

PRESS RELEASE

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Lucky Kat cancels publishing contract and sells two games

Lucky Kat B.V. ("Lucky Kat"), wholly-owned subsidiary of Fragbite Group AB (publ) ("Fragbite Group" or "the Group"), has cancelled the publishing contract for mobile game Magic Finger and signed an agreement to sell the title to a third party. The game is sold together with another title, generating income for Lucky Kat in the second quarter 2023.

Lucky Kat has signed an agreement to sell Magic Finger, a mobile game which has historically represented a substantial part of the subsidiary's hypercasual portfolio. The sale is negotiated as part of Lucky Kat's cancellation of a publishing contract with the game's IP owner and original developer, A Small Game AB. The cancellation of publishing services and subsequent sale also include the title Super Sucker 3D. The two games are sold to a third party, French company Quiet, with Lucky Kat's share of the sale generating income during the second quarter 2023. Payments will be made in instalments over the coming months.

Revenues from hypercasual mobile games have decreased the past year, mostly due to changed market conditions in reaching a sustainable ROI on user acquisition, at the same time as Lucky Kat has focused on the web3 gaming side of the business. Fragbite Group is therefore capitalising on the hypercasual portfolio through a financially beneficial partial divestment, which for Magic Finger represents the approximate equivalent of two years of future earnings for the game. In addition, the agreement allows resources previously spent on publishing to be allocated elsewhere.

"The hypercasual portfolio has served Lucky Kat well so far with successful games in terms of income, and invaluable experience and statistics we can utilise in our web3 game development. With topline income from hypercasual mobile games decreasing, we are continuously looking for new ways to keep total portfolio revenues on as high a level as possible, and partial divestment is part of the revenue mix. This advantageous sale also allows us to free resources to other projects, in alignment with the overall growth strategy of the Group," says Marcus Teilman, President and CEO, Fragbite Group.

"Gaming is a fast-moving industry, and the landscape has changed a lot the past year. We are shifting both focus and income streams towards web3, with hypercasual still part of the business but taking up less resources, now concentrated on IPs that we own ourselves. The Lucky Kat business has expanded quickly in many ways and will continue to do so. Minding how we use our resources is key and I am happy we could get this deal in place and secure a profitable sale. I also appreciate how our counterparts have worked with us in bringing this deal to a close in a swift and professional manner," says Herdjie Zhou, CEO, Lucky Kat.

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Redeye AB is the Company's Certified Adviser.

About us

Fragbite Group AB (publ) is a group that operates in mobile gaming and e-sports. The Company is listed on Nasdaq First North Growth Market in Stockholm and has its registered office in Stockholm. The subsidiaries FunRock/Prey Studios, Lucky Kat, Playdigious and WAGMI are active in the global mobile gaming market, developing, publishing, distributing, adapting and marketing games for desktop, consoles and mobile devices. The subsidiary Fragbite AB is the Nordic region's leading organiser and media company in e-sports. The Group has offices in Sweden, France, the Netherlands, Gibraltar and Egypt, with a total of 80 employees all sharing the same passion for gaming.

Attachments

[Lucky Kat cancels publishing contract and sells two games](#)