

PRESS RELEASE

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Marketing campaign NFT sale of 0.8 MSEK ahead of \$KOBAN launch

Fragbite Group AB's (publ) ("Fragbite Group" or "the Company") subsidiary Lucky Kat has successfully completed an NFT sale of 0.8 MSEK as part of the marketing campaign for the public launch of in-game token \$KOBAN. The sold-out collection consists of NFTs that can be utilised across all existing and future games in the \$KOBAN game ecosystem.

On 27 September Lucky Kat sold 500 NFTs generating income of 0.8 MSEK in total. The NFTs can be utilised by players in all existing and future games in the \$KOBAN game ecosystem. The collection of 2,222 NFTs was released in three stages: The first two stages consisted of 750 NFTs respectively, offered free of charge to primarily players active in the *Panzerdogs* and *Cosmocadia* game communities. Despite being offered for free, these NFTs instantly generated a secondary value on the market, with the collection reaching a market cap after the second free release of approximately 230,000 USD. In the third and final release on 27 September, 500 NFTs were released and sold out within 40 minutes at a unit price of 100 SUI, generating a total of 0.8 MSK in income. On the same day, Lucky Kat minted 222 NFTs for future marketing purposes. The market cap for the Kumo collection is as of today just over 500,000 USD.

The NFT collection is called Kumo the Cat and has a dual purpose. Firstly, it offers NFTs with utility for players once \$KOBAN is publicly launched, allowing interoperability – the possibility to move their Kumo NFTs between games, enjoying continuous benefits, rewards and functions across the ecosystem. In this role it serves as a marketing campaign ahead of the \$KOBAN public launch and sale, giving the team tools to increase engagement in \$KOBAN and widen the player base of *Panzerdogs* and *Cosmocadia*. Secondly, Kumo the Cat is part of the updated brand platform of Lucky Kat, established to increase awareness of Lucky Kat as a developing studio, setting the stage for more B2B-oriented revenue models.

"At Lucky Kat we aim to pioneer a new frontier in the gaming industry, and the success of the Kumo collection is a testament that this team can deliver on that. For NFTs to do well in the market and enjoy longevity they need to have sufficient, relevant utilities as in-game assets, something we as game developers are passionate about creating. The Kumo NFTs are not only made for gaming; they also offer interoperability which is a benefit very few web3 game developers have been able to offer to date. We chose to make Kumo a large part of the marketing campaign to strengthen and build our brand as well as to demonstrate what \$KOBAN will bring – an interoperable, user-oriented and entertaining web3 gaming ecosystem in which players control their assets and generate value from them. We want Kumo to be the new term for interoperability in the web3 gaming space," says Zara Zamani, Fragbite Group Board Member and CEO of Lucky Kat.

About digital assets

Fragbite Group has two types of digital assets in its web3 gaming business: **NFTs** and **tokens**. NFTs are digital assets that are sold and recognised as revenue upon conclusion of the transaction, they can be used in-game or sold like any regular asset. To date Fragbite Group has generated approximately 13.1 MSEK in revenue from NFT sales. Tokens are digital assets that are sold to various categories of actors who may initially be strategic investors and over time the general player community. The difference between NFTs and tokens is that the former is a singular digital asset, while the latter functions as an in-game currency which can be used to purchase different assets within the game as well as be traded outside the game. Revenue from the Company's tokens is recognised over three years.

About \$KOBAN

\$KOBAN is an in-game token which after public launch can be used as means of payment within Fragbite Group's web3 games, alongside being traded on external marketplaces. \$KOBAN is a utility token empowering an ecosystem of games which means that over time, more games can be added to the ecosystem, both titles owned by Fragbite Group as well as titles owned by third parties. To date, approximately 38 MSEK has been raised in private sales of \$KOBAN, generating revenue to support game and ecosystem development, ahead of the public launch and sale which is planned for fall 2024.

The \$KOBAN token is a collaboration between Fragbite Group subsidiaries Lucky Kat and Wagmi. Wagmi is the Company's issuer of financial assets within web3 and is, in its capacity as a licensed Virtual Asset Service Provider, responsible for issuing \$KOBAN under the supervision of the Gibraltar Financial Services Commission. Lucky Kat is the Company's developer of web3 games and manages the \$KOBAN launch process in terms of operations, marketing and stakeholder communication.

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Redeye AB is the Company's Certified Adviser.

About us

Fragbite Group (publ) is a Swedish corporate group 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 both traditional platforms – PC, mobile and console – and modern platforms built on blockchain technology. The Group is headquartered in Stockholm and listed on Nasdaq First North Growth Market.

Attachments

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