

**PRESS RELEASE**

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## **Fragbite Group executes directed share issue to guarantors in connection with completed rights issue**

**Fragbite Group AB (publ) ("Fragbite Group" or the "Company") has completed the rights issue of units as resolved by the Company's board of directors on May 23, 2024, and approved by the extraordinary general meeting on June 25, 2024 (the "Rights Issue"). The board of directors, based on the authorization from the extraordinary general meeting held on June 25, 2024, and in accordance with the guarantee agreements entered into and previously communicated, has today decided on a directed share issue to the guarantors of the Rights Issue who have chosen to receive their guarantee compensation in the form of newly issued shares in the Company (the "Compensation Issue"). The subscription price in the Compensation Issue has been set at SEK 0.02 per share, which corresponds to the subscription price per share in the Rights Issue, with payment being made through set-off of the guarantors' claims.**

In connection with the Rights Issue, several external investors and existing shareholders provided guarantee commitments. The Rights Issue was covered by approximately 43.2 percent bottom guarantee commitments and approximately 18.7 percent top guarantee commitments. For the provided guarantee commitments, guarantee compensation is paid whereby compensation for the top guarantee commitments is 20 percent of the guaranteed amount in cash or alternatively 20 percent of the guaranteed amount in the form of newly issued shares in the Company, and compensation for the bottom guarantee commitments is 12 percent of the guaranteed amount in cash or alternatively 12 percent of the guaranteed amount in the form of newly issued shares in the Company.

Santhe Dahl Invest AB, Zell Capital AB and Maida Vale Capital AB have chosen to receive their guarantee compensation in the form of newly issued shares in the Company. Consequently, the board of directors, based on the authorization from the extraordinary general meeting held on June 25, 2024, has today decided on the Compensation Issue, which comprises a total of 66,000,000 new shares. The guarantors who have not chosen to receive their guarantee compensation in the form of newly issued shares will instead receive a cash amount for each guarantee commitment. The cash portion of the guarantee compensation amounts to approximately 5.2 MSEK.

The reason for the deviation from the shareholders' preferential rights in the Compensation Issue is to fulfill the Company's contractual obligation to the guarantors. The board of directors also considers it beneficial for the Company's financial position to take advantage of the opportunity to pay the guarantee compensation in the form of shares instead of through cash payments.

Payment in the Compensation Issue will be made through set-off of the respective guarantor's claim for guarantee compensation. The subscription price has been set at SEK 0.02 per share. The subscription price corresponds to the subscription price per share in the Rights Issue. A total of 1,320,000 SEK will be set off in connection with the Compensation Issue. The subscription price in the Compensation Issue, SEK 0.02 per share, corresponds to the subscription price in the Rights Issue, and has been determined through negotiations between the guarantors and the Company, in consultation with financial advisors and through analysis of a number of market factors. The Board of Directors' assessment is therefore that the subscription price is market-based, taking into account prevailing market conditions. All shares in the Compensation Issue have been subscribed for and allotted.

### **Share capital and number of shares**

Through the Compensation Issue, the number of shares in Fragbite Group increases by 66,000,000 shares, from 3,155,824,394 shares to 3,221,824,394 shares, and the share capital increases by approximately 1,099,981.00 SEK, from approximately 52,596,164.64 SEK to approximately 53,696,145.64 SEK, corresponding to a dilution effect of approximately 2.05 percent.

### **Advisors**

Fragbite Group has engaged Penser by Carnegie, Carnegie Investment Bank AB (publ), and Advokatfirman Schjødt as financial and legal advisors in connection with the Rights Issue.

### **Important information**

The information in this press release is not intended for release, publication, dissemination, or distribution, directly or indirectly, in or to the United States, Australia, Hong Kong, Canada, Japan, Singapore, Russia, Belarus, or South Africa or any other state, territory, or jurisdiction where such release, publication, dissemination, or distribution would be unlawful or would require additional prospectuses, registration, or other measures beyond those required by Swedish law.

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In member states of the EEA other than Sweden (each such member state, a "Relevant State"), this press release and the information contained herein are intended solely for and directed at qualified investors as defined in the Prospectus Regulation. The Securities mentioned in this press release are not intended to be offered to the public in any Relevant State and are only available to qualified investors, except in accordance with exceptions in the Prospectus Regulation. Persons in any Relevant State who are not qualified investors should not take any actions based on this press release and should not rely on it.

In the United Kingdom, this press release is directed only at and communicated solely to persons who are qualified investors as defined in Article 2(e) of the Prospectus Regulation (2017/1129) who are (i) persons falling within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or (ii) persons who are within Article 49(2)(a) to (d) of the Order, or (iii) persons who are existing members or creditors of Fragbite Group AB or other persons who fall within Article 43 of the Order, or (iv) persons to whom it may otherwise lawfully be communicated (all such persons referred to in (i), (ii), (iii), and (iv) above being collectively referred to as "Relevant Persons"). Persons in the United Kingdom who are not Relevant Persons should not take any action based on this press release and should not rely on it.

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This press release contains certain information that reflects Fragbite Group AB's current views on future events and financial and operational development. Words such as "intends," "assesses," "expects," "may," "plans," "estimates," and other expressions that imply indications or predictions of future developments or trends, and that are not based on historical facts, constitute forward-looking information and reflect Fragbite Group AB's beliefs and expectations and involve a number of risks, uncertainties, and assumptions that could cause actual events and results to differ materially from any expected future events or performance expressed or implied by the forward-looking statement. The information in this press release may change without prior notice and, except as required by applicable law, Fragbite Group AB does not undertake any responsibility or obligation to publicly update or review any of the forward-looking statements herein, nor does it intend to do so. You should not place undue reliance on forward-looking statements, which are only relevant as of the date of this press release. As a result of these risks, uncertainties, and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual future events or otherwise.

**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.

**Attachments**

[Fragbite Group executes directed share issue to guarantors in connection with completed rights issue](#)