands	2024	2023
Group		
Revideco AB		
Audit engagement	376	340
Other assignments	116	35
Total	492	375
Öhrlings PricewaterhouseCoopers		
Audit engagement	126	54
Other assignments	22	50
Total	148	104
Other auditors		
Audit engagement	673	436
Total	673	436
Parent Company		
Revideco AB		
Audit engagement	323	238
Other assignments	116	35
Total	439	273
Öhrlings PricewaterhouseCoopers AB		
Other assignments	22	50
Total	22	50

NOTE 4. Profit/loss from participations in Group companies

Amounts in SEK thousands	2024	2023
Parent Company		
Dividend	11,253	28,795
Dividend from subsidiaries Playdigious SAS 11,253 (22,925) SEK thousands and Lucky Kat BV 0 (5,870) SEK thousands.		

NOTE 5. Interest and similar income

Amounts in SEK thousands	2024	2023
Group		
Reversal of earnout provision, subsidiary	38,006	30,786
Interest income	0	175
Exchange gains	19,054	42,546
Total	57,060	73,507
Parent Company		
Interest income	0	15
Interest income, internal	1,315	726
Exchange gains	10,432	20,934
Total	11,747	21,675

NOTE 6. Interest and similar expenses

Amounts in SEK thousands	2024	2023
Group		
Interest expenses, other	-5,941	-4,322
Exchange losses	-32,830	-19,721
Other liability-related items	-2,462	-931
Total	-41,233	-24,974
Parent Company		
Interest expenses, other	-5,552	-3,801
Interest expenses, internal	-3,367	-2,220
Exchange losses	-9,923	-18,496
Other liability-related items	-1,183	-42
Total	-20,025	-24,559

NOTE 7. Tax on profit/loss for the year

Amounts in SEK thousands	2024		2023	
	Percent	Amount	Percent	Amount
Group				
Profit/loss before tax		-125,934		-48,195
Tax according to Parent Company's applicable tax rate	20.60%	25,942	20.60%	9,928
Effect of different tax rates for foreign subsidiaries		-734		-990
Amortisation of goodwill on consolidation		23,144		-21,580
Other non-deductible expenses		-44,294		-247
Non-taxable income		21		6,435
Costs to be deducted but not included in recognised profit/loss		-2,366		471
Tax related to prior years		0		873
Increase in loss carryforwards without corresponding capitalisation of deferred tax		-4,763		157
Recognised effective tax		-3,050		-4,953
Parent Company				
Profit/loss before tax		-213,689		-5,513
Tax according to Parent Company's	20.60%	44,020	20.60%	1,136
Non-deductible expenses		-44,111		-4,041
Non-taxable income		2,318		5,934
Costs to be deducted but not included in recognised profit/loss		2,267		213
Increase in loss carryforwards without corresponding capitalisation of deferred tax		-4,494		-3,242
Recognised effective tax		0		0

NOTE 8. Capitalised development expenditure

Amounts in SEK thousands	Dec 31, 2024	Dec 31, 2023
Group		
Accumulated cost		
At beginning of year	111,181	35,799
Taken over on acquisition	-	47,561
Internally generated assets	51,857	28,040
Disposal of the year	-85,401	-
Translation difference	354	-219
At end of year	77,991	111,181
Accumulated depreciation		
At beginning of year	-29,312	-6,827
Taken over on acquisition	-	-15,182
Depreciation for the year	-10,230	-7,311
Disposal of the year	15,350	-
Translation difference	-15	8
At end of year	-24,207	-29,312
Accumulated impairment		
At beginning of year	-7,341	-7,341
Impairment for the year	-	-
At end of year	-7,341	-7,341
Carrying amount at end of year	46,443	74,528

Disposal of the year for 2024 relates to the subsidiary that was declared bankrupt.

NOTE 9. Concessions, patents, licences, trademarks and similar rights

Amounts in SEK thousands	Dec 31, 2024	Dec 31, 2023
Group		
Accumulated cost		
At beginning of year	237,198	2
Taken over on acquisition	-	237,094
Acquisitions during the year	-	106
Disposals during the year	-237,093	-
Translation difference	3	-4
At end of year	108	237,198
Accumulated depreciation		
At beginning of year	-20	0
Depreciation for the year	-35	-21
Translation difference	0	1
At end of year	-55	-20
Accumulated impairment		
At beginning of year	0	0
Impairment for the year	-	-
Disposals during the year	-	-
At end of year	0	0
Carrying amount at end of year	53	237,178

Disposal of the year for 2024 relates to the subsidiary that was declared bankrupt.

NOTE 10. Cryptocurrency holdings

Amounts in SEK thousands	Dec 31, 2024	Dec 31, 2023
Group		
Accumulated cost		
At beginning of year	14,574	10,002
Acquisitions during the year	9,932	5,216
Disposals during the year	-24,022	-457
Translation difference	445	-187
At end of year	929	14,574
Accumulated impairment		
At beginning of year	-5,687	-5,704
Impairment for the year	-	-
Disposals during the year	5,860	-
Translation difference	-173	17
At end of year	0	-5,687
Carrying amount at end of year	929	8,887

NOTE 11. Goodwill

Amounts in SEK thousands	Dec 31, 2024	Dec 31, 2023
Group		
Accumulated cost		
At beginning of year	833,289	416,434
Acquisitions during the year	-	417,703
Disposals during the year	-417,703	-
Translation difference	10,256	-848
At end of year	425,842	833,289
Accumulated amortisation		
At beginning of year	-233,401	-130,845
Amortisation for the year	-138,277	-104,757
Disposals during the year	49,793	-
Translation difference	-4,892	2,201
At end of year	-326,777	-233,401
Carrying amount at end of year	99,065	599,888

Disposal of the year for 2024 relates to the subsidiary that was declared bankrupt.

NOTE 12. Equipment, tools and fixtures & fittings

Amounts in SEK thousands	Dec 31, 2024	Dec 31, 2023
Group		
Accumulated cost		
At beginning of year	6,876	2,823
Taken over on acquisition	-	3,894
Acquisitions during the year	393	490
Divestment during the year	-1,283	-316
Disposals during the year	-3,894	-
Translation difference	99	-15
At end of year	2,191	6,876
Accumulated depreciation		
At beginning of year	-4,758	-1,690
Taken over on acquisition	-	-2,565
Divestment during the year	1,069	316
Disposals during the year	3,337	-
Depreciation for the year	-1,012	-833
Translation difference	-64	14
At end of year	-1,428	-4,758
Carrying amount at end of year	763	2,118

Disposal of the year for 2024 relates to the subsidiary that was declared bankrupt.

NOTE 13. Participations in Group companies

Amounts in SEK thousands	Dec 31, 2024	Dec 31, 2023
Parent Company		
Accumulated cost		
At beginning of year	909,321	506,419
Acquisitions during the year	-	421,395
Shareholder contributions paid	9,755	12,294
Adjusted acquisition prize	-38,006	-30,787
Disposals of the year	-370,478	-
At end of year	510,592	909,321
Accumulated impairment		
At beginning of year	-95,295	-75,803
Impairment for the year	-210,051	-19,492
At end of year	-305,346	-95,295
Carrying amount at end of year	205,246	814,026

Disposal of the year for 2024 relates to the subsidiary that was declared bankrupt.

Specification of the Parent Company's and the Group's shareholdings in Group companies

Amounts in SEK thousands	Number of shares	Holding, %	Amounts in SEK thousands	
			Dec 31, 2024	Dec 31, 2023
Subsidiary / Corp ID / Registered office				
FunRock Development AB, 556738-9043, Stockholm	2,000,000	100	1,798	2,142
P Studios AB, 556845-5041, Stockholm	4,153,178	100	26,154	49,728
Fragbite AB, 556721-9489, Stockholm	1,000	100	28,502	84,840
Fall Damage Studio AB, 559064-6484, Stockholm	-	-	-	421,395
Playdigious SAS, 811 512 284, Nancy, France	5,592	100	97,103	97,103
Lucky Kat B.V., 63892030, The Hague, Netherlands	1,055,500	100	51,689	158,818
WAGMI Limited, 122206, Gibraltar	2,000	100	0	0
Total shares in Group companies			205,246	814,026

NOTE 14. Receivables from Group companies

Receivables from Group companies	Dec 31, 2024	Dec 31, 2023
Parent Company		
Accumulated cost		
At beginning of year	31,900	18,374
Proceeds from borrowings	28,250	23,300
Repayment of borrowings	-8,100	-9,774
Write-down borrowings	-38,600	-
Carrying amount at end of year	13,450	31,900

NOTE 15. Other long-term receivables

Amounts in SEK thousands	Dec 31, 2024	Dec 31, 2023
Group		
Accumulated cost		
At beginning of year	522	313
Additional receivables	21	540
Disposals during the year	-162	-318
Translation difference	18	-13
Carrying amount at end of year	399	522
Parent Company		
Accumulated cost		
At beginning of year	255	409
Disposals during the year	-	-154
Carrying amount at end of year	255	255

NOTE 16. Prepaid expenses and accrued income

Amounts in SEK thousands	Dec 31, 2024	Dec 31, 2023
Group		
Accrued income	5,174	12,737
Prepaid expenses	8,806	3,847
Total	13,980	16,584
Parent Company		
Prepaid expenses	293	295
Total	293	295

NOTE 17. Appropriation of profit or loss

Proposed appropriation of the Company's profit or loss.

The Board proposes that the unrestricted equity of SEK 128,893 thousand be appropriated as follows:

Carried forward	SEK thousands	128,893
Total	SEK thousands	128,893

NOTE 18. Number of shares and quotient value

	Dec 31, 2024	Dec 31, 2023
Number of shares	6,783,086	108,525,164
Quotient value	0.500	0.0167

NOTE 19. Deferred tax liability

Amounts in SEK thousands	Dec 31, 2024	Dec 31, 2023
Group		
Other external costs	1,574	-

NOTE 20. Provisions

Provisions relate to the estimated earnout for acquisitions made and the purchase consideration for intangible assets taken over on acquisition, as in note 9 above.

Amounts in SEK thousands	Dec 31, 2024	Dec 31, 2023
Group		
Opening provisions	678,325	88,525
Taken over on acquisition	-	237,094
Provisions for the year	-	410,000
Amounts utilised during the year	-	-10,807
Amounts reversed during the year	-679,282	-33,288
Reclassification to short-term liability	-13,175	-
Translation difference	14,132	-13,199
Total	0	678,325
Parent Company		
Opening provisions	454,384	88,525
Provisions for the year	-	410,000
Amounts utilised during the year	-	-10,807
Amounts reversed during the year	-441,095	-33,288
Reclassification to short-term liability	-13,175	-
Translation difference	-114	-46
Total	0	454,384

NOTE 21. Liabilities to credit institutions

Amounts in SEK thousands	Dec 31, 2024	Dec 31, 2023
Group		
Due within 1 year	13,168	25,644
Due 2-5 years	7,212	14,752
Due after 5 years	-	-
Total	20,380	40,396
Parent Company		
Due within 1 year	10,450	22,819
Due 2-5 years	-	5,159
Due after 5 years	-	-
Total	10,450	27,978

NOTE 22. Liabilities to Group companies

Amounts in SEK thousands	Dec 31, 2024	Dec 31, 2023
Parent Company		
Accumulated cost		
At beginning of year	54,695	49,612
Proceeds from borrowings	89,193	48,425
Repayment of borrowings	-80,572	-43,587
Translation difference	1,835	245
Carrying amount at end of year	65,151	54,695

All the Parent Company's internal loans have a remaining term of less than 5 years.

NOTE 23. Accrued expenses and deferred income

Amounts in SEK thousands	Dec 31, 2024	Dec 31, 2023
Group		
Accrued interest expenses	779	408
Accrued auditors' fees	398	704
Accrued expenses for Board, management and other employees	133	9,747
Deferred income	13,005	27,398
Other accrued expenses	26,681	26,703
Total	40,996	64,960
Parent Company		
Accrued interest expenses	756	381
Accrued auditors' fees	173	149
Accrued expenses for Board, management and other employees	133	795
Other accrued expenses	644	502
Total	1,706	1,827

NOTE 24. Pledged assets and contingent liabilities – Group

Amounts in SEK thousands	Dec 31, 2024	Dec 31, 2023
Pledged assets, Group		
For own liabilities and provisions	Yes	Yes
Liabilities to credit institutions		
Floating charges	40,173	58,756
Total pledged assets	40,173	58,756

NOTE 25. Pledged assets and contingent liabilities – Parent Company

Amounts in SEK thousands	Dec 31, 2024	Dec 31, 2023
Pledged assets, Parent Company		
For own liabilities and provisions	Yes	Yes
Liabilities to credit institutions		
Floating charges	20,000	20,000
Carrying amount of shares in subsidiaries	30,300	184,085
Total pledged assets	50,300	204,085

NOTE 26. Interest paid

Amounts in SEK thousands	2024	2023
Group		
Interest received	0	175
Interest paid	-7,967	-5,253
Parent Company		
Interest received	1,315	15
Interest paid	-9,666	-5,717

NOTE 27. Adjustment for non-cash items

Amounts in SEK thousands	2024	2023
Group		
Depreciation/amortisation and impairment	149,554	112,921
Reversal of earnout provision, subsidiary	-34,264	-30,786
Interest, not paid	435	-
Exchange gain/loss	13,776	-22,825
Total	129,501	59,310
Parent Company		
Depreciation/amortisation and impairment	210,051	19,492
Interest, not paid	435	-
Exchange gain/loss	-509	-2,441
Total	209,977	17,051

NOTE 28. Intra-Group purchases and sales

Of the Group's total purchases and sales measured in Swedish kronor, 6.1% (5.0%) of purchases and 5.6% (4.2%) of sales relate to other companies within the entire group of companies to which the Group belongs.

Of the Parent Company's total purchases and sales measured in Swedish kronor, 0% (0%) of purchases and 100% (100%) of sales relate to other companies within the entire group of companies to which the Company belongs.

NOTE 29. Definitions of performance measures

EBITDA:	Earnings before depreciation, amortisation and impairment of tangible and intangible assets
EBITDA margin:	EBITDA/Revenue
Operational EBIT:	EBIT excluding non-operational amortisation and impairment of intangible assets
EBIT:	Earnings after depreciation, amortisation and impairment of tangible and intangible assets
Total assets:	Total assets in the balance sheet
Equity/assets ratio:	Equity/Total assets
Adjusted equity/assets ratio:	Equity adjusted for earnout settled with own shares/Total assets

NOTE 30. Events after the end of the financial year

- The Company finalises the ownership agreement with 4+Ventures AB and Swiss Peak Ventures GmbH according to the previously communicated letter of intent.
- Zara Zamani requests to resign from the Fragbite Group Board and joins the Group management team in her capacity as CEO of Lucky Kat.
- The Company raises loans of SEK 5 million to support the subsidiaries Lucky Kat and Wagmi. The loans mature on 23 July 2025 and may, at the Company's initiative and with the lenders' approval, be converted into shares on two occasions.
- Playdigious signs a distribution agreement with Epic Games.
- Lenders are offered conversion. A total of approximately SEK 3.7 million is to be converted through a set-off issue, of which approximately SEK 2.2 million is attributable to Board members and is subject to approval by the General Meeting.
- An Extraordinary General Meeting is held on 25 March authorising the conversion of Board members' loans.
- Wagmi and Lucky Kat initiates the public launch of \$KOBAN with the pre-sale in two steps. The Company communicates prices and supply ranges.
- Zara Zamani leaves the Group management team as she transitions from CEO to Advisor for Lucky Kat. Arash Asroush, formerly COO, is appointed CEO of Lucky Kat.

Declaration by the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer of Fragbite Group AB (publ) hereby certify that this annual report provides a true and fair view of the operations, financial position and performance of the Group and Parent Company.

Stockholm, 9 May 2025

Sten Wranne
Chairman

Stefan Tengvall
CEO

Niclas Bergkvist

Mikael A. Pettersson

Our audit report was submitted on 9 May 2025

Erik Emilsson
Authorised Public Accountant

Auditor's report

To the Annual General Meeting of Fragbite Group AB, corp. ID 556990-2777

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts for Fragbite Group AB for the 2024 financial year.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company and Group at 31 December 2024 and their financial performance and cash flows for the year then ended, in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the Group.

Basis for opinions

We conducted the 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 Responsibility section. We are independent of the Parent Company and 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 CEO

The Board of Directors and the CEO are responsible for ensuring that the annual accounts and consolidated accounts are prepared, and that they provide a true and fair view in accordance with the Annual Accounts Act. The Board and the CEO 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 and the CEO are responsible for assessing the Company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to the going concern and use of the going concern basis of accounting. The going concern basis of accounting is, however, not applied if the Board and the CEO intend to liquidate the company, cease operations, or have 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 ISA 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 made on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts is available on the Swedish Inspectorate of Auditors' 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 and the CEO of Fragbite Group AB for the 2024 financial year and the proposed appropriations of the company's profit or loss.

We recommend to the annual general meeting 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 CEO 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 Responsibility section. We are independent of the Parent Company and 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 CEO

The Board is responsible for the proposal for appropriation of the company's profit or loss. Proposing a dividend includes an assessment of whether the dividend is justifiable considering the requirements that the nature, scope and risks of the Parent Company's and the

Group's operations place on the size of the Parent Company's and Group's equity, consolidation requirements, liquidity and position in general.

The Board is responsible for the company's organisation and the administration of its affairs. This includes, among other things, continuous assessment of the financial situation of the company and the Group and ensuring that the company's organisation is designed so that accounting, management of assets and the company's financial affairs are otherwise controlled in a reassuring manner. The CEO shall manage the ongoing administration according to the Board's guidelines and instructions, and, among other matters, shall take measures that are necessary to fulfil the Company's accounting in accordance with law and to conduct 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 or the CEO in any material respect has:

- undertaken any action or been guilty of any omission which could give rise to liability to the company; or
- in any other way 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 a reasonable degree of assurance whether the proposal is in accordance with the Swedish 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 Swedish Companies Act.

A further description of our responsibility for the audit of the administration is available on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Stockholm, on the date shown by electronic signature.

Erik Emilsson
Authorised Public Accountant

Information

ANNUAL GENERAL MEETING

The Annual General Meeting of Fragbite Group AB (publ) for the financial year 1 January – 31 December 2024 will be held in Stockholm on 3 June 2025.

Right to participate and registration

Shareholders wishing to participate in a general meeting must be registered in the share register kept by Euroclear Sweden and must notify the Company of their participation no later than the time and date specified in the notice convening the meeting. Shareholders may attend the general meeting in person or by proxy. Shareholders or representatives may be assisted by no more than two persons. It is possible for shareholders to register for the general meeting in several different ways, which are described in further detail in the notice convening the meeting. Shareholders who have a matter they wish to bring up at the general meeting must send a written request to this effect to the Board of Directors. Such a request must be received by the Board no later than seven weeks before the general meeting.

FINANCIAL CALENDAR

The Board of Directors has decided on the following financial calendar for the Company:

- Interim report, Q1 2025: 14 May 2025
- Interim report, Q2 2025: 26 August 2025
- Interim report, Q3 2025: 13 November 2025
- Year-end report 2025: 19 February 2026

FINANSIELLA RAPPORTER

Financial reports, press releases and other information are available on the Fragbite Group website from the date of publication. The Company distributes all financial reports in digital form.

OTHER INFORMATION

- The Company's Corporate ID no. is 556990–2777.
- The Company's Certified Adviser is Redeye AB.
- The Company has engaged Euroclear Sweden AB to act as the account-holding institution and maintain the Company's share register.
- The Company's legal entity identifier (LEI) code is 549300RMCBX44ZFTPT73.
- The Company's share has the ISIN code SE0015949334.

CONTACT

Postadress

Fragbite Group AB (publ)
Linnégatan 51
SE-114 58 Stockholm

Email addresses

General matters:
info@fragbitegroup.com

IR-related matters:

ir@fragbitegroup.com

Telephone

+46 722 35 74 46

Website

www.fragbitegroup.com

Social media



Fragbite Group AB has seven subsidiaries and a physical presence in Sweden (Stockholm), France, (Paris, Montpellier and Nancy), the Netherlands (The Hague) and Gibraltar.



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