

PRESS RELEASE

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Invitation to press conference regarding the acquisition of Fall Damage

Fragbite Group AB (publ) ("Fragbite Group") will hold a press conference on October 12 at 10.00 CEST regarding the acquisition of game development studio Fall Damage. The press conference will be held via live webcast and followed by a Q&A session.

Fragbite Group is holding a press conference on October 12 at 10.00 CEST to present the acquisition of Fall Damage. Marcus Teilman, Fragbite Group President and CEO will together with Anders Gyllenberg, CEO of Fall Damage, present the acquisition via live webcast. The webcast will be held in English and followed by a Q&A session. The webcast and submission form for questions can be accessed via the following link: <https://ir.financialhearings.com/fragbite-group-press-release-2023>

"The acquisition is optimal for Fragbite Group as it enables considerable synergies, where both Fall Damage's excellence and the game ALARA Prime lay the foundation for several parallel revenue streams over time. During a period of exclusivity we already engaged with our global network, and are thus in an advanced position to negotiate a publishing deal," says Marcus Teilman, President and CEO.

"The transaction structure provides both seller and buyer with strong incentives to give Fragbite Group opportunities over time to grow significantly faster than the market and achieve substantial profitability. Fall Damage is just as passionate as we are about developing truly great games and building long-term value based on that, and I look forward to starting the integration of the new Fragbite Group," Marcus Teilman continues.

Fall Damage is a Swedish game development studio whose founders have long had prominent roles in the Swedish gaming industry, including at DICE. In 2024, Fall Damage is releasing ALARA Prime, a tactical First Person Shooter game that, after extensive successful playtesting, is expected to attract a significant player base on the global FPS market. More than SEK 180 million has been invested in the game to date, and the title is expected to give Fragbite Group an accelerated growth rate.

"We have an extremely dedicated and professional team that now gets the opportunity to become part of a growing group, within which we can take on all the opportunities that the gaming market offers. On the basis of shared values and view of the future for Fall Damage, we have established a transaction structure that is beneficial to all parties and enables us to move forward with a new global publisher. Today is the start of an exciting journey for us together in Fragbite Group, where the first step consists of completing ALARA Prime and taking it to market," says Anders Gyllenberg, CEO, Fall Damage.

Acquisition terms

- Fragbite Group is acquiring all outstanding shares in Fall Damage for an initial purchase price of SEK 20 million, out of which SEK 10 million is paid in cash to an external institutional owner and SEK 10 million with 4,291,845 newly issued shares at a subscription price of SEK 2.33 per share, which are issued to the four founding members of Fall Damage Holding AB (“**The Founders**”). The Founders will remain in Fall Damage after the Acquisition and have, for the shares issued as part of the purchase, entered into lock-up agreements during a period of 36 months from the entry date and onwards.
- Based on the results of Fall Damage during the period 2024-2027, a maximum earnout of SEK 400 million may be paid to the Founders. At a minimum half of the additional purchase price may be paid in cash, with the Company having the option of paying the remaining half of the earnout in newly issued shares in Fragbite Group. The Founders have entered into lock-up agreements regarding those shares which may be received as part of the additional earnout for a period of 12 months from the date of delivery of the shares. Payment of the potential earnout shall be made during the second quarter of 2028. In the event that the conditions for the maximum earnout are met, Fragbite Group's part of the profit during the years 2024-2027, after earnout and recoup have been paid, would amount to more than SEK 1,000 million.
- Investors that previously contributed to the financing of the game development in Fall Damage is entitled to a recoup on future profits in Fall Damage of up to a total of approximately USD 22.3 million, 50 percent of profits up to approximately USD 17.3 million and 30 percent of profits between approximately USD 17.3 million and USD 22.3 million.
- Fall Damage is developing the game ALARA Prime with expected release in Q3 2024.
- The Acquisition is expected to be finalised within two weeks.

2025 estimate for Fall Damage Studio AB

An estimate for the financial outcome of Fall Damage for the fiscal year 2025 has been generated. The target is for 2025 net sales to amount to between SEK 480 million and SEK 680 million, with an EBITDA of between SEK 55 million and SEK 86 million.

Fall Damage: www.falldamagestudio.com

ALARA Prime: [ALARA Prime på Steam \(steampowered.com\)](#)

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 has over 80 employees in Sweden, France, the Netherlands, Gibraltar and Egypt. Fragbite Group is listed on Nasdaq First North Growth Market.

Attachments

[Invitation to press conference regarding the acquisition of Fall Damage](#)