

Year-End Report

1 JANUARY – 31 DECEMBER 2024

Fourth quarter

Revenue	SEK 59,0 million	(60,4)
EBITDA	SEK 7,1 million	(5,1)
Adjusted EBITDA	SEK 7,1 million	(5,1)
Operational EBIT ¹	SEK 4,1 million	(2,5)
EBIT ²	SEK -40,0 million	(-36,7)
Result after tax ²	SEK -43,0 million	(18,5)
Cash flow from operating activities	SEK 0,3 million	(-4,1)
Diluted earnings per share ³	SEK -6,34	(74,65)

Full year

Revenue	SEK 213,2 million	(237,2)
EBITDA	SEK 7,8 million	(16,2)
Adjusted EBITDA	SEK 13,3 million	(16,2)
Operational EBIT ¹	SEK -3,5 million	(8,0)
EBIT ²	SEK -141,8 million	(-96,7)
Result after tax ²	SEK -129,0 million	(-53,1)
Cash flow from operating activities	SEK -9,0 million	(-1,4)
Diluted earnings per share ³	SEK -19,02	(-214,45)

¹ Operational EBIT is defined as EBIT excluding non-operational amortisation and impairment of intangible assets.

² Consolidated profit for the quarter includes a goodwill impairment of SEK 23.7 million relating to subsidiary Lucky Kat.

³ Per number of shares at the end of the quarter.

During the quarter



All engagement metrics for the Swedish Cup 2024 increased. The finals weekend has a record-breaking audience of 1,75 million unique viewers.



Playdigious delivers the best quarter of the year and wins two prestigious awards at the international Pocket Gamer Awards 2024 for *Potion Permit* and *Little Nightmares*.



FunRock & Prey Studios signs work-for-hire deal worth 3,3 MSEK and closes 2024 with profitability.



Lucky Kat initiates development of its own protocol, enabling the node sales and a new B2B vertical.

Significant events during the quarter

- The Company publishes an update with selected financial information for July and August 2024.
- Playdigious releases mobile game *Children of Morta*.
- The Company announces the outcome for the exercise of Warrants in series TO2, with 119,719,059 Warrants being exercised, corresponding to a subscription rate of 32.42%. The Issue brings the Company approximately SEK 3.59 million before issue costs.
- The Company takes up loans of SEK 5 million from a group of existing shareholders to strengthen the balance sheet. The loans mature on 16 July 2025 and may, at the Company's initiative and with the approval of the lenders, be converted into shares on two specified occasions.
- Playdigious expands its distribution in China. Contracts for *Loop Hero* are signed with a distribution partner to manage the application process and a publishing partner for the subsequent release in the Chinese market.
- Board members Maria A. Grimaldi and Claes Kalborg request to resign from the Board as of 16 October. At the Extraordinary General Meeting on 4 November, Niclas Bergkvist and Mikael Pettersson are elected as new Board members.
- The same meeting also adopts a reverse share split, whereby 500 existing shares are to be consolidated into 1 share.
- Fragbite AB concludes the Swedish Cup with a successful finals weekend that, with 1.75 million unique viewers, breaks last year's record. Audience engagement increases on all metrics.
- FunRock & Prey Studios sign a work-for-hire agreement for the development of a game engine worth SEK 3.3 million with the possibility of extension.
- Lucky Kat and Wagmi announce development of \$KOBAN into a protocol token to widen revenue streams and allow for node sales capital raise.
- Lucky Kat licences the Kumo brand for consumer products in retail and online channels to Metafy, a subsidiary of global manufacturer and distributor JCorp.
- The reverse split of shares in the Company is completed on 9 December.
- Lucky Kat och Wagmi sign letters of intent with Node Ops, NodeTerminal and a third leading global investment platform for node sales.
- Playdigious excels at the international Pocket Gamer Awards, winning the Best Role Playing Game category with *Potion Permit* and the Best Platform Game category with *Little Nightmares*.
- The company signs a letter of intent with 4+Ventures AB and Swiss Peak Ventures GmbH for equity investment in the Web3 business area. The investment includes ownership of up to 24% in subsidiaries Lucky Kat and Wagmi respectively, at a shared total valuation of EUR 5 million.
- The Company reaches an agreement with the sellers of Lucky Kat, resulting in a settlement payment of EUR 0.3 million.

Significant events after the end of the quarter

- The Company finalises the agreement regarding equity investment with 4+Ventures AB and Swiss Peak Ventures GmbH as per previously communicated letter of intent.
- Zara Zamani requests to resign from the Fragbite Group Board to focus on the web3 business area. In her capacity as CEO of Lucky Kat, Zara instead joins the Group management team.
- Lucky Kat carries out a successful sale of its first product collection of plushie toys with integrated digital chips under the Kumo brand. The collection sells out in less than 7 hours.
- The Company raises loans of SEK 5 million to support subsidiaries Lucky Kat and Wagmi ahead of node sales and the \$KOBAN launch. The loans mature on 23 July 2025 and may, at the Company's initiative and with the lenders' approval, be converted into shares on two occasions.
- Playdigious signs a distribution agreement with Epic Games that involves four of the subsidiary's titles included as part of the launch offer of the Epic Games Store for mobile games.
- Subsidiary Fragbite AB enters into a collaboration to organise the Elisa Nordic Championship 2025, marking the first step in establishing Fragbite AB's tournament business in the Nordics.

CEO's comments

Fragbite Group closes 2024 with a strong fourth quarter with revenue on par with 2023 and a notably improved EBITDA. We can see clearly how cost reductions and reorganisation have had an impact, and that the business is developing in the right direction. Revenue totalled SEK 59.0 million, on par with the fourth quarter 2023 of SEK 60.4 million, with an EBITDA of SEK 7.1 million compared to SEK 5.1 million in the same quarter last year.

A new outfit for the parent company

The measures implemented chiefly in the second half of 2024 have resulted in the parent company reporting a full-year adjusted EBITDA of SEK -11.0 million, compared to SEK -17.8 million in 2023, which represents a significant reduction in costs compared to last year. The Company intends to maintain an efficient cost structure going forward.

Show of strength from Playdigious

Playdigious reports a great result both in terms of revenue and EBITDA, making this quarter the best in 2024. As previously communicated, the third quarter was weak due to an important game release being delayed at the request of the IP owner. Part of the contract's fixed compensation has been brought forward to compensate Playdigious for this delay, which impacts the fourth quarter and also gives an indication of the high expectations on the game from all parties involved. The subsidiary has an exciting pipeline in 2025 with several prominent titles to look forward to.

Playdigious' strong delivery this quarter also includes the distribution agreement with Epic Games which generated revenue in December. No less than four of Playdigious' titles were part of the launch offer when the global Epic Game Store for mobile games opened its doors on 24 January, and negotiations for additional titles are ongoing. With this positive distribution agreement, Playdigious has again widened its distribution which is a key factor in leveraging the full portfolio.

During summer and fall, the team working with publishing has gradually increased the presence of our two upcoming PC titles *Fretless* and *Crown Gambit* in media and at events. These titles obviously lack the security that established IPs afford the porting business, but at the same time the upside is greater because Playdigious is the sole publisher. 2025 will therefore be an important year for this business model.

In January, Netflix cancelled its exclusivity deal with Klei, the developer of *Don't Starve Together*, which means that this game that Playdigious is commissioned to port will now instead be distributed initially via Apple App Store and Google Play Store.

For Playdigious, this will have a negative effect in terms of the game being delayed, but at the same time there is a greater positive effect in that Playdigious can now bring the game to all channels and markets in the role of publisher. The cooperation between Playdigious and Netflix has not been affected by this deal, and we expect a continued good relationship in the future.

FunRock & Prey Studios report profitability

Our Swedish game studio FunRock & Prey Studios closes 2024 with a positive EBITDA for both the quarter and the full year, and the business has been cash flow positive since November. I am very proud of the team that worked hard to get to this point. As previously communicated, a second work-for-hire (WFH) contract was signed in the fourth quarter. Under the first contract, the studio is building a white label game based on *MMA Manager 2*. The second assignment is also a white label game based on the game engine from *Capital War*, an inactive IP that is now being utilised again. Both contracts include options for extension, for which dialogue is ongoing, as well as the possibility of profit sharing if the games are successful. The way the projects have developed, we can see that they are broader than normal WFH projects as the studio has the opportunity for both creative and financial participation over time. The goal is for the subsidiary to establish more hybrid projects of this type in parallel with its own game development and maintenance of *MMA Manager 2*, thus establishing a sharper business model that supports long-term profitability. The subsidiary has finally caught a tailwind, and we are working together to maintain this positive trend.

Doubled EBITDA and profitable year for Esports

For the second year in a row, business area Esports delivered great results and distinguished itself as one of few profitable esports companies in Sweden. Revenues in 2024 are on a par with last year, but with increased efficiency and distribution of projects over the course of the year, which has also led to an improved cash flow. Adjusted EBITDA of SEK 1.2 million is almost double to SEK 0.7 million in 2023.

This year's Swedish Cup confirmed the strength of the IP that Fragbite AB has created, with the subsidiary surpassing 2023 levels of audience engagement on all metrics which is a key indicator of the tournament's relevance to commercial partners. During the finals weekend, the event attracted 1.75 million unique viewers, and the full tournament had 3.9 million started streams. With participants, partners and sponsors all content, there is room for the Swedish Cup to continue to grow. For the business area, the Swedish Cup is an important catalyst for other businesses and the goal for 2025 is to grow both in turnover and profitability.

This week, it was announced that Fragbite AB has initiated a collaboration on Nordic level tournaments and thus taken a first step in the long-planned expansion of the business to the Nordic region, which is very positive.

During the quarter, the team has also focused on broadening and further developing Config's business, and I look forward to being able to tell you more about it in the near future.

Lucky Kat and Wagmi enter the final stretch

In November, we were able to announce that \$KOBAN is being further developed into a protocol token and that work on our own gaming protocol has begun. This was a natural next step based on how the business area had developed and the opportunities that arose. The benefits of building our own protocol are that we can create a long-term sustainable B2B business in which we sell services to other game developers to build their games and digital assets on our protocol. The Web3 business has been successful since its inception in terms of significant revenue generated from NFTs and tokens, but the revenue is very irregular which means that we need to broaden the business to enable more even cash flows. The establishment of a proprietary protocol based on nodes enables just the long-term foundation that the business area currently lacks.

In December, Fragbite Group deepened its collaboration with 4+Ventures, a partner coming in as a minority shareholder in the Web3 business. In early 2024, it became clear that the business area needed additional expertise, which proved difficult to solve quickly enough through traditional recruitment, and a collaboration was therefore

initiated with 4+Ventures. The co-ownership further tightens the team, which allows us to drive forward faster and better. We have worked diligently together during the year to make up for the delays that occurred in 2023 and now see the light at the end of the tunnel.

2025 will be a pivotal year for the Web3 business area, starting with node sales and the public launch of \$KOBAN, and then establishing the B2B business. Cash flow has been a challenge for Lucky Kat and Wagmi for some time, which is why Fragbite Group recently raised a short-term loan from shareholders and web3-interested investors to support and accelerate the final steps towards the launch of these important projects that are expected to contribute significant revenues.

We continue to look ahead

The Gaming and Esport business areas both enter 2025 with the wind in their backs, with convincing financial results at the end of 2024 that show promise for the years ahead. The Web3 business area has never faced greater opportunities, and after 2024, which was a steel bath not only for the Group but also for Lucky Kat and Wagmi, we are now almost ready to reap the rewards. At the parent company, we continue to have a big task ahead of us to improve performance at Group level and continue to build shareholder confidence, something we work tirelessly on every day. Many thanks to all our shareholders for your support.

Stefan Tengvall, President and CEO

We are Fragbite Group

Fragbite Group AB (publ) (“Fragbite Group” or “The Company”) is a publicly traded, Swedish company 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 traditional platforms – PC, console and mobile – as well as modern platforms built on blockchain technology. Together we create entertainment for the global gaming market by meeting the needs of a new generation of gamers – **play, watch, own**.

The Group is headquartered in Stockholm and has employees in Sweden, France, the Netherlands and Gibraltar. Fragbite Group has been listed on Nasdaq First North Growth Market since 2021.

More about our business concept and strategy can be found on pages 9-13 of Fragbite Group’s 2023 annual report: www.fragbitegroup.com/en/investors/financial-reports

OUR SUBSIDIARIES

- **Fragbite** is based in Sweden and is one of the Nordic region’s largest communities in esports. The company develops and operates tournament concepts and offers marketing services through the Config esports and gaming agency.
- **Funrock & Prey Studios** is a game studio based in Sweden that designs and develops game engines and games for mobile platforms.
- **Lucky Kat** is a game studio based in the Netherlands that develops web3 games based on blockchain technology as well as hypercasual mobile games.
- **Playdigious** is a game developer based in France that develops successful game titles from PC to mobile, and subsequently publishes them. Under the Playdigious Originals brand, independent games for PC and console are published.
- **Wagmi** is the Group’s issuer of financial assets within web3. Based in Gibraltar and registered as a Virtual Asset Service Provider by the Gibraltar Financial Services Commission.

OUR BUSINESS AREAS

Gaming

The Gaming business area includes FunRock & Prey Studios and Playdigious, and Lucky Kat’s business in the hypercasual genre. The company develops games, with a focus on free-to-play mobile games. We also port already released games from PC and console to mobile platforms and then publish them. Finally, the company publishes games in the indie game genre for PC and console.

Esports

The Esports business area comprises Fragbite AB. The business is based on expertise in marketing through esports and gaming content and is conducted under the Fragbite and Config brands.

Web3

The Web3 business area comprises Wagmi, as well as Lucky Kat’s business in this area. The company develops ecosystems, communities and digital assets within the framework of games built on blockchain technology.

Financial performance January – December 2024

Fragbite Group SEK thousands	Oct-Dec		Jan-Dec	
	2024	2023	2024	2023
Revenue	59 046	60 369	213 230	237 198
Adjusted EBITDA	7 100	5 143	13 275	16 193
EBITDA	7 100	5 143	7 793	16 193
Operational EBIT	4 114	2 505	-3 484	8 028
EBIT	-39 957	-36 656	-141 761	-96 728
Net profit after tax	-42 999	18 501	-128 984	-53 148

Adjusted EBITDA is EBITDA adjusted for extraordinary costs. Earnings for the period were negatively affected by extraordinary costs of SEK 5,482 thousand, of which SEK 5,482 thousand were in Q2. SEK 1,741 thousand was related to restructuring costs and SEK 3,742 thousand to the bankruptcy of the Swedish subsidiary Fall Damage Studio AB.

THE GROUP'S REVENUE

Revenue for the quarter amounted to SEK 59.0 (60.4) million, making the fourth quarter the strongest of the year, largely driven by Playdigious. Revenue for 2024 amounted to SEK 213.2 million compared to SEK 237.2 million last year, with the primary difference being the divestment by Lucky Kat of two significant titles in the hypercasual genre in 2023, which subsequently resulted in lower revenue. The negative effect of this has to some extent been offset by FunRock & Prey Studios significantly increasing its revenue in the full year 2024.

OPERATING PROFIT

Operating profit before depreciation and amortisation (EBITDA) for the quarter amounted to SEK 7.1 (5.1) million and for the full year to SEK 7.8 (16.2) million. Adjusted EBITDA for the quarter was SEK 7.1 (5.1) million and for the full year SEK 13.3 (16.2) million. Adjusted EBITDA for the full year includes extraordinary costs of SEK 5.5 million attributable to restructuring costs of SEK 1.7 million and the bankruptcy of Fall Damage of SEK 3.7 million. During the quarter, capitalised investments in the Web3 business area have been charged to the result, which is balanced by increased profitability in the Gaming business area, mainly for Playdigious but also FunRock & Prey Studios. Cost reductions implemented over the course of the year have had a significant effect on both the result for the period and the full year.

Operating profit (EBIT) for the quarter amounted to SEK -40.0 (-36.7) million and for the full year to SEK -141.8 (-96.7) million. Operating EBIT for the quarter amounted to SEK 4.1 (2.5) million and for the full year to SEK -3.5 (8.0) million. Operating EBIT excludes amortisation and impairment of goodwill for the quarter of SEK 44.1 (39.2) million and for the full year of SEK 138.3 (104.8) million. In the fourth quarter, goodwill impairment of SEK 23.7 million was recognised for subsidiary Lucky Kat. In the impairment assessment, the agreement for the sale of shares in the subsidiary finalised on 21 January 2025 has been taken into account, see page 8 for more on this agreement. The fourth quarter of 2023 includes goodwill amortisation for subsidiary Fall Damage, which was acquired in the same quarter and declared bankrupt in May 2024.

NET FINANCIAL ITEMS

Net financial items for the quarter amounted to SEK -1.4 (56.2) million and for the full year SEK 15.8 (48.5) million. Net financial items are affected by currency fluctuations linked to financial items and provisions in the balance sheet, as well as a positive adjustment of the earnout for Lucky Kat.

PROFIT/LOSS FOR THE PERIOD

Profit/loss after tax amounted to SEK -43.0 (18.5) million for the quarter and SEK -129.0 (-53.1) million for the full year. Basic earnings per share for the quarter totalled SEK -6.34 (85.24) and for the full year SEK -19.02 (-244.86). Earnings per share after dilution amounted to SEK -6.34 (74.65) for the quarter and SEK -19.02 (-214.45) for the full year. Earnings per share are calculated on the number of shares at year-end after the reverse split finalised on 9 December 2024.

LIQUIDITY AND CASH FLOW

Cash flow from operating activities for the quarter was SEK 0.3 (-4.1) million and SEK -9.0 (-1.4) million for the full year.

Cash flow from investing activities for the quarter was SEK -5.0 (-29.7) million and SEK -44.0 (-55.1) million for the full year, mainly attributable to the capitalisation of work performed for own

account and the purchase and divestment of crypto assets generated through the sale of NFTs and tokens in previous financial years. With cryptocurrency recognised as an intangible asset, the exchange of cryptocurrency into other currencies such as USD or SEK results in a divestment.

Cash flow from financing activities for the quarter amounted to SEK 8.2 (35.2) million and SEK 37.3 (40.3) million for the full year. The outcome of share issues during the course of year has provided the Company with SEK 56.8 million, of which SEK 40.0 million has been used to amortise short-term loans taken at the end of 2023 and in the second quarter of 2024. During the fourth quarter, repayments to credit institutions amounted to SEK 0.7 (7.1) million, and a total of SEK 20.8 (27.8) million has been repaid during the full year.

Cash flow for the quarter amounted to SEK 3.5 (1.5) million. Cash flow for the full year amounted to SEK -15.8 (-16.2) million. The Group's overdraft facility of SEK 10 million was unutilised by SEK 1.2 million per 31 December 2024.

At the end of the period, the Group's cash and cash equivalents totalled SEK 9.4 (25.1) million.

FINANCIAL POSITION

The equity ratio was 41.9 (14.8) percent and equity amounted to SEK 80.9 (146.1) million on 31 December 2024. Total assets at the end of the year amounted to SEK 193.1 (984.5) million.

IMPAIRMENT OF THE VALUE OF SHARES IN SUBSIDIARIES

During the fourth quarter, the Company recognised an impairment loss of SEK 159.1 (19.5) million on the parent company's shares in subsidiaries, and for the full year of SEK 210.1 (19.5) million. Of this, SEK 50.9 million is attributable to the subsidiary Fall Damage, which was declared bankrupt, SEK 69.1 million to the Dutch subsidiary Lucky Kat and a total of SEK 90.0 million to the Swedish subsidiaries. The impairment losses in the parent company do not affect cash flow or the group consolidated balance sheet or income statement. The remaining book value of all subsidiaries amounts to a total of SEK 205.2 million. The company intends to reassess the valuation of Lucky Kat and Wagmi after the node sale and the public launch of \$KOBAN, two projects that are expected to have a significant positive impact on the business area in the first half of 2025. Thus, values may be adjusted again in the period up to the publication of the annual report for the financial year 2024.

PARENT COMPANY

During the year, the parent company received a dividend of SEK 11.3 million from the French subsidiary Playdigious.

Financial development per business area

	Oct-Dec 2024					Oct-Dec 2023				
SEK thousands	Gaming	Esport	Web3	Parent	TOTAL	Gaming	Esport	Web3	Parent	TOTAL
Revenue	49 706	5 075	4 264	0	59 046	48 315	8 303	3 751	0	60 369
Adjusted EBITDA	8 402	1 164	-80	-2 386	7 100	3 841	3 104	2 359	-4 162	5 143

	Jan-Dec 2024					Jan-Dec 2023				
SEK thousands	Gaming	Esport	Web3	Parent	TOTAL	Gaming	Esport	Web3	Parent	TOTAL
Revenue	182 296	12 107	18 827	0	213 230	204 647	12 968	19 583	0	237 198
Adjusted EBITDA	16 939	1 225	6 123	-11 013	13 275	26 317	695	6 967	-17 785	16 193

GAMING

In the fourth quarter, the business area has recovered from the revenue loss in the third quarter, which was largely due to the postponement of one of Playdigious' games at the request of the IP owner, and revenue is on par with the same period last year. During the quarter, Playdigious reported a wide range of revenue from both the current and upcoming portfolio. Revenue for the fourth quarter also includes a compensation for the delay from the above-mentioned IP owner as well as revenue from the recently signed agreement with Epic Games. FunRock & Prey Studios closes 2024 with the best quarter of the year and contributes positively to the business area's adjusted EBITDA, which amounts to SEK 8.4 million, a significant improvement compared to SEK 3.8 million for the same period in 2023. For the full year 2024, the business area's revenue is just over SEK 20 million less than in 2023, driven by the delay at Playdigious and, more importantly, the changes in Lucky Kat's hypercasual portfolio.

ESPORTS

The business area is profitable for the second year in a row with an adjusted EBITDA of SEK 1.2 million, which is nearly double compared to 2023. The quarter's revenues are lower than the same period last year, mainly due to Config carrying out one of last year's largest projects in the fourth quarter of 2023. Revenue for the full year 2024 is on par with 2023, while efficiency has increased as well as the distribution of projects over the year, which has also led to an improved cash flow.

WEB3

No major revenue-generating activities have been completed during the quarter, but the work carried out is expected to generate significant revenue going forward into 2025. Accrued revenue from previous token sales is reflected in revenue and adjusted EBITDA for both the quarter and the full year.

PARENT COMPANY

Adjusted EBITDA for both the quarter and the full year 2024 is significantly improved compared to last year, with a reduced loss of SEK 6.8 million for the full year. This is primarily driven by the cost reductions and efficiency measures implemented mainly in the second half of 2024, see page 9 for a summary.

Planned game releases and activities

Titel	IP-ägare	Utförare
<i>Children of Morta</i> – multiplayer update (Q1 2025)	External	Playdigious
<i>TMNT Shredder's Revenge</i> incl. DLC – release on App Store & Google Play Store (Q2 2025)	External	Playdigious
<i>Fretless</i> – release on PC (Q2 2025)	External	Playdigious Originals
<i>Crown Gambit</i> – release on PC (Q3 2025)	External	Playdigious Originals
<i>Don't Starve Together</i> – lansering på mobil	External	Playdigious
Six signed, not yet presented titles for release on mobile (2025-2026)	External	Playdigious
Elisa Nordic Championships 2025 – Swedish qualifiers (Q2)	External	Fragbite AB
Kumo: online store launch and second product collection (H1)	Lucky Kat	Lucky Kat
Node sales (H1 2025)	Wagmi	Wagmi & Lucky Kat
\$KOBAN – publik lansering och försäljning (H1 2025)	Wagmi	Wagmi & Lucky Kat
Re-release of IP as web3 game, not yet announced title (2025)	Lucky Kat	Wagmi & Lucky Kat

Reverse split of shares

During November a reverse split of the Company's shares by 1:500 was carried out, which entails that five hundred (500) shares were consolidated into one (1) share. The new number of shares after the reverse split is 6 783 086. In conjunction with the reverse split, the Company's share capital was resolved to be reduced to SEK 3 391 543 with a quota value of SEK 0.5.

Sale of shares in Lucky Kat och Wagmi

On December 13 2024 Fragbite Group signed a letter of intent for the sale of minority shares in business area Web3, followed by the signing of an agreement on January 21 2025. Counterparts are Swedish venture builder company 4+ Ventures AB, experts in blockchain, and Swiss company Swiss Peak Ventures GmbH.

PURPOSE

The parties have an existing collaboration, and the intention of the agreement is to deepen the partnership in order to move the Company's upcoming gaming protocol launch, node sales and \$KOBAN public launch forward both faster and with higher financial impact.

AGREEMENT STRUCTURE

The agreement entails the sale of equity shares of up to maximum 24% in subsidiaries Lucky Kat and Wagmi respectively at a combined total valuation of 5 MEUR. The sale was executed in two steps:

1. Upon signature, 4+ Ventures AB acquired 3% of Lucky Kat and Swiss Peak Ventures GmbH acquires 3% of Wagmi for a total purchase consideration of 150,000 EUR.
2. Between the date of signature and 1 August 2026, 4+ Ventures AB and Swiss Peak Ventures GmbH will provide Fragbite Group with personnel and services. These services pertain to the Company's upcoming gaming protocol launch, node sale and \$KOBAN public launch. Each month services as per mutually agreed specification will constitute payment for equity in Lucky Kat and Wagmi respectively, up to a maximum of another 21% of equity in each subsidiary. During the contractual term, 4+ Ventures AB and Swiss Peak Ventures GmbH have the right to pay for all or some of the shares in cash. If step 2 is executed fully, it will thus lead to a combined final 24% equity ownership by 4+ Ventures AB in Lucky Kat and 24% ownership by Swiss Peak Ventures GmbH in Wagmi.

VALUE

In connection with the negotiation and preparation of the agreement, the parties agreed on a total value for the Web3 business area, consisting of Lucky Kat and Wagmi, of EUR 5 million. During the work on closing of accounts for 2024, a routine evaluation of the subsidiaries' carrying value was carried out in consultation with the Company's auditor, a process in which the agreement with 4+ Ventures and Swiss Peak Ventures was taken into account. As set out on page 7, the Company intends to reassess the valuation of Lucky Kat and Wagmi following the completion of node sales and the public launch of \$KOBAN.

IMPACT ON THE GROUP PÅ KONCERNEN

The agreement means that for the first time Fragbite Group brings in minority shareholders to its subsidiaries. Beyond what the agreement entails for the Web3 business area, as stated in the press release of 13 December 2024, the agreement has no further impact on the Group. The agreement also does not entail any material changes in the Group's accounting or financial reporting.

Cost reductions and restructuring

In early 2024, Fragbite Group initiated a cost reduction programme consisting of financial and operational measures to increase the Company's efficiency, reduce capital expenditure and contribute to a stronger cash flow in the short and long term.

FINANCIAL MEASURES

Cost reductions were initiated starting in the first quarter of 2024 after which larger cost reductions were carried out towards the end of the second quarter. The costs came under the following main categories and had full impact, i.e. were fully implemented, as follows:

Measure	Full impact – 2024
Staff reductions – Group	July
Reduction in staff and part-time consultants – FunRock & Prey Studios	July
Reduction in staff – Lucky Kat	June
Reduction in part-time consultants – Fragbite AB	October
Rental of premises for all Swedish entities	June
Miscellaneous Group-wide costs	June

Total implemented savings are around SEK 0.95 million per month. Just over SEK 0.5 million of these savings are at Group level.

OPERATIONAL MEASURES

In parallel with the cost reductions, the Company has reviewed opportunities for rationalisation and restructuring within the Group. To date, this process has resulted in a change in the finance function and a shortening of decision-making paths between subsidiaries and the Parent. The Company continuously looks into selling assets that do not contribute to the core business.

Fall Damage

On 23 May 2024, the Company declared its subsidiary Fall Damage bankrupt after the ongoing process of securing publishing partners for the game ALARA Prime could not be completed within the necessary time frame, which led to an unsustainable financial situation. As it was the Board's judgement that the subsidiary would be unable to settle its liabilities as they fell due and this inability was not temporary, a bankruptcy order was deemed necessary.

EFFECT ON THE GROUP'S EARNINGS

The bankruptcy is expected to have a final negative effect of approximately SEK 4 million on the Group's earnings and is included in the Company's operating profit for the period. The bankruptcy is expected to have a final negative effect of approximately SEK 51 million on the Parent Company's earnings, recognised as impairment of financial assets for the period.

BACKGROUND

Fall Damage was acquired in October 2023 when there were 9-10 months of development left before the game ALARA Prime could be released. Since autumn 2023, Fall Damage had had multiple dialogues with potential partners regarding publishing ALARA Prime – an extensive process, involving many counterparts, and led by an international consultancy with expertise in the field. Initial contact was made with just over 60 potential partners, leading to dialogue with more than 40 counterparties. Of these, more than 20 dialogues led to one or more game tests. Finally, 8 counterparties remained, all of which carried out several game tests, and dialogue was conducted over the course of many months, some of which resulted in partial offers such as marketing guarantees and regional publishing. All these dialogues were considerably more time-consuming than initially estimated. Despite a very good response on the game's quality and potential, Fall Damage did not manage to establish a sustainable solution within the necessary time frame that would have guaranteed coverage of operational costs until the launch of ALARA Prime.

DIVIDEND FROM THE BANKRUPTCY ESTATE

Fragbite Group is the largest creditor in Fall Damage's bankruptcy estate. The Company has recognised SEK 10 million as a receivable based on information from the liquidator.

Condensed consolidated income statement

SEK thousands	Oct-Dec		Jan-Dec	
	2024	2023	2024	2023
Revenue	59 046	60 369	213 230	237 198
Capitalised work on own account	4 919	18 314	51 857	28 040
Other operating income	572	315	5 174	701
Total revenue	64 537	78 998	270 261	265 939
Cost of goods and services sold	-36 372	-40 883	-146 731	-161 298
Gross profit	28 165	38 115	123 530	104 642
<i>Gross margin %</i>	<i>43,6%</i>	<i>48,2%</i>	<i>45,7%</i>	<i>39,3%</i>
Personnel expenses	-11 567	-21 694	-66 080	-56 657
Other external expenses	-9 498	-11 278	-49 657	-31 791
EBITDA	7 100	5 143	7 793	16 193
Amortisation and impairment of intangible assets	-2 801	-2 216	-10 265	-7 331
Depreciation of tangible assets	-185	-422	-1 012	-833
Impairment and amortisation goodwill	-44 071	-39 161	-138 277	-104 757
EBIT	-39 957	-36 656	-141 761	-96 728
Net financial items	-1 444	56 230	15 827	48 533
Earnings before tax (EBT)	-41 401	19 574	-125 934	-48 195
Tax	-1 597	-1 073	-3 050	-4 953
Net profit	-42 999	18 501	-128 984	-53 148
Other comprehensive income	0	0	0	0
Total comprehensive income	-42 999	18 501	-128 984	-53 148
Comprehensive income for the period attributable to the parent company's shareholders	-42 999	18 501	-128 984	-53 148
Earnings per share (SEK)	-6,34	85,24	-19,02	-244,86
Earnings per share after dilution (SEK)	-6,34	74,65	-19,02	-214,45
Average number of shares outstanding*	6 736 240	212 766	3 029 565	189 278
Average number of shares outstanding diluted*	6 736 240	241 092	3 029 565	201 368
Number of shares before dilution*	6 783 086	217 050	6 783 086	217 050
Number of shares diluted*	6 783 086	247 828	6 783 086	247 828

*In December a reverse split of shares 1:500 was finalised, this is taken into account in the calculations of all periods in this report.

Condensed consolidated statement of financial position

SEK thousands	Dec 31, 2024	Dec 31, 2023
ASSETS		
Fixed assets		
Intangible assets	146 490	920 481
Tangible assets	763	2 118
Financial assets	399	522
Total fixed assets	147 652	923 122
Current assets		
Accounts receivable	5 200	2 441
Current tax receivables	4 805	2 986
Other receivables	12 017	14 334
Prepaid expenses and accrued income	13 979	16 584
Total current assets	36 002	36 345
Cash and cash equivalents	9 407	25 055
Total assets	193 061	984 521
EQUITY AND LIABILITIES		
Equity	80 892	146 067
Additional purchase price	0	678 325
Deferred tax liabilities	1 574	0
Provisions	1 574	678 325
Long-term liabilities		
Liabilities to credit institutions	7 212	14 752
Total long-term liabilities	7 212	14 752
Short-term liabilities		
Liabilities to credit institutions	13 168	25 644
Overdraft facilities	8 798	0
Other financial liabilities	12 474	18 622
Accounts payable	6 009	10 795
Current tax liabilities	43	2 975
Other current liabilities	21 895	22 380
Accrued expenses and deferred income	40 996	64 959
Total short-term liabilities	103 383	145 377
Total equity and liabilities	193 061	984 521

Condensed consolidated statement of changes in equity

Fragbite Group	Consolidated statement of changes in equity				
<i>SEK thousands</i>	Share capital	Premium Fund	Retained earnings	Result for the period	Equity attributable to shareholders of the Parent Company
OPENING BALANCE 01/01/2023	1 511	355 674	-92 563	-103 112	161 510
Changes in equity during the period 01/01/2023 - 31/12/2023					
Net result for the reporting period				-53 148	-53 148
New share issue paid	298	37 422			37 720
New share issue costs		-1 035			-1 035
Translation difference			1 020		1 020
Disposition according to decision by the AGM			-103 112	103 112	0
CLOSING BALANCE 31/12/2023	1 809	392 062	-194 655	-53 148	146 067
OPENING BALANCE 01/01/2024	1 809	392 062	-194 655	-53 148	146 067
Changes in equity during the period 01/01/2024 - 31/12/2024					
Net result for the reporting period				-128 984	-128 984
New share issue paid	54 716	13 102			67 818
New share issue costs		-11 007			-11 007
Decrease share capital	-53 133	53 133			0
Translation difference			6 997		6 997
Disposition according to decision by the AGM			-53 148	53 148	0
CLOSING BALANCE 31/12/2024	3 392	447 290	-240 806	-128 984	80 892

Condensed consolidated cash flow statement

SEK thousands	Oct-Dec		Jan-Dec	
	2024	2023	2024	2023
Operating income	-39 957	-36 656	-141 761	-96 728
Non-cash items				
Depreciation, amortisation and impairment	47 057	41 799	149 554	112 921
Other	0	0	3 742	0
Financial items	-901	-2 209	-8 402	-5 078
Tax paid	-418	-1 676	-6 785	-9 353
Cash flow from operating activities before changes in working capital	5 782	1 258	-3 653	1 762
Change in accounts receivable	-712	4 789	-2 695	3 131
Change in other receivables	5 131	-5 088	14 302	-7 754
Change in accounts payable	-3 383	3 823	-304	2 940
Change in other liabilities	-6 493	-8 849	-16 656	-1 494
Cash flow from changes in working capital	-5 458	-5 325	-5 353	-3 177
Cash flow from operating activities	324	-4 067	-9 006	-1 415
Investment in subsidiaries	-230	-10 650	-324	-21 459
Capitalised work on own account	-4 919	-18 313	-51 877	-28 040
Acquisition of intangible and tangible fixed assets	-1 568	-1 138	-10 354	-5 812
Disposal of intangible and tangible fixed assets	1 568	457	18 377	457
Deposit paid	0	-18	-88	-222
Deposit repaid	113	0	227	0
Cash flow from investing activities	-5 036	-29 663	-44 038	-55 075
New share issue	3 438	30 965	56 811	36 685
New borrowings	0	20 000	20 000	31 340
Change in overdraft limit	1 278	-8 670	8 798	0
Change in other financial liabilities	4 177	0	-27 559	0
Repayment of liabilities to credit institutions	-667	-7 073	-20 773	-27 758
Cash flow from financing activities	8 225	35 223	37 276	40 267
Cash flow	3 513	1 493	-15 768	-16 223
Cash and cash equivalents at beginning of period	5 686	24 431	25 055	40 993
Cash flow for the period	3 513	1 493	-15 768	-16 223
Exchange difference in cash and cash equivalents	208	-870	121	285
Cash and cash equivalents at end of period	9 407	25 055	9 407	25 055

Condensed Parent Company income statement

SEK thousands	Oct-Dec		Jan-Dec	
	2024	2023	2024	2023
Revenue	1 667	1 572	6 027	5 853
Total revenue	1 667	1 572	6 027	5 853
Personnel expenses	-1 179	-2 321	-8 091	-9 511
Other external expenses	-708	-1 841	-4 549	-8 274
EBITDA	-220	-2 590	-6 613	-11 932
Profit from participations in Group companies	0	0	11 253	28 795
Impairments of financial fixed assets	-159 134	-19 492	-210 051	-19 492
Net financial items	-2 076	4 729	-8 278	-2 883
Earnings before tax (EBT)	-161 430	-17 354	-213 689	-5 513
Tax	0	0	0	0
Net profit	-161 430	-17 354	-213 689	-5 513

Condensed Parent Company statement of financial position

<i>SEK thousands</i>	Dec 31, 2024	Dec 31, 2023
ASSETS		
Fixed assets		
Shares in Group companies	205 246	814 026
Receivables from Group companies	13 450	31 900
Financial assets	255	255
Total fixed assets	218 951	846 181
Current assets		
Receivables from Group companies	2 273	2 970
Current tax receivables	0	0
Other receivables	10 036	0
Prepaid expenses and accrued income	294	295
Total current assets	12 603	3 265
Cash and cash equivalents	1 036	1 331
Total assets	232 589	850 777
EQUITY AND LIABILITIES		
Equity	132 285	289 162
Provisions*	0	454 384
Long-term liabilities		
Liabilities to credit institutions	0	5 159
Liabilities to Group companies	65 151	54 695
Total long-term liabilities	65 151	59 855
Short-term liabilities		
Liabilities to credit institutions	10 450	22 819
Other financial liabilities	5 435	18 622
Accounts payable	510	691
Liabilities to Group companies	2 203	1 649
Current tax liabilities	43	135
Other liabilities	14 806	1 633
Accrued expenses and deferred income	1 707	1 827
Total short-term liabilities	35 154	47 376
Total equity and liabilities	232 589	850 777

* All additional purchase consideration amounts are accounted for as provisions.

Pro forma – Condensed consolidated income statement excluding Fall Damage Studio AB

Fragbite Group	Condensed consolidated income statement excluding Fall Damage Studio AB							
	Pro forma	Jan-Dec 2024			Jan-Dec 2023			
		Fragbite Group	Fall Damage Studio AB	Group adjustments	Proforma Fragbite Group	Fragbite Group	Fall Damage Studio AB	Group adjustments
<i>SEK thousands</i>								
Revenue	213 230	-12	0	213 218	237 198	0	0	237 198
Capitalised work on own account	51 857	-25 134	0	26 723	28 040	-12 706	0	15 334
Other operating income	5 174	-1	0	5 173	701	0	0	701
Total revenue	270 261	-25 147	0	245 114	265 939	-12 706	0	253 233
Cost of goods and services sold	-146 731	12	0	-146 719	-161 298	114	0	-161 184
Gross profit	123 530	-25 135	0	98 395	104 642	-12 592	0	92 050
<i>Gross margin %</i>	<i>45,7%</i>	<i>100,0%</i>		<i>40,1%</i>	<i>39,3%</i>	<i>99,1%</i>		<i>36,3%</i>
Personnel expenses	-66 080	17 590	0	-48 491	-56 657	9 458	0	-47 199
Other external expenses	-49 657	14 647	-6 695	-41 705	-31 791	3 853	-230	-28 168
EBITDA	7 793	7 101	-6 695	8 199	16 193	719	-230	16 682
Adjusted EBITDA	13 275	7 101	-6 695	13 681	16 193	719	-230	16 682
Amortisation and impairment of intangible assets	-10 265	504	0	-9 761	-7 331	93	0	-7 238
Depreciation of tangible assets	-1 012	75	0	-937	-833	269	0	-565
Amortisation goodwill	-138 277	0	32 501	-105 776	-104 757	0	17 292	-87 465
EBIT	-141 761	7 680	25 805	-108 276	-96 728	1 081	17 062	-78 586
Net financial items	15 827	15 153	-573	30 407	48 533	-20 222	-92	28 219
Earnings before tax (EBT)	-125 934	22 833	25 232	-77 868	-48 195	-19 141	16 969	-50 367
Tax	-3 050	0	0	-3 050	-4 953	0	0	-4 953
Net profit	-128 984	22 833	25 232	-80 919	-53 148	-19 141	16 969	-55 320

Pro forma – Condensed consolidated balance sheet excluding Fall Damage Studio AB

Fragbite Group	Condensed consolidated balance sheet excluding Fall Damage Studio AB				
<i>Pro forma</i>	Dec 31, 2024	Dec 31, 2023			
<i>KSEK</i>	Fragbite Group	Fragbite Group	Fall Damage Studio AB	Group adjustments	Proforma Fragbite Group
ASSETS					
Fixed assets					
Intangible assets	146 490	920 481	-282 086	-400 411	237 984
Tangible assets	763	2 118	-1 061	0	1 058
Financial assets	399	522	0	14 800	15 322
Total fixed assets	147 652	923 122	-283 147	-385 611	254 364
Current assets					
Accounts receivable	5 200	2 441	0	0	2 441
Current tax receivables	4 805	2 986	0	0	2 986
Other receivables	12 017	14 334	-652	362	14 044
Prepaid expenses and accrued income	13 979	16 584	-1 508	0	15 076
Total current assets	36 002	36 345	-2 161	362	34 547
Cash and cash equivalents	9 407	25 055	-2 129	0	22 926
Total assets	193 061	984 521	-287 436	-385 249	311 837
EQUITY AND LIABILITIES					
Equity	80 892	146 067	-22 833	-411	122 823
Additional purchase price	0	678 325	-223 941	-400 000	54 384
Deferred tax liabilities	1 574	0	0	0	0
Provisions	1 574	678 325	-223 941	-400 000	54 384
Long-term liabilities					
Liabilities to credit institutions	7 212	14 752	0	0	14 752
Liabilities to Group companies	0	0	-14 800	14 800	0
Total long-term liabilities	7 212	14 752	-14 800	14 800	14 752
Short-term liabilities					
Liabilities to credit institutions	13 168	25 644	0	0	25 644
Overdraft facilities	8 798	0	0	0	0
Other financial liabilities	12 474	18 622	0	0	18 622
Accounts payable	6 009	10 795	-3 372	0	7 423
Liabilities to Group companies	0	0	-362	362	0
Current tax liabilities	43	2 975	-2 694	0	281
Other current liabilities	21 895	22 380	-12 991	0	9 389
Accrued expenses and deferred income	40 996	64 959	-6 442	0	58 517
Total short-term liabilities	103 383	145 377	-25 862	362	119 877
Total equity and liabilities	193 061	984 521	-287 436	-385 249	311 837

Notes to the financial statements

Note 1. Accounting policies

The Group and Parent Company apply the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3).

Note 2. Business area information

The Group's three business areas form the basis of the Group's internal reporting structure and are reviewed by the CEO for the purpose of allocating resources and evaluating performance across the Group. The following business areas have been identified:

- **Gaming:** In addition to Playdigious and FunRock & Prey Studios, the business area also includes Lucky Kat's business in the hypercasual genre. Revenue is generated in three main ways:
 - *Development:* The company develops games, with a focus on free-to-play mobile games. Revenues are generated via in-game purchases, advertising and work-for-hire assignments.
 - *Porting:* The company ports already released games from PC and console to mobile platforms and then publishes them. These games are pay-to-play and generate revenue initially via download and later via game updates.
 - *Publishing:* The company publishes games in the indie game genre for PC and console. As a publisher, we have a share of the total revenue generated from the games.
- **Web3:** The business area comprises Wagmi and Lucky Kat's business in this area which at present represents the main part of the subsidiary's revenue and costs as well as focus. In the business area, we develop ecosystems, communities and digital assets within the framework of games built on blockchain technology. Revenue is generated through the sale of digital assets such as tokens and NFTs, in-game purchases, advertising and transaction fees.
- **Esports:** The business area comprises Fragbite AB. Business based on expertise in marketing through esports and gaming content is conducted under the Fragbite and Config brands. Revenue is generated via our own IP and the sale of services.

Operating profit before depreciation, amortisation and impairment of intangible assets and property, plant and equipment (EBITDA) is the performance measure reported to the chief operating decision maker for the purpose of allocating resources and assessing segment performance. The President & CEO does not monitor operations based on assets and liabilities per business area.

See page 7 for a table containing an analysis of the Group's revenue and earnings for each reportable business area.

Declaration by the Board of Directors

The Board of Directors and the CEO of Fragbite Group AB (publ) hereby certify that this interim report provides a true and fair overview of the operations, financial position and performance of the Group and Parent Company.

Stockholm, 20 February 2025

Sten Wranne
Chairman

Stefan Tengvall
CEO and Board Member

Niclas Bergkvist
Board Member

Mikael Pettersson
Board Member

This year-end report has not been reviewed by the Company's auditors.

Contact

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Redeye AB

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Financial calendar

Annual Report 2024: 29 April 2025
Interim report for the first quarter 2025: 14 May 2025
Interim report for the second quarter 2025: 26 August 2025
Interim report for the third quarter 2025: 13 November 2025
Year-End Report 2025: 19 February 2026

The Annual General Meeting is held in Stockholm on 23 May 2025