

PRESS RELEASE

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# Fragbite Group publishes company description in connection to an offering of new shares and intended listing on Nasdaq First North Growth Market provided that the company obtains final approval

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Fragbite Group AB (publ) ("Fragbite Group" or "the Company") hereby publishes a company description (the "Company Description") in connection with the offering (the "Offering") of new shares decided by the Board on 21 June 2021, with the support of the authorization from the annual general meeting on December 21, 2020. The Offering will, upon full subscription, raise approximately SEK 15 million prior to transaction costs. Furthermore, the Company has the option to extend the Offering by SEK 5 million in the form of an extension option (the "Extension Option") as well as through an over-allotment option of a maximum of SEK 3 million. The Company has received a preliminary approval from Nasdaq Stockholm AB regarding listing on Nasdaq First North Growth Market. For final approval, it is required that the usual conditions, including the distribution requirement, are met. The subscription period starts today.

## The Offering in summary:

- The offering price is set at SEK 4.00 per share (the "**Offering price**"), which corresponds to a total market value for the Company's shares of approximately SEK 281 million prior to the Offering.
- The Offering comprises a maximum of 3,750,000 newly issued shares in Fragbite Group. If the Offering is fully subscribed, the Company will receive a gross payment of SEK 15.0 million, before transaction costs related to the Offering.
- In addition, the Company's board of directors has decided on the Extension Option consisting of an additional 1,250,000 newly issued shares. If the Extension Option is fully subscribed, the Company will receive an additional gross payment of SEK 5.0 million.

- To cover any over-allotment in connection with the Offer including the Extension Option, the Company will, in relation to a stabilizing agent, undertake to issue a maximum of 750,000 new shares, corresponding to a maximum of 15.0 percent of the number of shares covered by the Offering including the Extension option (“**the Overallotment Option**”).
- If the Offering, including the Extension Option and the Overallotment Option, is fully subscribed, the Company will receive approximately SEK 23.0 million before deductions for transaction costs, which corresponds to approximately 7.6 percent of the share capital and votes in the Company, after the Offering.
- Prior to the Offering, a group of investors has, at the same price as other investors, undertaken to subscribe for shares corresponding to a total value of SEK 9.1 million, corresponding to approximately 60.7 percent of the Offering. The subscription commitments are not secured by a bank guarantee, blocking funds, pledges nor similar arrangements. No compensation is paid for the commitments distributed as follows (rounded amount):
  - Inbox Capital AB, SEK 2,500,000
  - Ilja Batljan, SEK 2,000,000
  - Mikael Pettersson, SEK 1,200,000
  - Karl-Erik von Bahr, SEK 1,000,000
  - Stefan Tengvall, SEK 1,000,000
  - Sten Wranne, SEK 300,000
  - Joachim Rittfeldt Hofvenschiöld, SEK 300,000
  - Daniel Pereaux, SEK 200,000
  - Niclas Bergkvist, SEK 150,000
  - Dawid Myslinski, SEK 150,000
  - Olof Kajbjer, SEK 100,000
  - Marcus Teilman, SEK 100,000
  - Viktor Wågström, SEK 50,000
  - Karl Kajbjer, SEK 50,000
- The Offering is directed towards the general public in Sweden, Denmark, and Finland as well as institutional investors in Sweden and internationally.
- The subscription period for the Offering is expected to take place from 22 June 2021 to 6 July 2021.
- The estimated first day of trading of the Company's shares on Nasdaq First North Growth Market is July 12 2021 and the estimated settlement date is July 9 2021.
- The shares will be traded under the short name (ticker) "FRAG".
- Approximately 47.8 percent of the Company's shareholders, including board members and management, have, through an agreement with Skills Corporate Finance AB, committed to a so-called lock-up of shares that are not to be sold as part of the Offering for a period of up to 450 days from first day of trading on Nasdaq First North Growth Market. Lock-up agreements comprise a total of approximately 44.2 percent of the shares and votes in the Company given a fully subscribed Offering.
- Complete information about the terms of the Offering can be found in the Company Description. The Company Description has today been published on Fragbite Group's website ([www.fragbitegroup.com](http://www.fragbitegroup.com)).

### **Stefan Tengvall, President and CEO of Fragbite Group**

“With the listing on Nasdaq First North Growth Market, we are entering a new and exciting phase in the Company's history, after the Company had an exciting start to 2021, including acquisitions and sales growth. We see a clear demand in the market and through the Offering, we will have the financial strength required to pursue the stated growth strategy. I look forward to continuing our growth journey together with existing and new shareholders.”

## **Niclas Bergkvist, Chairman of the Board of Fragbite Group**

“The interest in Fragbite Group has been great and it is with pleasure that we can offer investors to take part in the full potential of the Company and participate in the growth journey that we have ahead of us. I am convinced that a broader shareholder base of both private and institutional owners will further strengthen the business in the future.”

## **Reasons for the Offer and the Company's use of cash**

Fragbite Group is a group that provides and develops games and operates an e-sports platform. The Company pursues a global expansive growth strategy, primarily based on acquisitions, primarily in mobile gaming and e-sports.

The purpose of the listing is to provide fans, employees and other investors with a genuine interest in Fragbite Group and its customer offering the opportunity to participate in the Company's growth journey. The Company also wants to facilitate the adopted growth and acquisition strategy in connection with the listing on the Nasdaq First North Growth Market. The Company's board has a clear plan for how the capital from the Offering will be used. Overall, the board assesses that the Company's market potential justifies a public capitalization through the offering with a subsequent listing of the Company's shares.

If all new shares in the Offering are subscribed for and the Offering is extended to a maximum, the Company will receive approximately SEK 20.4 million after deductions for transaction costs of approximately SEK 2.6 million. The Company intends to mainly use the net proceeds from the Offering to invest in mobile game development, e-sports events and to strengthen the Company's financial position with the following order of priority:

- 1) Working capital for the Company's operations (approximately 10 percent).
- 2) Investments related to Company acquisitions (approximately 70 percent).
- 3) Investments related to the development of mobile games (approximately 10 percent).
- 4) Investments related to events in e-sports (approximately 10 percent).

## **Company Description and subscription**

A Company Description that contains complete terms and instructions for the Offering and further information about investment commitments made, lock-up agreements entered into in advance, etc. has today been published on Fragbite Group's website (<https://fragbitegroup.com/>), Skills Corporate Finance Nordic AB's website (<https://www.skillscorp.se/>) under the tab "Ongoing transactions", Avanza Bank AB's website (<https://avanza.se/>) under the tab "Save & Invest" and Nordnet Bank AB's website (<https://nordnet.se/>) under the tab "My pages". Notifications from the public must be made directly via Avanza Bank AB or trustees such as Nordnet Bank AB or Avanza Bank Holding AB.

The Company Description does not constitute a prospectus in accordance with Commission Delegated Regulation (EU) 2019/980 and Article 20 of Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "Prospectus Regulation") and has not been reviewed and approved by the Swedish Financial Supervisory Authority. The Company Description is exempt from the prospectus obligation according to section 4 of the Act (1991: 980) on trading in financial instruments, taking into account that the total amount paid during rolling 12 months corresponds to a maximum of EUR 2.5 million.

### **Indicative schedule**

Subscription period: June 22 - July 6, 2021

Publication of the outcome of the Offer: 7 July 2021

Settlement date: 9 July 2021

First day of trading on the Nasdaq First North Growth Market: July 12, 2021. This presumes that final approvals are obtained from Nasdaq.

### **Stabilization measures**

Fragbite Group will engage a stabilizing agent that may carry out transactions in connection with the Offer in order to maintain the market price of the shares at a level above what could otherwise prevail in the open market. Such stabilization measures may be conducted on the Nasdaq First North Growth Market, the OTC Market or otherwise, at any time during the period beginning on the first day of trading on Nasdaq First North Growth Market and ending no later than 30 calendar days thereafter. However, the stabilizing agent has no obligation to take any stabilization measures and there is no guarantee that stabilization measures will be taken. Under no circumstances will transactions be carried out at a higher price than that stated in the Offer.

The stabilizing agent may use the Overallotment option to over-allot shares to enable stabilization measures. The stabilization measures, if implemented, may be suspended at any time without notice but must be suspended within the above-mentioned 30-day period. The stabilizing agent must publish by the end of the seventh trading day, after stabilization transactions have taken place, in accordance with Article 5 (4) of the Market Abuse Regulation (EU) 596/2014 (MAR) and Commission Delegated Regulation (EU) 2016/1052, that stabilization measures have been taken. Within one week after the end of the stabilization period, the stabilizing agent will publish whether or not stabilization measures were taken, the date on which the stabilization was initiated, the date on which the stabilization was last carried out and the price range within which stabilization was carried out for each date on which stabilization measures were implemented.

### **Dilution as a result of the Offering**

If all new shares in the Offering are subscribed for and the Offering extends to its maximum, the maximum share capital of the Company will be increased by SEK 95,831.72 through a new issue of 5,750,000 shares, which corresponds to approximately 7.6 percent of all outstanding shares and votes in the Company after the Offering. The calculations have been based on the current number of shares in the Company, i.e., 70,360,303 shares.

### **Advisor**

Skills Corporate Finance Nordic AB is the financial advisor to the Company and selling shareholders in connection with the Offering. The law firm Lindahl in Malmö AB is a legal advisor to Fragbite Group in connection with the Offering and has assisted the Company in the preparation of the Company Description. Avanza Bank AB acts as an issuer regarding the Offering. Redeye AB has been appointed the Company's Certified Adviser on Nasdaq First North Growth Market. Nordnet Bank AB acts as a Selling Agent towards retail investors.

### **For questions, please contact:**

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**About us**

Fragbite Group is a digital gaming entertainment group with subsidiaries active in the mobile games and e-sports industry. The group consists of companies with people who all share the same passion for gaming. The Group is headquartered in Stockholm, Sweden and has physical representation in Alexandria, Egypt and in Montpellier and Nancy, France. The group has two internal game development studios and employs approx. 50 employees. The subsidiaries Funrock Development AB and P Studios AB develop, publish, distribute and market mobile games for the global gaming market. Fragbite AB is one of the Nordic region's leading E-sports media companies that organizes and broadcasts e-sports tournaments live. Playdigious SAS is a publisher that adapts games for mobile devices and develops indie games.

**Important information**

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This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in new shares. Any investment decision in connection with the Offering must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by Skills Corporate Finance Nordic AB. The information in this press release is published only as background information and does not purport to be complete. An investor should thus not solely rely on the information in this announcement or its accuracy or completeness. Skills Corporate Finance Nordic AB is acting solely for the Company in connection with the Offering and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Offering or any other matter referred to herein.

This press release does not constitute a recommendation for any investors' decisions regarding the Offering. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States unless registered under the US Securities Act of 1933, as amended (the "Securities Act"), or offered in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and in compliance with applicable United States state law. The securities referred to herein have not been and will not be registered under the Securities Act or under the applicable securities laws of United States, Australia, Canada, New Zealand, Singapore, Hong Kong, Japan, South Africa or any other jurisdiction. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the United States, Australia, Canada, New Zealand, Singapore, Hong Kong, Japan, South Africa or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations. There will be no public offer of the securities referred to herein in the United States.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. Fragbite Group has not authorized any offer to the public of shares or other securities in the United Kingdom or any member state of the EEA except Sweden, Denmark and Finland and no prospectus has been or will be prepared in connection with the Offering. In any EEA Member State, this communication is only addressed to and is only directed at "qualified investors" in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); (ii) high net worth entities etc. falling within Article 49(2)(a) to (d) of the Order; or (iii) such other persons to whom such investment or investment activity may lawfully be made available under the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

### **Forward-looking statements**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties,

the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. Readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq First North Growth Market - Rulebook.

### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Fragbite Group have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "UK Target Market Assessment" and, together with the EU Target Market Assessment, the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in Fragbite Group may decline and investors could lose all or part of their investment; the shares in Fragbite Group offer no guaranteed income and no capital protection; and an investment in the shares in Fragbite Group is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Fragbite Group.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Fragbite Group and determining appropriate distribution channels.

## **Attachments**

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