

PRESS RELEASE

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Fragbite Group sells Lucky Kat and Wagmi and initiates strategic overview

Fragbite Group AB (publ) ("Fragbite Group" or "the Company") has signed two agreements to sell all its shares in subsidiaries Lucky Kat B.V. ("Lucky Kat") and WAGMI Ltd ("Wagmi") to 4+ventures AB and Swiss Peak Ventures GmbH ("the Buyers") for a combined total purchase consideration of MSEK 1.94. With closing date today, the agreements comprise the full divestment of both companies. The Company lends the purchase consideration to the Buyers, loans which mature in 24 months. As part of the sale, the Company will receive revenue share from the Lucky Kat game portfolio over 30 months; 40 percent of gross sales from existing games and 20 percent of gross sales from future web3 adaptations of those games. The main reason for the divestment is to halt negative cash flow from the web3 business area which has weighed on the group since the start of 2024 and allow the Lucky Kat and Wagmi team, products and community a chance to thrive in a web3-focused environment. Following the sale, Fragbite Group no longer has operations in business area Web3 and will reassess next steps as part of a group-wide strategic overview, an overview for which the key objective is to improve capital structure through measured divestments. The book value of Lucky Kat shares is written down with MSEK 47.1 to 0, which impacts the parent company income statement. Goodwill impairment from the sale of Lucky Kat will impact the Company's consolidated income statement with MSEK 43.0 in the second quarter 2025. Full financial impact will be calculated and presented in the next interim report.

Terms of the agreements

- Sale of the Company's holdings in Lucky Kat to 4+ventures AB for a purchase consideration of MSEK 1.45. Before the sale, Fragbite Group held 990,587 of 1,055,500 shares (93.85 percent) in Lucky Kat, all of which are sold as of today which also constitutes the closing date.
- Sale of the Company's holdings in Wagmi to Swiss Peak Ventures GmbH for a purchase consideration of MSEK 0.49. Before the sale, Fragbite Group held 1,877 of 2,000 shares (93.85 percent) in Wagmi, all of which are sold as of today which also constitutes the closing date.
- Payment of the purchase considerations is made via promissory notes. The Company has issued loans to the Buyers with a fixed monthly interest rate of 1 percent that mature in 24 months. The loans have four set amortisation payments respectively but can be repaid in full at any point in time.
- The sale of the Company's holdings in Lucky Kat comprises all of Lucky Kat's assets, including the hypercasual game portfolio. Over the coming 30 months, the Company has the right to revenue share from the hypercasual games; 40 percent of gross sales from existing games and 20 percent of gross sales from future web3 adaptations of those games, paid quarterly.

- The sale of the Company's holdings in Wagmi comprise all of Wagmi's assets, including the Virtual Asset Service Provider license and responsibility of the \$KOBAN token towards existing and future holders, as well as ownership of all issued tokens that are part of the ecosystem treasury and not consequently owned by third parties.
- The Company today holds 125,000,000 \$KOBAN tokens. Swiss Peak Ventures GmbH have an option to purchase those tokens within 6 months from the closing date. If such purchase is carried out, the Company has the right to 3 percent revenue share from all gross revenue generated from Node Sales related to the Takibi protocol for 24 months following the closing date.
- Both Lucky Kat and Wagmi are sold on a debt-free basis.
- With the two agreements signed today, all previous agreements between the involved parties are cancelled.

Impact on the Company

- The book value of the sold Lucky Kat shares is written down with MSEK 47.1 to 0. The impairment has an impact on the parent company's but not the group's balance sheet and income statement.
- The book value of the sold Wagmi shares was 0.02. The sale has a positive impact of MSEK 0.47 on the balance sheet and income statement of Fragbite Group's wholly-owned company Funrock Development AB, which held the Wagmi shares. The sale has no impact on the parent company's or the group's balance sheet and income statement.
- Full goodwill impairment from the sale of Lucky Kat shares will impact the group's balance sheet and income statement with MSEK 43.0 in the second quarter 2025.
- As a result of the sale, Fragbite Group no longer has ongoing operations in business area Web3, something which will be assessed as part of the initiated strategic overview.
- The sale of Lucky Kat and Wagmi has an impact on the Company's cash flow with approximately MSEK 1.1 reduction in monthly costs, based on the past 6 months. Full analysis of the financial impact of the sale, including the outcome of the KOBAN launch, will be carried out ahead of the next interim report.

Background and motive for divestment

Lucky Kat was acquired by Fragbite Group in 2021, following a successful couple of years in game development and with a recent pivot to include web3. Wagmi was founded by Fragbite Group in 2022 and was granted a license as a Virtual Asset Service Provider. Business area web3, comprised of Lucky Kat and Wagmi, was profitable in 2022 and 2023, but has since the start of 2024 not been self-sustaining. Over the course of 2024, lack of income to the business area had an increasingly negative effect on the group cash flow and the other business areas. It has been Fragbite Group's objective to safeguard Lucky Kat's employees alongside enabling the web3 products the possibility to fully launch, mature and enjoy commercial success. The negative cashflow however continued into 2025. The Company maintains its position that the games and assets created by Lucky Kat and Wagmi over the past years have great potential, but the business can no longer be financially sustained by the other subsidiaries in the group. It is Fragbite Group's hope that the divestment will allow team members, products and community another chance to thrive, this time in a dedicated web3 environment.

Full analysis of the sale will be carried out and communicated in the next interim report.

Strategic overview

The Board has today taken the decision to immediately launch a full strategic overview of the Company in its entirety with the following main objectives:

- Outline and confirm a new strategic platform
- Clarify and communicate the value of the Company's assets
- Improve capital structure via divestment of assets rather than other forms of capital input

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 2025-05-30 23:18 CEST.

Attachments

[Fragbite Group sells Lucky Kat and Wagmi and initiates strategic overview](#)