

PRESS RELEASE

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Fragbite Group converts loans of approximately 6.8 MSEK through set-off issue

Fragbite Group AB (publ) ("Fragbite Group" or "the Company") has offered lenders of the loans to the Company that were announced on 30 October 2024 and 23 January 2025 respectively, to convert the loans into shares. Lenders with loans totalling app. SEK 1.8 million have accepted the offer. The Board of Directors has thus decided on set-off issues of 236,821 shares at a price per share of SEK 7.7, which corresponds to a 20 percent discount on the volume weighted average share price ("VWAP") for 20 trading days up to and including 16 July 2025. The subscription price was determined between the parties to the agreements when entered, on the basis that it represented a premium of app. 20 percent over the closing price on 16 July 2025. The Board of Directors also resolved on set-off issues of shares to lenders of the SEK 5 million loan announced on 3 July 2025, as the condition that the price of the Company's share exceeds SEK 13 for ten trading days has been met. The decision entails set-off issues of 500,000 shares and the terms of the agreement entail for the price per share to be SEK 10. In total, app. SEK 6.8 million will be converted across these three loans. Given that some of the lenders are board members and persons distributing managerial duties in the Company, set-off issues comprising app. SEK 4.3 million of that total is conditional on the approval of the General Meeting. The set-off issues will thus be completed in two steps, with 288,772 shares in the near future and 448,049 shares, where applicable, after approval by the General Meeting. It is the intent of the Company to promptly convene an Extraordinary General Meeting. The Board of Directors has also resolved to issue 461,536 convertibles in accordance with the loan agreement announced on 22 July 2025 for a loan of SEK 6 million.

SET-OFF ISSUE 1

Fragbite Group raised loans totalling SEK 5 million on 30 October 2024. On 23 January 2025 the Company raised additional loans totalling SEK 5 million. The Company had the right under the loan agreements to offer each lender to convert the loan, arrangement fee and interest, into shares on two specified occasions. The Company has chosen to offer all lenders to convert on the second occasion, which has been accepted by some lenders. The Board of Directors has thus decided on the issue and allocation of 236,821 shares corresponding to SEK 1,825,988, which has been paid by the subscribers by offsetting claims on the Company. The conversion is made at a price of SEK 7.7104 per share, which corresponds to a 20 percent discount to VWAP for 20 trading days until 16 July 2025. The subscription price was agreed between the parties to the agreements when it was entered, based on a premium of app. 20 percent over the closing price on 16 July 2025. Lenders who did not accept the conversion offer had their loans, arrangement fees and interest repaid during July.

SET-OFF ISSUE 2

On July 3 2025, Fragbite Group raised an interest-free loan totalling SEK 5 million with the intention to make the loan convertible into shares in the Company at a conversion price of SEK 10 per share. Such a conversion right shall exist in the event that the closing price of the Company's share exceeds the conversion price by at least 30 percent for at least ten trading days during a continuous period of twenty trading days. As the conditions for converting the loans into shares have already been met, the loans will be converted directly into shares without first being changed into convertibles. The Board of Directors has therefore decided on set-off issues totalling 500,000 shares, with the terms of the loan agreement stipulating that the price per share shall be SEK 10. After the issue is finalised, a six-month lock-up period remains for insiders during which the converted shares may not be sold.

ISSUE OF CONVERTIBLES

On July 22 2025, Fragbite Group raised an interest-free loan totalling SEK 6 million with the intention to make the loan convertible into shares in the Company at a conversion price of SEK 13 per share. Such a conversion right shall exist in the event that the closing price of the Company's share exceeds the conversion price by at least 30 percent for at least ten trading days during a continuous period of twenty trading days. The Board of Directors has today resolved to issue 461,536 convertibles for cash payment or through set-off of receivables in the form of newly issued shares in the event that the conditions for conversion are met.

REASONS FOR DEVIATION FROM SHAREHOLDERS' PREFERENTIAL RIGHTS

The reason for deviating from the shareholders' preferential rights is to fulfil the Company's obligations to those entitled to subscribe pursuant to an agreement, according to which those entitled to subscribe shall be given the right to subscribe for new shares in the Company against payment in the form of set-off of the claims in question. The Board of Directors considers that it is beneficial to the Company's financial position and in the interests of the shareholders to repay the persons entitled to subscribe in the form of shares, as this strengthens the Company's working capital and reduces the Company's indebtedness. Furthermore, the issue will have no effect on the Company's cash flow. The Company's Board of Directors therefore considers that an issue with deviation from the shareholders' preferential rights is a better alternative for the Company and the Company's shareholders than a preferential issue.

RELATED PARTY TRANSACTIONS

Of the newly issued shares, 448,049 have been subscribed for by board members and persons distributing managerial duties for the Company, corresponding to loans of approximately SEK 4.3 million. The issue of those shares is therefore conditional upon the approval of the General Meeting subject to Aktiebolagslagen chapter 16. The terms and conditions of the issue, including the subscription price, can therefore not be changed by the Company or the lenders. The board members and persons distributing managerial duties have undertaken to vote in favour of approval at the next General Meeting. The set-off issues will thus be completed in two steps, with 288,772 shares in the near future and 448,049 shares, where applicable, after approval by the General Meeting. It is the intent of the Company to promptly convene an Extraordinary General Meeting.

NUMBER OF SHARES, SHARE CAPITAL, DILUTION AND REDUCTION OF INDEBTEDNESS

Through set-off issues 1 and 2, and upon future fulfilment of the conditions for conversion of issued convertibles into shares, the number of shares and votes in the Company will increase by a maximum of 1,198,357 shares to a total of 8,538,580. The Company's registered share capital will

increase by maximum SEK 599,178.50 to SEK 4,269,290.0. This results in a total maximum dilution of 16.33 percent of the number of shares and votes in Fragbite Group, under the provision that the General Meeting approves the issue directed to the Company's board members and persons distributing managerial duties.

Upon full completion of set-off issue 1 and 2, the Company's indebtedness will be reduced through a reduction of the item Other current liabilities by SEK 6,825,985. In the event of conversion of currently issued convertibles into shares in accordance with agreed terms, the Company's debt will be reduced by an additional SEK 5,999,968.

A full completion of set-off issue 1, together with repayments made in July and the previous set-off issue announced on 7 March 2025, means that the loans taken out on 30 October 2024 and 23 January 2025 will be fully repaid.

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.

Attachments

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