

Interim report

I JANUARY – 30 JUNE 2024

Second quarter

Revenue	49.8 MSEK (60.4)
Adjusted EBITDA	-1,1 MSEK (6.5)
Operational EBIT ¹	-9.4 MSEK (4.7)
Profit/loss for the period	-2.1 MSEK (-26.6)
Diluted earnings per share ²	-0.02 SEK (-0.28)

- Revenue amounted to SEK 49.8 (60.4) million.
- EBITDA amounted to SEK -6.6 (6.5) million.
- Adjusted EBITDA (before items affecting comparability) was SEK -1.1 (6.5) million.
- Operational EBIT¹ amounted to SEK -9.4 (4.7) million.
- Operating profit (EBIT) amounted to SEK -41.6 (-17.2) million.
- Profit/loss for the period was SEK -2.1 (-26.6) million.
- Cash flow from operating activities was SEK -6.0 (0.2) million.
- Basic earnings per share² amounted to SEK -0.02 (-0.29)
- Diluted earnings per share² amounted to SEK -0.02 (-0.28).

First six months

- Revenue amounted to SEK 102.3 (115.6) million.
- EBITDA amounted to SEK -1.5 (8.4) million.
- Adjusted EBITDA (before items affecting comparability) was SEK 4.0 (8.4) million.
- Operational EBIT¹ amounted to SEK -7.0 (4.8) million.
- Operating profit (EBIT) amounted to SEK -80.9 (-38.5) million.
- Profit/loss for the period was SEK -62.6 (-51.9) million.
- Cash flow from operating activities was SEK -3.4 (-14.2) million.
- Basic earnings per share² amounted to SEK -0.57 (-0.57)
- Diluted earnings per share² amounted to SEK -0.57 (-0.55).

” *Fragbite Group’s core business remains strong, and our most important task going forward is to ensure that the healthy profitability that characterises that business is extended to the whole Group.* ”

-Stefan Tengvall, VD

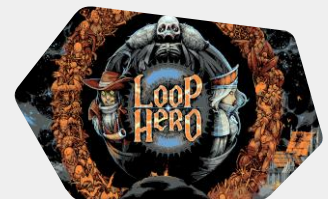
During the quarter



Playdigious expands their pipeline of new games with additional contracts. Total estimated net revenue three years from release increases to between 10 and 17 MEUR.



The Company implements cost reductions of just over 11 MSEK on an annual basis from 1 July 2024.



Loop Hero is released, reaching more than 1 million downloads after just over 2 months.



The marketing campaign for the \$KOBAN token is kicked off ahead of its public launch and sale.

¹ Operational EBIT is defined as EBIT excluding non-operational amortisation and impairment of intangible assets

² Per number of shares at the end of the quarter

Significant events during the period

- The Company updates its net revenue estimates for Playdigious' pipeline of upcoming new game releases to which further titles have been added. The total estimated net revenue three years from release increases to between EUR 10 and 17 million.
- Playdigious releases *Loop Hero* on mobile platforms.
- Playdigious announces the release of *Teenage Mutant Ninja Turtles: Shredder's Revenge* on Apple and Google in November, alongside extended distribution via Netflix.
- The subsidiary Fall Damage Studio AB is declared bankrupt.
- Marcus Teilman resigns as CEO at his own request. The Board appoints Chairman Stefan Tengvall as interim CEO and Sten Wranne takes over as Chairman of the Board.
- The Board adopts a Rights Issue of up to SEK 72.1 million.
- Playdigious releases *Skul: The Hero Slayer* on mobile platforms.
- Lucky Kat starts the marketing campaign for the upcoming public launch and sale of the Company's in-game token \$KOBAN.
- Anders Rössel resigns from his position as CFO and Head of M&A at his own request. Inger Hasselberg, former Head of Financial Control, is appointed as acting CFO and joins the management team.
- Playdigious enters into an agreement to develop the mobile version of Klei Entertainment's success title *Don't Starve Together* for exclusive release on Netflix.
- The Company changes accounting standard from IFRS back to K3 in order to carry out the upcoming Rights Issue within the decided time schedule.

Significant events after the end of the period

- *Loop Hero* reaches 1 million downloads since its release, with the title performing above expectations both in downloads and unit sales of the full game.
- The Company announces the outcome of the Rights Issue. Subscribed units correspond to approximately 51.2 percent of the Rights Issue with and without the exercise of unit rights, and approximately 33.3 percent through the fulfilment of guarantee commitments.
- Playdigious releases *Linkito* – the first game to be published and released under the Playdigious Originals business unit and label.
- The Company carries out a directed share issue of 66,000,000 shares to guarantors in connection with the completed Rights Issue.
- Playdigious announces *Children of Morta*, which will be released on mobile platforms on 7 October 2024.
- The Company determines the final earnout for the acquisition of Lucky Kat to zero while constructive dialogue with the Sellers on new forms of partnership is ongoing. The provision for the maximum possible earnout of EUR 4 million is written down to EUR 0.3 million to take into account possible future resolution.

CEO comments

The second quarter of 2024 was a real steel bath for Fragbite Group and after an intense summer, we are now ready for a fall of continued efforts. Our core business remains strong and the most important task going forward is to ensure that the healthy profitability that characterises much of the business is extended to the whole Group, on the individual subsidiary level as well as the Group level.

I would like to start by thanking you, our shareholders, who have stood by our side over the past months. In July, Fragbite Group completed a rights issue that placed great demands on both those of us who run the Company as well as on the shareholders, particularly those shareholders who have been involved since the beginning. Building Fragbite Group stronger and more profitable to earn your trust is a task we assume most seriously.

Revenue for the quarter was SEK 49.8 million, which is lower than the same period in the previous year. The difference is mainly attributable to the gaming business area and the sale of two game titles in the hypercasual genre in the second quarter 2023. As the hypercasual portfolio previously required a high level of marketing, we also see a difference between the second quarter 2024 and 2023 in terms of reduced operating expenses. Adjusted EBITDA is SEK -1.1 million this quarter compared to SEK 6.5 million in the same period 2023. Here as well the gaming business area is mainly driving this outcome with, as communicated previously, revenue from our games and their corresponding costs at times varying greatly from month to month depending on release dates and third-party contracts.

Cost reduction programme

Fragbite Group will enter fall and then 2025 with a reduced cost base. The main cost reductions are in the Parent Company and FunRock & Prey Studios, but we have also identified some opportunities for efficiency improvements in Lucky Kat and Fragbite AB without jeopardising their revenue generation. From 1 July onwards, the Group's total monthly costs will be reduced by just over SEK 0.95 million, corresponding to SEK 11 million on an annual basis.

Strong progress for Playdigious

Playdigious had a strong quarter and released two titles, with *Loop Hero* standing out in particular. Already a huge success on PC and console, the title has also exceeded expectations on mobile, having reached one million downloads by early July.

In April, we were able to update the market on development of the Playdigious pipeline of new game releases, which has grown with several new contracts. One of the more significant contracts closed during the period is for the development of the success title *Don't Starve*

Together on mobile for exclusive release on Netflix, a very positive addition to the portfolio. The total estimated net revenue of the current pipeline is between EUR 10 and 17 million, compared with between EUR 6 and 14 million when the previous estimate was published in August 2023. The estimate corresponds to a game's total net revenue over a period of three years from release, before licensing costs and platform fees.

The summer has been a busy one for Playdigious, whose team has organised several marketing campaigns and participated in various industry events. *Linkito* was released shortly after the end of the period – a milestone for the subsidiary as the first title to be released under the new Playdigious Originals business unit and publishing label. This week, the team is attending Gamescom, the world's largest gaming event, where as part of the Future Games Show, they will present the third title that Playdigious Originals has signed. We also look forward to the release of Playdigious Originals' unique title *Fretless – The Wrath of Riffson* which is scheduled to reach the market in the first half of 2025.

New revenue streams

Alongside in-house game development and marketing, FunRock & Prey Studios entered into a work-for-hire agreement with the first assignment starting in the beginning of the second quarter. Dialogue is in progress on additional assignments, while work continues on increasing profitability for *MMA Manager 2*. During the spring, operations gradually became more efficient and by the last month of the second quarter, the subsidiary was profitable on both an EBITDA and cash flow basis. A key factor in strengthening Fragbite Group as a whole consists of increasing the profitability of FunRock & Prey Studios, which is why we will have continued Group level focus on that during the fall.

Esport – profitable business area built stronger

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 whose members have continued to deliver at the same high level in 2024, with the same great enthusiasm, even during this spring that has been difficult for all of us. The flagship that is the Swedish Cup has a much stronger pipeline today than at the same time a year ago, with several key partnerships signed. The agency business under the Config brand is increasingly finding its place in the modern media landscape and there is room for growth. When we report on the third quarter the 2024 Swedish Cup will have started, and I look forward to sharing more comments on this year's tournament then.

KOBAN launch around the corner

Work has continued at Lucky Kat and Wagma with preparations for the upcoming public launch and sale of \$KOBAN, which is approaching. In June, the marketing campaign was kicked off which for the entire team paved way for an intense summer in increasingly higher gears. Business area web3 had a weaker second quarter, especially on EBITDA level, as a result of administrative changes as

well as the continued impact of \$KOBAN initially being planned for the end of 2023. However, the business area has a very strong pipeline while efforts are also underway to expand the revenue models within web3. I am very much looking forward to closing 2024 with a successful launch of \$KOBAN in the rear-view mirror and new exciting projects ahead.

Focus on profitable core business

On 23 May, the Board was forced to declare the subsidiary Fall Damage bankrupt, a decision that was very difficult but necessary. The bankruptcy obviously burdens the Group financially, but it also represents a loss in terms of the potential synergies that have not materialised, something which of course is very disappointing for all involved.

One lesson learned from this process is to assume a larger initial capital reserve when making future acquisitions. Another lesson is that Fragbite Group has the advantage of standing on a stable, profitable core business, which we will now vigorously develop and prioritise ahead of further acquisition.

With our sights firmly set

After the type of steel bath Fragbite Group has gone through, there is much to be done and many difficult decisions still to be made, but there is also increased strength and faith in the future. Those of us who run the Company have rolled up our sleeves and are motivated for the task. Many thanks again to you, our shareholders, who join us on this journey – we will do this together.

Stefan Tengvall, President & CEO

We are Fragbite Group

Fragbite Group AB (publ) (“Fragbite Group” or “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. Together we create entertainment for the global gaming market by meeting the needs of a new generation of gamers – **play, watch, own**.

The Group is headquartered in Stockholm and has employees in Sweden, France, the Netherlands and Gibraltar. Fragbite Group has been listed on Nasdaq First North Growth Market since 2021.

More about our business concept and strategy can be found on pages 9-13 of Fragbite Group’s 2023 annual report: www.fragbitegroup.com/en/investors/financial-reports

OUR SUBSIDIARIES

- **Fragbite** is based in Sweden and is one of the Nordic region’s largest communities in esports. The company develops and operates tournament concepts and offers marketing services through the Config esports and gaming agency.
- **Funrock & Prey Studios** is a game studio based in Sweden that designs and develops game engines and games for mobile platforms.
- **Lucky Kat** is a game studio based in the Netherlands that develops web3 games based on blockchain technology as well as hypercasual mobile games.
- **Playdigious** is a game developer based in France that develops successful game titles from PC to mobile, and subsequently publishes them. Under the Playdigious Originals brand, independent games for PC and console are published.
- **Wagmi** is the Group’s issuer of financial assets within web3. Based in Gibraltar and registered as a Virtual Asset Service Provider by the Gibraltar Financial Services Commission.

OUR BUSINESS AREAS

Gaming

The Gaming business area includes Playdigious, FunRock & Prey Studios and Lucky Kat’s business in the hypercasual genre. The company develops games, with a focus on free-to-play mobile games. We also port already released games from PC and console to mobile platforms and then publish them. Finally, the company publishes games in the indie game genre for PC and console.

Esports

The Esports business area comprises Fragbite AB. The business is based on expertise in marketing through esports and gaming content, and is conducted under the Fragbite and Config brands.

Web3

The Web3 business area comprises Wagmi, as well as Lucky Kat’s business in this area. The company develops ecosystems, communities and digital assets within the framework of games built on blockchain technology.

Financial performance in the period January - June 2024

Fragbite Group SEK thousands	Apr-Jun		Jan-Jun		R12m	Full Year
	2024	2023	2024	2023	2023/2024	2023
Revenue	49,829	60,411	102,349	115,574	223,974	237,198
Adjusted EBITDA	-1,144	6,509	3,982	8,369	11,806	16,193
EBITDA	-6,626	6,509	-1,500	8,369	6,324	16,193
Operational EBIT	-9,394	4,661	-7,016	4,805	-25,523	-13,701
EBIT	-41,593	-17,171	-80,854	-38,525	-139,057	-96,728
Net profit after tax	-2,148	-26,648	-62,589	-51,948	-63,788	-53,148

Earnings for 2024 have been affected by accumulated extraordinary costs of SEK 5,482 thousand as of Q2, of which SEK 5,482 thousand are in Q2. SEK 1,741 thousand is attributable to restructuring costs and SEK 3,742 thousand is attributable to the bankruptcy of the Swedish subsidiary Fall Damage Studio AB.

THE GROUP'S REVENUE

Revenue for the quarter amounted to SEK 49.8 (60.4) million and for the first six months SEK 102.3 (115.6) million. The previous year's revenue for the second quarter included sales proceeds related to two titles in the hypercasual genre that have subsequently been divested, which means that their previously recurring revenue is also gone.

OPERATING PROFIT

EBITDA for the quarter amounted to SEK -6.6 (6.5) million and for the first six months SEK -1.5 (8.4) million. The figures for the quarter and first six months include a loss of SEK 3.7 million attributable to the subsidiary declared bankrupt during the quarter and a restructuring cost of SEK 1.7 million. Adjusted EBITDA for the quarter amounted to SEK -1.1 (6.5) million and for the first six months SEK 4.0 (8.4) million.

Operational EBIT for the quarter amounted to SEK -9.4 (4.7) million and for the first six months SEK -7.0 (4.8) million. Operating profit (EBIT) for the quarter amounted to SEK -41.6 (-17.2) million and for the first six months SEK -80.9 (-38.5) million. Operational EBIT is exclusive of goodwill amortisation of SEK 32.2 (21.8) million for the quarter and SEK 73.8 (43.3) million for the first six months.

NET FINANCIAL ITEMS

Net financial items for the quarter amounted to SEK 39.5 (-7.5) million and for the first six months SEK 19.2 (-10.7) million. Net financial items for the first six months include a negative item of SEK 13.0 million attributable to the revaluation of foreign currency liabilities and a positive item attributable to an adjustment of the Lucky Kat earnout.

PROFIT/LOSS FOR THE PERIOD

Profit/loss after tax for the quarter amounted to SEK -2.1 (-26.6) million and for the first six months SEK -62.6 (-51.9) million. Basic earnings per share for the quarter amounted to SEK -0.02 (-0.29) and for the first six months SEK -0.57 (-0.57). Diluted earnings per share for the quarter amounted to SEK -0.02 (-0.28) and for the first six months SEK -0.57 (-0.55). Earnings per share are calculated on the number of shares at the end of the period, 30 June 2024.

LIQUIDITY AND CASH FLOW

Cash flow from operating activities for the quarter was SEK -6.0 (0.2) million and for the first six months SEK -3.4 (-14.2) million.

Cash flow from investing activities for the quarter amounted to SEK -15.4 (-5.8) million and for the first six months SEK -30.0 (-9.4) million, which mainly relates to capitalisation of work performed for own account and the purchase and sale of crypto assets.

Cash flow from financing activities for the quarter was SEK 13.7 (5.2) million and for the first six months SEK 15.7 (-1.5) million. During the quarter, bridge financing of SEK 20.0 million was arranged and loan repayments were made, while the use of existing overdraft facilities decreased.

Cash flow for the quarter amounted to SEK -7.6 (-0.5) million. Cash flow for the first six months amounted to SEK -17.7 (-25.1) million. SEK 2.6 million of the Group's SEK 10 million overdraft facility was unutilised as of 30 June 2024.

At the end of the period, the Group's cash and cash equivalents totalled SEK 7.6 (17.2) million.

FINANCIAL POSITION

The equity ratio was 36.5 (35.7) percent and equity amounted to SEK 89.5 (124.7) million on 30 June 2024. Total assets on 30 June 2024 amounted to SEK 244.9 (349.3) million.

PARENT COMPANY

Earnings for the quarter were affected by SEK -50.9 million attributable to the subsidiary that was declared bankrupt. A dividend of SEK 11.3 million from the French subsidiary Playdigious was adopted during the period.

Planned releases and activities

Title	IP owner	Publisher
TMNT Shredder's Revenge – release on Apple & Google (November 2024)	External	Playdigious
Children of Morta – release on mobile (7 October 2024)	External	Playdigious
Don't Starve Together – release on mobile, exclusively on Netflix (2025)	External	Playdigious
Five signed, not yet announced titles for release on mobile	External	Playdigious
Fretless – release on PC (H1 2025)	External	Playdigious Originals
One signed, not yet announced title for release on PC (H1 2025)	External	Playdigious Originals
Swedish Cup (September – November 2024)	Fragbite	Fragbite
\$KOBAN – public launch and sale (H2 2024)	Wagmi	Wagmi & Lucky Kat

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

An initial reduction in costs was initiated in the first quarter of 2024, which has already had an impact. Larger cost reductions were made towards the end of the second quarter and will have a full impact in the current period. The costs come under the following main categories and are expected to have a full impact, i.e. to be fully implemented, as follows:

Measure	Full impact
Staff reductions – Group	July
Reduction in staff and part-time consultants – FunRock & Prey Studios	July
Reduction in staff – Lucky Kat	June
Reduction in part-time consultants – Fragbite AB	October
Rental of premises for all Swedish entities	June
Miscellaneous Group-wide costs	June

The total savings now realised are around SEK 0.95 million per month. Just over SEK 0.5 million of these savings are at Group level. From 1 July onwards, the Company expects total annual savings of just over SEK 11 million.

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 has also started to look into selling assets that do not contribute to the core business. This work is continuing and will be reported further in the next interim report.

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 the quarter and first six months. The previously communicated negative result of SEK 39 million was based on IFRS reporting, which does not include goodwill amortisation. The bankruptcy is expected to have a final negative effect of approximately SEK 51 million on the Parent Company's earnings, which is recognised as impairment of financial assets for the quarter and first six months.

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 fall 2023, Fall Damage had had multiple dialogues with potential partners regarding publishing for ALARA Prime – an extensive process, involving many counterparts, 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 play tests. Finally, 8 counterparties remained, all of which carried out several play 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 release of ALARA Prime.

DIVIDEND FROM THE BANKRUPTCY ESTATE

Fragbite Group is the largest creditor in Fall Damage's bankruptcy estate. The sale of the IP ALARA Prime is not fully finalised and the liquidator expects that another couple of months will be required to complete all steps of the bankruptcy. The Company has recognised SEK 10 million as a receivable based on information from the liquidator.

Rights Issue

On 23 May 2024, Fragbite Group announced a Rights Issue of units with a subscription period from 2 July 2024 to 16 July 2024. The intention was for the proceeds to finance repayment of the Company's utilised credit facilities and strengthen the balance sheet in order to leverage current opportunities to increase the profitability of the Company's portfolio. Each unit in the Rights Issue consisted of thirty-three (33) shares and four (4) warrants.

OUTCOME

On 7 July, the Company announced the outcome as follows:

- 55,923,443 units, corresponding to approximately 51.2 percent of the Rights Issue, were subscribed for, with and without the exercise of unit rights.
- The Rights Issue was covered by subscription commitments and issue guarantees corresponding to approximately 84.5 percent. This meant that 36,398,313 units, corresponding to approximately 33.3 percent of the Rights Issue, were subscribed for through the fulfilment of guarantee commitments.
- The Company's initial proceeds from the Rights Issue were approximately SEK 60.9 million before issue costs (SEK 4.4 million of which was set off against outstanding bridge financing).

NUMBER OF SHARES AND SHARE CAPITAL

Through the Rights Issue, share capital in the Company increases by SEK 50,776,088.75, from SEK 1,820,075.99 to SEK 52,596,164.64, through the issue of 3,046,617,948 shares. This increases the number of shares from 109,206,446 to 3,155,824,394. The dilution amounts to approximately 96.5 percent.

COMPENSATION FOR GUARANTEE COMMITMENTS

Approximately 43.2 percent of the Rights Issue was covered by bottom-up guarantee commitments and approximately 18.7 percent by top-down guarantee commitments, for which guarantee compensation is paid. Compensation for the top-down guarantee commitments is paid at 20 percent of the guaranteed amount in cash or 20 percent of the guaranteed amount in the form of newly issued shares in the Company, while compensation for the bottom-up guarantee commitments is paid at 12 percent of the guaranteed amount in cash or 12 percent of the guaranteed amount in the form of newly issued shares.

As three investors chose to receive guarantee compensation as newly issued shares, the Board decided, on 26 July, to issue a total of 66,000,000 new shares. The guarantors who decided not to receive compensation as newly issued shares received a cash amount instead. The cash portion of the guarantee compensation amounted to approximately SEK 5.2 million.

Payment in the compensation issue was made by offsetting each guarantor's claim at a subscription price of SEK 0.02 per share. The subscription price corresponds to the subscription price per share in the Rights Issue and was determined through negotiations between the guarantors and the Company, in consultation with financial advisors and by analysing a number of market factors. In total, SEK 1,320,000 was set off in connection with the compensation issue to the guarantors.

The compensation issue increased the number of shares in Fragbite Group by 66,000,000, from 3,155,824,394 to 3,221,824,394 shares, while share capital increased by approximately SEK 1,099,981.00, from SEK 52,596,164.64 to SEK 53,696,145.64, corresponding to a dilutive effect of about 2.05 percent.

WARRANTS

The exercise period for the Warrants is from 1 October 2024 to 15 October 2024. The subscription price upon exercise of Warrants is SEK 0.03 per share. If all Warrants are exercised for the subscription of shares, the Company will receive additional capital of up to approximately SEK 11.1 million.

If all Warrants are exercised for the subscription of shares, the share capital will increase by a further SEK 6,154,677.41 to SEK 59 850 823.05 through the issue of 369,287,024 shares. The number of shares will then increase to 3,591,111,418, corresponding to an additional dilutive effect of approximately 10.28 percent.

Lucky Kat earnout

On 19 August 2024 the Board determined the final earnout for the acquisition of Lucky Kat at nil (0), as the conditions for the earnout under the acquisition agreement have not been fulfilled. The maximum potential earnout has been recognised as a provision of EUR 4 million in the Company's balance sheet. During the process of determining the earnout, the Sellers have expressed their view that the Company should pay an earnout and have presented arguments and documentation. The Company has in discussion with the Sellers, and in consultation with our advisors, carefully reviewed the arguments and documentation presented during the course of this process. Based on this review, the Board took the decision to write down the provision in the Company's balance sheet in two steps.

In step one, the earnout and thus the provision has been determined at 0 as per the terms of the acquisition agreement. And as Fragbite Group and the Sellers are currently in constructive dialogue to seek resolution and new forms of partnership moving forward; to allow for future resolution the Board has in step two restored part of the provision amounting to a total of EUR 0,3 million. This new provision is an estimate that takes into account possible future payments.

The write-down will have an impact on the income statement during the second quarter 2024 of approximately SEK 41,7 million in reduced provisions.

Condensed consolidated income statement

SEK thousands	Apr-Jun		Jan-Jun		Full Year
	2024	2023	2024	2023	2023
Revenue	49,829	60,411	102,349	115,574	237,198
Capitalised work on own account	15,301	3,033	38,852	6,453	28,040
Other operating income	44	123	4,583	123	701
Total revenue	65,174	63,567	145,784	122,150	265,939
Cost of goods and services sold	-33,849	-38,146	-72,650	-76,486	-161,298
Gross profit	31,326	25,421	73,134	45,664	104,642
<i>Gross margin %</i>	<i>48.1%</i>	<i>40.0%</i>	<i>50.2%</i>	<i>37.4%</i>	<i>39.3%</i>
Personnel expenses	-21,293	-11,694	-43,774	-23,194	-56,657
Other external expenses	-16,658	-7,218	-30,861	-14,101	-31,791
EBITDA	-6,626	6,509	-1,500	8,369	16,193
Amortisation and impairment of intangible assets	-2,490	-1,710	-4,804	-3,297	-7,331
Depreciation of tangible assets	-279	-138	-712	-267	-833
Amortisation goodwill	-32,199	-21,832	-73,838	-43,331	-104,757
EBIT	-41,593	-17,171	-80,854	-38,525	-96,728
Net financial items	39,511	-7,502	19,229	-10,702	48,533
Earnings before tax (EBT)	-2,083	-24,673	-61,625	-49,227	-48,195
Tax	-65	-1,975	-964	-2,721	-4,953
Net profit	-2,148	-26,648	-62,589	-51,948	-53,148
Other comprehensive income	0	0	0	0	0
Total comprehensive income	-2,148	-26,648	-62,589	-51,948	-53,148
Comprehensive income for the period attributable to the parent company's shareholders	-2,148	-26,648	-62,589	-51,948	-53,148
Earnings per share (SEK)	-0.02	-0.29	-0.57	-0.57	-0.49
Earnings per share after dilution (SEK)	-0.02	-0.28	-0.57	-0.55	-0.43
Average number of shares outstanding	109,071,687	90,672,923	108,799,935	90,672,923	94,639,007
Average number of shares outstanding diluted	109,071,687	93,771,505	108,799,935	93,557,693	100,683,783
Number of shares before dilution	109,206,446	90,672,923	109,206,446	90,672,923	108,525,164
Number of shares diluted	109,206,446	94,846,505	109,206,446	94,846,505	123,914,122

Condensed consolidated statement of financial position

<i>SEK thousands</i>	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
ASSETS			
Fixed assets			
Intangible assets	200,953	286,371	920,481
Tangible assets	998	1,167	2,118
Financial assets	441	532	522
Total fixed assets	202,391	288,069	923,122
Current assets			
Accounts receivable	2,226	15,348	2,441
Current tax receivables	2,892	2,575	2,986
Other receivables	10,832	4,863	14,334
Prepaid expenses and accrued income	18,953	21,192	16,584
Total current assets	34,904	43,979	36,345
Cash and cash equivalents	7,573	17,233	25,055
Total assets	244,868	349,280	984,521
EQUITY AND LIABILITIES			
Equity	89,482	124,722	146,067
Provisions*	13,692	93,500	678,325
Long-term liabilities			
Liabilities to credit institutions	8,486	27,476	14,752
Total long-term liabilities	8,486	27,476	14,752
Short-term liabilities			
Liabilities to credit institutions	18,252	28,881	25,644
Overdraft facilities	7,370	0	0
Other financial liabilities	41,172	0	18,622
Accounts payable	5,250	4,103	10,795
Current tax liabilities	0	136	2,975
Other current liabilities	9,257	9,208	22,380
Accrued expenses and deferred income	51,908	61,254	64,959
Total short-term liabilities	133,209	103,582	145,377
Total equity and liabilities	244,868	349,280	984,521

* All additional purchase consideration amounts are accounted for as provisions.

Condensed consolidated statement of changes in equity

Fragbite Group	Consolidated statement of changes in equity				
<i>SEK thousands</i>	Share capital	Premium Fund	Retained earnings	Result for the period	Equity attributable to shareholders of the Parent Company
OPENING BALANCE 01/01/2023	1,511	355,674	-92,563	-103,112	161,510
Changes in equity during the period 01/01/2023 - 31/12/2023					
Net result for the reporting period				-53,148	-53,148
New share issue paid	298	37,422			37,720
New share issue costs		-1,035			-1,035
Translation difference			1,020		1,020
Disposition according to decision by the AGM			-103,112	103,112	0
CLOSING BALANCE 31/12/2023	1,809	392,062	-194,655	-53,148	146,067
OPENING BALANCE 01/01/2024	1,809	392,062	-194,655	-53,148	146,067
Changes in equity during the period 01/01/2024 - 30/06/2024					
Net result for the reporting period				-62,589	-62,589
New share issue paid	11	963			974
New share issue costs		-105			-105
Translation difference			5,134		5,134
Disposition according to decision by the AGM			-53,148	53,148	0
CLOSING BALANCE 30/06/2024	1,820	392,920	-242,669	-62,589	89,482

Condensed consolidated cash flow statement

SEK thousands	Apr-Jun		Jan-Jun		Full Year
	2024	2023	2024	2023	2023
Operating income	-41,593	-17,171	-80,854	-38,525	-96,728
Non-cash items					
Depreciation, amortisation and impairment	34,968	23,680	79,353	46,894	112,921
Other	3,742	0	3,742	0	0
Financial items	-3,865	-979	-5,530	-1,966	-5,078
Tax paid	-1,978	-2,590	-4,435	-6,585	-9,353
Cash flow from operating activities before changes in working capital	-8,727	2,940	-7,724	-182	1,762
Change in accounts receivable	910	-9,859	244	-9,262	3,131
Change in other receivables	-2,778	-2,188	10,300	-2,686	-7,754
Change in accounts payable	2,583	556	-1,025	-483	2,940
Change in other liabilities	2,052	8,740	-5,193	-1,587	-1,494
Cash flow from changes in working capital	2,767	-2,751	4,326	-14,018	-3,177
Cash flow from operating activities	-5,961	189	-3,398	-14,200	-1,415
Investment in subsidiaries	-94	0	-94	0	-21,459
Capitalised work on own account	-15,321	-3,033	-38,872	-6,453	-28,040
Acquisition of intangible and tangible fixed assets	-343	-2,724	-7,936	-2,742	-5,812
Disposal of intangible and tangible fixed assets	390	0	16,809	0	457
Deposit paid	-22	-88	-22	-201	-222
Deposit repaid	0	0	114	0	0
Cash flow from investing activities	-15,389	-5,845	-30,000	-9,396	-55,075
New share issue	869	738	869	738	36,685
New borrowings	20,000	11,340	20,000	11,340	31,340
Change in overdraft limit	-1,707	0	7,370	0	0
Change in other financial liabilities	1,673	0	1,673	0	0
Repayment of liabilities to credit institutions	-7,094	-6,893	-14,235	-13,536	-27,758
Cash flow from financing activities	13,740	5,185	15,676	-1,458	40,267
Cash flow	-7,609	-471	-17,722	-25,054	-16,223
Cash and cash equivalents at beginning of period	15,604	16,660	25,055	40,993	40,993
Cash flow for the period	-7,609	-471	-17,722	-25,054	-16,223
Exchange difference in cash and cash equivalents	-421	1,044	241	1,294	285
Cash and cash equivalents at end of period	7,573	17,233	7,573	17,233	25,055

Condensed Parent Company income statement

SEK thousands	Apr-Jun		Jan-Jun		Full Year
	2024	2023	2024	2023	2023
Revenue	1,389	1,660	3,063	3,251	5,853
Total revenue	1,389	1,660	3,063	3,251	5,853
Personnel expenses	-3,737	-2,453	-5,834	-4,923	-9,511
Other external expenses	-1,597	-2,547	-2,804	-4,848	-8,274
EBITDA	-3,945	-3,339	-5,575	-6,519	-11,932
Profit from participations in Group companies	0	0	11,253	22,925	28,795
Impairments of financial fixed assets	-50,917	0	-50,917	0	-19,492
Net financial items	1,910	-7,013	-4,309	-10,050	-2,883
Earnings before tax (EBT)	-52,952	-10,352	-49,548	6,356	-5,513
Tax	0	0	0	0	0
Net profit	-52,952	-10,352	-49,548	6,356	-5,513

Condensed Parent Company statement of financial position

SEK thousands	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
ASSETS			
Fixed assets			
Shares in Group companies	359,629	436,046	814,026
Receivables from Group companies	17,900	17,624	31,900
Financial assets	255	409	255
Total fixed assets	377,784	454,079	846,181
Current assets			
Receivables from Group companies	1,732	2,025	2,970
Current tax receivables	117	42	0
Other receivables	10,012	90	0
Prepaid expenses and accrued income	710	529	295
Total current assets	12,570	2,686	3,265
Cash and cash equivalents	526	3,230	1,331
Total assets	390,880	459,994	850,777
EQUITY AND LIABILITIES			
Equity	240,483	265,084	289,162
Provisions*	13,692	93,500	454,384
Long-term liabilities			
Liabilities to credit institutions	0	15,819	5,159
Liabilities to Group companies	74,306	54,906	54,695
Total long-term liabilities	74,306	70,726	59,855
Short-term liabilities			
Liabilities to credit institutions	15,508	25,819	22,819
Other financial liabilities	39,503	0	18,622
Accounts payable	357	1,010	691
Liabilities to Group companies	2,205	832	1,649
Current tax liabilities	0	0	135
Other liabilities	1,668	1,643	1,633
Accrued expenses and deferred income	3,157	1,379	1,827
Total short-term liabilities	62,399	30,684	47,376
Total equity and liabilities	390,880	459,994	850,777

* All additional purchase consideration amounts are accounted for as provisions.

Notes to the financial statements

Note 1. Accounting policies

The Group and Parent Company apply the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3).

Note 2. Segment information

The Group's different business areas form the basis of the Group's internal reporting structure and are reviewed by the CEO for the purpose of allocating resources and evaluating performance across the Group. The following segments have been identified:

- **Gaming:** The segment includes Playdigious, FunRock & Prey Studios as well as the business Lucky Kat conducts in the hypercasual genre. Revenue is generated in three main ways:
 - *Development:* The Company is a game developer focusing on free-to-play mobile games. Revenues are generated via in-game purchases and/or advertising.
 - *Porting:* The Company ports already released games from PC and console to mobile platforms and then publishes them. These games are pay-to-play and generate revenue initially via download and later via game updates.
 - *Publishing:* The Company publishes games in the indie game genre for PC and console. As a publisher, we have a share of the total revenue generated from the games.
- **Web3:** The segment comprises Wagmi, and Lucky Kat's business in this area. In the business area, we develop ecosystems, communities and digital assets within the framework of games built on blockchain technology. Revenue is generated through the sale of digital assets such as tokens and NFTs, in-game purchases, advertising and transaction fees.
- **Esports:** The segment comprises Fragbite AB. Business based on expertise in marketing through esports and gaming content is conducted under the Fragbite and Config brands. Revenue is generated via proprietary IP:s and the sale of services.

Operating profit before depreciation, amortisation and impairment of intangible assets and property, plant and equipment (EBITDA) is the performance measure reported to the chief operating decision maker for the purpose of allocating resources and assessing segment performance. The President & CEO does not monitor operations based on assets and liabilities per segment.

The tables below show an analysis of the Group's revenue and earnings for each reportable operating segment:

	Apr-Jun 2024					Apr-Jun 2023				
<i>SEK thousands</i>	Gaming	Esport	Web3	Parent	TOTAL	Gaming	Esport	Web3	Parent	TOTAL
Revenue	41,408	2,956	5,465	0	49,829	50,234	1,367	8,810	0	60,411
Adjusted EBITDA	2,848	424	-915	-3,502	-1,144	9,427	-1,057	3,138	-4,999	6,509

	Jan-Jun 2024					Jan-Jun 2023				
<i>SEK thousands</i>	Gaming	Esport	Web3	Parent	TOTAL	Gaming	Esport	Web3	Parent	TOTAL
Revenue	88,276	4,836	9,237	0	102,349	100,323	2,824	12,427	0	115,574
Adjusted EBITDA	5,877	143	4,474	-6,512	3,982	16,166	-2,200	4,173	-9,770	8,369

Note 3. Pro forma

Fragbite Group	Condensed consolidated income statement excluding Fall Damage Studio AB								
	Pro forma	Apr-Jun 2024				Jan-Jun 2024			
		Fragbite Group	Fall Damage Studio AB	Group adjustments	Proforma Fragbite Group	Fragbite Group	Fall Damage Studio AB	Group adjustments	Proforma Fragbite Group
<i>SEK thousands</i>									
Revenue	49,829	0	0	49,829	102,349	-12	0	102,337	
Capitalised work on own account	15,301	-9,552	0	5,749	38,852	-25,134	0	13,718	
Other operating income	44	0	0	44	4,583	-1	0	4,582	
Total revenue	65,174	-9,552	0	55,623	145,784	-25,147	0	120,637	
Cost of goods and services sold	-33,849	0	0	-33,849	-72,650	12	0	-72,638	
Gross profit	31,326	-9,552	0	21,774	73,134	-25,135	0	47,999	
<i>Gross margin %</i>	<i>48.1%</i>	<i>100.0%</i>		<i>39.1%</i>	<i>50.2%</i>	<i>100.0%</i>		<i>39.8%</i>	
Personnel expenses	-21,293	7,075	0	-14,219	-43,774	17,590	0	-26,184	
Other external expenses	-16,658	9,004	-6,433	-14,087	-30,861	14,647	-6,695	-22,909	
EBITDA	-6,626	6,527	-6,433	-6,532	-1,500	7,101	-6,695	-1,094	
Adjusted EBITDA	-1,144	6,527	-6,433	-1,050	3,982	7,101	-6,695	4,388	
Amortisation and impairment of intangible assets	-2,490	179	0	-2,311	-4,804	504	0	-4,300	
Depreciation of tangible assets	-279	0	0	-279	-712	75	0	-637	
Amortisation goodwill	-32,199	0	11,692	-20,507	-73,838	0	32,501	-41,337	
EBIT	-41,593	6,706	5,258	-29,628	-80,854	7,680	25,805	-47,368	
Net financial items	39,511	905	875	41,291	19,229	15,153	573	34,955	
Earnings before tax (EBT)	-2,083	7,612	6,134	11,663	-61,625	22,833	26,379	-12,413	
Tax	-65	0	0	-65	-964	0	0	-964	
Net profit	-2,148	7,612	6,134	11,598	-62,589	22,833	26,379	-13,377	

Declaration by the Board of Directors

The Board of Directors and the CEO of Fragbite Group AB (publ) hereby certify that this interim report provides a true and fair overview of the operations, financial position and performance of the Group and Parent Company.

Stockholm, 20 August 2024

Sten Wranne
Chairman

Stefan Tengvall
CEO and Board Member

Maria Andersson Grimaldi
Board Member

Claes Kalborg
Board Member

Zara Zamani
Board Member

This interim report has not been reviewed by the Company's auditors.

Contact

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Financial calendar

Interim report, Q3 2024: 14 November 2024
Year-end report 2024: 20 February 2025