

PRESS RELEASE

23 October 2025 14:04:00 CEST

Letter of Intent signed for acquisition of substantial share in profitable growth company

Fragbite Group AB ("Fragbite Group" or "the Company") has signed a Letter of Intent ("LOI") to acquire a substantial share of a profitable growth company in the iGaming sector (the "Target Company") with the option of majority ownership. Fragbite Group recently made a smaller investment in the Target Company of EUR 250,000 for a 4.11 percent share with the purpose of generating quarterly dividends starting in mid-2026 and provide subsidiary FunRock with broader access to iGaming as a target market. With the LOI, the parties express their intention to negotiate a transaction that would result in the Company owning a significant share of the Target Company for the same purpose, and where the purchase consideration can be paid either in cash or, if applicable, through the issue of shares in Fragbite Group. The LOI includes a pricing of the Target Company where two of its shares correspond to one share in Fragbite Group per the Company's market value. The Target Company's valuation after its latest capital raise is app. 67 MSEK. Negotiations under exclusivity commence today.

Fragbite Group has today signed a Letter of Intent ("LOI") for the acquisition of a significant share in a profitable growth company in the iGaming sector ("the Target Company"). The Target Company is a European company that launched its platform in May 2025 after which it quickly started generating strong commercial results with the US as its first market. The Target Company is profitable on a cash flow basis since August with an excellent EBIT margin and has per today app. SEK 10 million in cash position which allows for expansion. The Target Company projects continued growth in profitability and has the stated intent of making quarterly dividends to its shareholders from mid-2026 onwards. The Target Company is run by an experienced team with a proven track record in iGaming, who now combines proven industry expertise with a new social gambling format. The Target Company's team has experience in leading businesses in a publicly listed environment.

With the LOI, the parties express their intention to negotiate a transaction that would result in Fragbite Group acquiring a significant share in the Target Company at a price for the Target Company's shares established in relation to Fragbite Group's market value, whereby one share in Fragbite Group corresponds to two shares in the Target Company. The Target Company's valuation after its latest capital raise is app. 67 MSEK. The transaction corresponds to a pricing of the Target Company that enables Fragbite Group to create concrete shareholder value in both the short and long term. The LOI has the option of majority ownership, with size of the share acquired is part of the due diligence process and negotiations which both commence today under exclusivity. The purchase consideration for the shares in the Target Company may be paid either in cash or, if applicable, through the issue of shares in Fragbite Group.

Fragbite Group recently made a small strategic investment in the Target Company of EUR 250,000, equivalent to app. SEK 2.75 million, which entailed a 4.11 percent ownership share. The purpose of Fragbite Group's engagement in the Target Company is to increase recurring revenue, for support of the parent company and the purchase of BTC, as well as stimulate growth within subsidiary FunRock. Via the Target Company and its representatives FunRock will gain broader access to the target market of iGaming for the sale of its games and game engines to clients to use for marketing purposes. The LOI emphasises the parties' shared ambition to build long-term value and establish a mutually beneficial strategic collaboration between Fragbite Group and the Target Company.

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 2025-10-23 14:04 CEST.

Attachments

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