

PRESS RELEASE

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Fragbite Group AB (publ) has successfully completed a directed issue of units of approximately SEK 22 million

The board of directors of Fragbite Group (publ) ("Fragbite Group" or the "Company") has today, based on the authorization granted by the annual general meeting held on 12 May 2023, resolved on a directed issue of 11,282,043 Units, corresponding to 11,282,043 shares and 11,282,043 warrants of series TO 1, initially providing the Company with approximately SEK 22.0 million before issue costs (the "Directed Issue"). The subscription price amounted to SEK 1.95 per Unit and was determined based on an accelerated book-building procedure carried out by Vator Securities AB (acting as Sole Bookrunner). The subscribers in the Directed Issue consist of certain existing shareholders, including Mikael A Pettersson, The Barbarian Group AB and Santhe Dahl Invest AB, as well as Swedish and international institutional investors, Family Offices and qualified private investors. The proceeds will primarily finance the acquisition of Fall Damage (the "Acquisition") and the continued operation of Fall Damage and the development of its tactical FPS game ALARA Prime until launch. In connection with the Directed Issue, Fragbite Group has also entered into loan agreements amounting to a total of SEK 20 million with Buntel AB and Munkekullen 5 Förvaltning AB on market terms.

The Directed Issue

In light of the Acquisition announced earlier today, the board of directors has, based on the authorization from the annual general meeting held on 12 May 2023, today resolved on a directed issue of 11,282,043 Units, corresponding to 11,282,043 shares and 11,282,043 warrants of series TO 1, initially providing the Company with SEK 22.0 million before issue costs. The subscription price in the Directed Issue amounted to SEK 1.95 per Unit, corresponding to a discount of approximately 10% compared to the volume weighted average price of the Company's share on Nasdaq First North Growth Market during a period of thirty (30) trading days prior to the board resolution on the Directed Issue. Since the subscription price has been determined through an accelerated bookbuilding procedure it is the Board of Directors' assessment that the subscription price reflects current market conditions and is thus market-based.

Through the Directed Issue, Fragbite Group initially receives approximately SEK 22.0 million before issue costs. Upon full exercise of all warrants within the framework of the issued Units, the Company may receive an additional capital contribution of a maximum of approximately SEK 25.9 million, based on a maximum subscription price of SEK 2.30. The subscribers in the Directed Issue consist of certain existing shareholders, including Mikael A Pettersson, The Barbarian Group AB and Santhe Dahl, as well as Swedish and international institutional investors, Family Offices and qualified private investors. Fragbite Group intends to use the net proceeds from the Directed Issue to primarily finance the acquisition of Fall Damage as well as the continued operation of Fall Damage and the development of its tactical FPS game ALARA Prime until launch.

Each Unit consists of one (1) share and one (1) warrant of series TO 1 issued free of charge. One (1) warrant of series TO 1 entitles the holder to subscribe for one (1) new share in the Company at a subscription price corresponding to 90 percent of the volume-weighted average price of the Company's share on Nasdaq First North Growth Market during the period from 21 February 2024 to 4 April 2024, however, not less than the quota value of the share and not more than SEK 2.30. Application for subscription of shares with the support of warrants of series TO 1 will take place during the period from and including 8 April 2024 to and including 15 April 2024.

Prior to the Directed Issue, the Board of Directors has carefully considered the possibility of raising capital through a rights issue and makes the assessment that there are currently several reasons why it is more advantageous for the shareholders to raise capital through a directed issue. A rights issue in the current market would entail a risk that the Company would not be able to meet its capital needs. A rights issue would also expose the Company's shareholders to a risk of a severely depressed share price, especially in this market with very high discounts in rights issues and high guarantee payments to guarantors. Against this background, since the Directed Issue (i) can provide the Company with long-term and well-capitalized owners, (ii) satisfies the capital need to complete the acquisition of the game studio Fall Damage and finance the operation of Fall Damage and the development of its tactical FPS game ALARA Prime until launch (iii) can be carried out in a more time-efficient manner and at a lower cost and with less complexity than a rights issue, it is the board of directors' overall assessment that the reasons that clearly and with sufficient strength justify that the issue is carried out with deviation from the shareholders' preferential rights outweigh the reasons that justify the main rule that the issue shall be carried out with preferential rights for the shareholders. The board of directors therefore considers that a share issue with deviation from the shareholders' preferential rights is in the interest of the Company and all shareholders and thus the most appropriate alternative.

In order to facilitate the completion of the Directed Issue, the new Units have been initially subscribed for by Vator Securities, as issuing agent, in an amount corresponding to the quota value of the shares, for onward transfer to the final investors at the price of SEK 1.95 per Unit, ultimately allocated to the Company.

Dilution

The number of shares covered by the Directed Issue amounts to 11,282,043 and increases the Company's share capital by SEK 188,030.802187. The Directed Issue entails a dilution effect of approximately 10.8 percent of the shares and votes in the Company.

In total, 15,573,888 shares are intended to be issued in connection with the Acquisition and the Directed Issue, which will increase the Company's share capital by SEK 259,560.316674 and correspond to a dilution effect of approximately 14.4 percent of the shares and votes in the Company.

In the event that all warrants of series TO 1 are exercised, the Company's share capital will increase by an additional SEK 188,030.802187 to a total of SEK 1,996,752.293882. The number of shares in the Company will increase by an additional 11,282,043 to a total of 119,807,207. This means an additional dilution effect of approximately 9.4 percent and a total dilution effect of approximately 22.4 percent.

Loan facility

In connection with the Directed Issue, Fragbite Group has also entered into loan agreements amounting to a total of SEK 20 million with Buntel AB and Munkekullen 5 Förvaltning AB, on market terms, to finance the acquisition of Fall Damage as well as the continued operation of Fall Damage and the development of its tactical FPS game ALARA Prime until launch. The loans run until 10 October 2024 but are intended, if possible, to be repaid early by using available surplus cash in the business or funds received from collaborations with game publishers to ALARA Prime.

Advisors

Hansen Advokatbyrå is the legal advisor in connection with the Acquisition. Kanter Advokatbyrå is acting as legal advisor in connection with the Directed Share Issue. Vator Securities is acting as Sole Bookrunner and issuing agent in the Directed Issue.

About Fragbite Group AB (publ)

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 web3 platforms built on blockchain technology. The Group is headquartered in Stockholm and has over 80 employees in Sweden, France, the Netherlands, Gibraltar and Egypt. Fragbite Group is listed on Nasdaq First North Growth Market.

IMPORTANT INFORMATION

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This press release does not constitute an invitation to underwrite, subscribe or otherwise acquire or transfer securities in any jurisdiction. This press release does not constitute a recommendation for any investor's decision regarding the Directed Issue. Each investor or potential investor should conduct its own investigation, analysis and evaluation of the business and information described in this press release and all publicly available information. The price and value of the securities may go down as well as up and past performance is no guide to future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

Information to distributors

In order to comply with the product governance requirements contained in: (a) Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as consolidated, ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593, which supplements MiFID II; and (c) national implementing measures (together, the "MiFID II Product Governance Requirements") and in order to disclaim any non-contractual, contractual or other liability to which any "manufacturer" (within the meaning of the MiFID II Product Governance Requirements) may otherwise be subject, the offered shares of Fragbite Group have been subject to a product approval process, which has determined that those shares are: (i) suitable for a target market consisting of retail investors and investors meeting the criteria of professional clients and eligible counterparties, as defined in MiFID II; and (ii) suitable for distribution through all distribution channels permitted under MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of Fragbite Group's shares may fall and investors may lose all or part of their investment; that the Company's shares are not subject to any guarantee of return or capital protection; and that an investment in the Company's shares is only suitable for investors who are not in need of a guaranteed return or capital protection and who (alone or with the assistance of an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to bear the losses that may result from such an investment. The target market assessment is without prejudice to any other

requirements relating to contractual, legal or regulatory restrictions on sales in connection with the Directed Issue. It is further noted that, notwithstanding the Target Market Assessment, the Sole Bookrunner will only seek 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 (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 of Fragbite Group.

Each distributor is responsible for undertaking its own Target Market Assessment in respect to the shares of Fragbite Group and for determining appropriate distribution channels.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, assessments, or expectations regarding 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 do not relate to historical facts and can be identified by the fact that they contain expressions such as "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "assumes", "should", "could" and, in each case, negatives thereof, or similar expressions. The forward-looking statements in this press release are based on various assumptions, many of which are based on additional assumptions. Although the Company believes that the assumptions reflected in these forward-looking statements are reasonable, there can be no assurance that they will materialize or that they will be accurate. Because these assumptions are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcomes may differ materially from those in the forward-looking statements for a variety of reasons. Such risks, uncertainties, contingencies, and other important factors could cause actual events to differ materially from the expectations expressed or implied by the forward-looking statements in this press release. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are correct and any reader of the press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements expressed or implied herein speak only as of the date of this press release and are subject to change. Neither the Company nor anyone else undertakes to review, update, confirm or publicly announce any revision to any forward-looking statement to reflect events that occur or circumstances that arise in relation to the contents of this press release.

For questions, please contact:

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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 web3 platforms built on blockchain technology. The Group is headquartered in Stockholm and has over 80 employees in Sweden, France, the Netherlands, Gibraltar and Egypt. Fragbite Group is listed on Nasdaq First North Growth Market.

This information is information that Fragbite Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-10-11 22:29 CEST.

Attachments

Fragbite Group AB (publ) has successfully completed a directed issue of units of approximately SEK 22 million