

PRESS RELEASE

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Fragbite Group engages long-term investor and carries out a directed share issue of 1 MSEK

The Board of Directors of Fragbite Group AB (publ) ("Fragbite Group" or the "Company") has, based on the authorisation granted by the extraordinary general meeting held on 25 June 2024, resolved on a directed share issue of 50,000,000 shares at a subscription price of SEK 0.02 per share (the "Directed Share Issue"). The Company is thereby provided with SEK 1,000,000 before transaction costs. The subscription price in the Directed Share Issue has been determined in consultation with the Company's advisors and exceeds the volume weighted average price (VWAP) of the Company's share over the last thirty (30) trading days by approximately 24 percent. The subscriber of the Directed Share Issue is investment company House of K Holding Ltd. The primary objective of the Directed Share Issue is to increase the number of professional, long-term investors in the Company.

The Board of Directors of Fragbite Group has, based on the authorisation granted by the extraordinary general meeting held on 25 June 2024, resolved on the Directed Share Issue comprising 50,000,000 new shares at a subscription price of SEK 0.02 per share. The Company receives SEK 1,000,000 through the Directed Share Issue. The subscriber in the Directed Share Issue is House of K Holding Ltd, with principal shareholder Mattias Kaneteg, an investment company which today has long-term holdings in, among others, Eyeon Group, Quartiers Properties and Miss Group. House of K Holding Ltd has subscribed for and been allotted all shares in the Directed Share Issue.

'It is important that we increase the number of professional investors with an interest in the business and a long-term, strategic mindset when it comes to their ownership. I am therefore very pleased to welcome Mattias Kaneteg as a shareholder in Fragbite Group,' says Stefan Tengvall, CEO, Fragbite Group.

The subscription price exceeds the volume weighted average price (VWAP) of the Company's share on Nasdaq First North Growth Market during a period of thirty (30) trading days prior to the Directed Share Issue by approximately 24 percent. In relation to the closing price of the Company's share on 12 September 2024, the subscription price corresponds to a discount of 2 percent. The subscription price in the Directed Share Issue has been determined by the Board of Directors through arm's length negotiations with House of K Holding Ltd, whereby the Board of Directors has taken into account several factors such as current market conditions, the Company's financing needs, alternative cost of other financing, customary discount for directed share issues and assessed

market interest for investments in the Company. It is the Board of Directors' assessment, based on the abovementioned factors, that the subscription price reflects current market conditions and current demand. Against this background, the Board of Directors considers the subscription price to be on market terms.

BACKGROUND AND DEVIATION FROM SHAREHOLDERS' PREFERENTIAL RIGHTS

Prior to the decision on the Directed Share Issue, the Board of Directors has carefully considered alternative financing options, including the conditions for carrying out a share issue with preferential rights for the Company's existing shareholders. The Board of Directors is aware that, as a general rule, cash share issues should be carried out in accordance with the shareholders' preferential rights and has taken into account the rules issued by the Stock Market Self-Regulation Committee (Sw. *Aktiemarknadens självregleringskommitté*) ("**ASK**") in July 2023. ASK's rules state that it may typically be considered acceptable that share issues are carried out with deviation from the shareholders' preferential rights if, based on the circumstances, it can on objective grounds be considered to be in the interest of the shareholders to deviate from the preferential rights.

Fragbite Group wishes to expand its base of institutional and professional owners with the capacity to support the Company's further development in various ways. In particular, the Company wishes to expand the shareholder base with investors who have an interest in the business and a long-term ownership strategy. Unlike a rights issue, the Directed Share Issue is expected to strengthen the shareholder base with an important strategic institutional investor. The Board of Directors' assessment is that House of K Holding Ltd's investment represents a significant strengthening of the Company's ownership structure and that this will be in favour of the Company's existing shareholders. In the current uncertain and volatile environment and market - which can mean that the conditions for engaging additional investors can change rapidly - the Company wishes to take advantage of the opportunity for an expansion of the shareholder base that is favourable for the Company and its shareholders, as well as raising capital. The Company intends to use the proceeds from the Directed Share Issue to continue to develop Fragbite Group's profitable core business.

In light of the above, the Board of Directors has made the assessment that a directed share issue on current terms is a better alternative for the shareholders than a rights issue. Consequently, The Board of Directors' overall assessment is that the reasons presented for a directed share issue outweigh the reasons for a rights issue, and that the Directed Share Issue is thus considered to be in the interest of the Company and the shareholders.

NUMBER OF SHARES AND SHARE CAPITAL

The Directed Share Issue means that the number of shares in Fragbite Group increases from 3,221,824,394 shares to 3,271,824,394 shares, which entails a dilution of approximately 1.53 percent in relation to the total number of outstanding shares and votes in the Company after the Directed Share Issue. The Company's share capital increases from approximately SEK 53,696,145.75 to approximately SEK 54,529,464.69.

ADVISORS

In connection with the Directed Share Issue, Fragbite Group has engaged Schjødt as legal advisor and Vator Securities as issuing agent.

IMPORTANT INFORMATION

The publication, announcement or distribution of this press release may be subject to restrictions in certain jurisdictions. Recipients of this press release in jurisdictions where this press release has been published or distributed should inform themselves about and observe such restrictions. This press release does not constitute an offer to the public, or a solicitation of any offer, to buy or subscribe for any securities of the Company in any jurisdiction. This document has not been

approved by any authority in any jurisdiction, does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and no prospectus has been or will be prepared in connection with the Directed Share Issue. In any EEA Member State, this communication is only addressed to “qualified investors” in that member state as defined in the Prospectus Regulation.

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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 Share 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 Share 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.

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 platforms built on blockchain technology. The Group is headquartered in Stockholm and 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 2024-09-12 20:55 CEST.

Attachments

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