

PRESS RELEASE

23 May 2024 08:35:00 CEST

# Fragbite Group declares subsidiary Fall Damage Studio bankrupt

The board of directors of Fragbite Group AB publ ("Fragbite Group" or the "Company") has today, on 23 May 2024, resolved to declare bankruptcy for its subsidiary Fall Damage Studio AB ("Fall Damage"). The ongoing process of entering into an agreement with a publisher for the game ALARA Prime has not yet been completed, which has led to an unsustainable financial situation for Fall Damage. As a consequence, the board of directors of Fragbite Group has determined that the subsidiary will not be able to pay its debts as they fall due and that this inability is not temporary, which is why the board has decided to file for bankruptcy for Fall Damage. The publicly listed parent company Fragbite Group and other subsidiaries in the Group will continue operations without interruption.

The bankruptcy application will be submitted today. The book value of Fall Damage will be written down to zero in the parent company's balance sheet, which is expected to have a negative impact on the Group's results of approximately SEK 39.0 million.

Since the fall of 2023, Fall Damage has had multiple dialogues with potential partners regarding the publishing of the game ALARA Prime. This process has been extensive, involving many counterparts, and despite receiving very positive feedback on the game's quality and potential, the subsidiary has not yet been able to fully complete it within the necessary timeframe. This has led to an unsustainable financial situation. Therefore, it is the assessment of the board that even though these dialogues are still ongoing and the development of the game is on schedule, the subsidiary will not be able to pay its debts as they become due and this inability is not temporary, which is why a decision to file for bankruptcy is necessary.

Fragbite Group AB and the other subsidiaries within the Group will continue to operate without interruption and in accordance with communicated strategy. The Company has a fundamentally stable, profitable core business with a very strong pipeline of planned game releases and projects for 2024 and 2025.

## 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 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 2024-05-23 08:35 CEST.*

## Attachments

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