

PRESS RELEASE

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FunRock signs new client – 1.3 MSEK and revenue share

Fragbite Group AB's (publ) subsidiary FunRock has signed an agreement with a new client under its B2B Game Development business unit. The agreement is for the development of a game which will drive player retention for a new iGaming operator. Remuneration consists of a fixed development fee of EUR 120,000, approximately SEK 1,3 million, plus revenue share.

FunRock has signed an agreement for the development of a game based on the Capital War engine, for release on PC and mobile platforms. The game will function as a retention tool to support player engagement and repeat play for a new iGaming operator that is planned for launch in summer 2026. Similar to FunRock's previous client projects, the game provides a layer that sits on top of the iGaming content, integrated but not itself an iGaming game. FunRock's game product is a classic entertainment game which introduces a progression loop that in turn supports the revenue generation from the iGaming operator's core content.

Remuneration consists of a fixed fee for game development and customisation of EUR 120,000, approximately SEK 1,3 million, to be carried out during the first and second quarter 2026. In addition, FunRock receives revenue share from revenue generated as a result of players transitioning from the game to the operator's iGaming content, traffic that in previous client projects has proven to be strong and enduring. The revenue share will apply for as long as the game remains active. The game will be an integral part of the new operator's global launch.

"Signing a new project for a new client is strong proof of concept, demonstrating that our proposition and business model resonates with the market. With many years in game development, FunRock's expertise lies in creating fun experiences, in this case a game product with traditional gaming components that sit on top of iGaming content, adding progression and competition to the player journey. The game will strengthen engagement and repeat play, boosting our client's core business. The revenue share structure establishes aligned incentives which creates long-term upside for both parties," says Magdy Shehata, Co-founder and CEO, FunRock.

B2B Game Development – business unit growth

As recently communicated, a key objective for FunRock is to widen the client base, and this agreement is a first step with more opportunities in the pipeline. As a result of fine-tuning the business model and evaluating sales dialogues over the course of the past year, the business unit previously called Hybrid work-for-hire will henceforth be called B2B Game Development, to better reflect the offer and the work carried out. The revenue model remains the same, which is of a hybrid nature; combining remuneration for traditional game development and customisation of our game engines, with revenue share or profit share that is generated when the game succeeds in driving

player engagement in the client's iGaming environment. The revenue/profit share component kicks in when development is completed and the game deployed, allowing for steady recurring income over time at no added cost. This is comparable to having a free-to-play game in market circulation but without incurring regular user acquisition (UA) investments or paying for third-party distribution and/or publishing. The business unit, the client offer and the revenue model will be communicated in more detail in the coming period.

For questions, please contact:

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About us

Fragbite Group AB (publ) is a Swedish corporate group based in Stockholm that creates long-term shareholder value through combining well-established business operations in Gaming and Esports with an ambitious, long-term Bitcoin Treasury strategy. Fragbite Group's oldest subsidiary was founded in 2002, while the group was formed in 2021 when the share was also listed on Nasdaq First North Growth Market under the ticker \$FRAG.

Attachments

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