

## 2021 Year-end report

# The growth journey continues

### Fourth quarter 2021

- Net revenue amounted to SEK 60.3 (1.2) million.
- EBITDA amounted to SEK 10.2 (2.3) million.
- Net result after tax was SEK -14.3 (-2.1) million.
- Earnings per share after dilution amounted to SEK -0.17 (-0.06).

### Full year 2021

- Net revenue amounted to SEK 124.0 (4.6) million.
- EBITDA amounted to SEK 6.2 (-5.5) million.
- Adjusted EBITDA (before items affecting comparability) amounted to SEK 9.7 (-5.5) million.
- Net result after tax was SEK -50.4 (-22.6) million.
- Earnings per share after dilution amounted to SEK -0.60 (-0.60).

### Significant events during the quarter

- Additional purchase consideration of EUR 1.5 million paid for the Playdigious acquisition, EUR 0.75 million of which in cash and EUR 0.75 million via 1,824,543 newly issued shares.
- On 14 December, Fragbite Group signed an agreement to acquire all shares in the Dutch company Lucky Kat B.V. ("Lucky Kat").
- Fragbite Group's subsidiary Fragbite AB entered into an agreement with the Swedish Chess Federation to start an e-sports chess league, the Swedish Chess League, which was launched on 15 December.
- Lars Johansson appointed new CFO.

### Significant events after the end of the period

- The acquisition of Lucky Kat was completed on 3 January and in connection with the closing of the transaction, the Board decided to issue a total of 3,944,551 shares. The result for the fourth quarter has been included in the Group's result for the same period, in accordance with the acquisition agreement.
- On 9 February, Fragbite Group's subsidiary, Lucky Kat entered into a partnership with The Sandbox to create a virtual world with an amusement park theme in the Metaverse – a decentralised digital eco-system based on the next generation Internet, Web3.

### Proforma statement for the full year

As Fragbite Group has a stated strategy to grow both organically and through acquisitions, a proforma statement has been prepared to show what the financial performance would have been like if the most recent acquisitions of Fragbite AB (acquired on 18 February 2021), Playdigious SAS (acquired on 31 May 2021) and the recent acquisition Lucky Kat B.V. had been acquired on 1 January 2021.

<b>Fragbite Group 2021</b> SEK thousands	Oct-Dec		Jan-Dec		
	2021	2020	Proforma 2021	2021	2020
Revenue	60 335	1 244	212 257	124 041	4 595
Adjusted EBITDA	10 246	2 333	24 369	9 730	-5 458
EBITDA*	10 246	2 333	20 801	6 162	-5 458
EBIT	-11 380	-2 131	-67 078	-45 746	-22 336
Profit/loss after tax	-14 320	-2 142	-74 872	-50 397	-22 569

\*Earnings were affected by items affecting comparability of SEK 0 in Q4 and SEK 3,568 thousand for the full year.

Fragbite Group is a digital gaming entertainment group with subsidiaries active in the mobile gaming and e-sports industry listed on Nasdaq First North Growth Market in Stockholm. The Group consists of companies with about 60 employees in total who all share the same passion for gaming. The Group is headquartered in Stockholm, Sweden, and has physical representation in Alexandria, Egypt, Montpellier, Nancy and Paris, France, and The Hague, Netherlands. The Group has three internal game development studios: Lucky Kat, FunRock Development and Prey Studios, which develop, publish, distribute and market mobile games for the global gaming market. Fragbite AB is one of the Nordic region's leading e-sports media companies arranging and broadcasting e-sports tournaments live. Playdigious licenses and adapts games for mobile phones and develops indie games. For more information, see [www.fragbitegroup.com](http://www.fragbitegroup.com).

## CEO's comments: 2021 – continuing growth journey and company building

### Developments during the fourth quarter

The year was Fragbite Group's strongest to date. In parallel with profitable and cash-flow-positive growth, many new building blocks were put in place for good future development. In the fourth quarter, both sales and EBITDA continued to develop well, partly as a result of the acquisition of the Dutch gaming company Lucky Kat B.V. ("Lucky Kat"). Net revenue for the fourth quarter amounted to SEK 60.3 (1.2) million with an EBITDA of SEK 10.2 (2.3) million.

During the fourth quarter, an agreement was reached to acquire the Dutch gaming company Lucky Kat. This is an excellent example of the type of companies we want to acquire: fast-footed and entrepreneurial companies with existing and proven games in their portfolios and with a dedicated management that is aligned with our strategy. With Lucky Kat in the group, we add cutting-edge competence in the development of hypercasual games, performance marketing and also games in the third generation internet including Web3 "play-and-earn mechanics" and the Metaverse.

The Metaverse, or metaversum, is set to become part of the next generation internet, a virtual 3D animated meeting and trading place where digital currencies play a growing role. Metaverse means "beyond the universe" and is expected to offer a more interactive version of the internet where users can trade, socialise and engage in various activities. With the acquisition of Lucky Kat, we are now running two Web3 initiatives within the Group – a partnership with one of the leading Metaverse players, the Sandbox, and our proprietary game, Panzerdogs. The game genre is called "play-and-earn" and shows that a digital world can work like the physical world we know today; an achievement can generate benefits for players. Panzerdogs has got off to a good start and I look forward to following the game's future development and the opportunities it creates for the Group.

In the fourth quarter of 2021, the subsidiary Playdigious launched the game *Sparklite* in the Publishing & Indie Games business area. The Mobile Gaming business area includes *MMA Manager 2: Ultimate Fight*, which is still in the soft launch phase. This means some delay, but the aim is to continue optimising the game mechanics for the global launch, expected in spring. The game *Army Battle* has not met our

expectations and the development work has therefore ceased regarding this game title. An impairment loss of SEK 7.3 million on the intangible asset related to the game title *Army Battle* has therefore been decided. The impairment does not have a cash-flow effect.

Within our e-sports business, our cooperation with the Swedish Chess Federation has resulted in the *Swedish Chess League*, which held its first e-sport tournament in November. We are pleased with the outcome and will continue with this tournament format in 2022. It means we have begun to establish chess as a real e-sport in Sweden and to attract a new category of Fragbite customers and sponsors.

### The year 2022

During 2021, more and more building blocks have been put in place, including a name change and a completed IPO, but also a strengthened Board and management team. With our three acquisitions during the year, we have broadened our business with e-sports, indie game publishing, mobile games, Web3 games and in doing so also expanded our geographical exposure to the global gaming market. In parallel, we are gradually expanding cooperation between our subsidiaries in order to create revenue synergies and economies of scale, as well as improving internal processes and procedures. This is important work that lays the foundation for the continued growth and effectiveness of Fragbite Group over time.

We will continue to invest in the business with a particular focus on new e-sports and game development projects. I am confident in our strategy to offer e-sports concepts, mobile games and Web3 games with high quality and appeal. As I sum up 2021, my conclusion is that our strategy is working and generating good returns with diversified risk. We have established a solid foundation for a continued good performance going forward. Our acquisition pipeline is strong, although we remain selective. Our long-term vision and ambition to build one of Europe's leading entertainment groups in e-sports & gaming stands firm.



Stefan Tengvall,  
President & CEO

## Financial performance in the quarter and full year 2021

### Acquisition of Lucky Kat

The acquisition of Lucky Kat was completed on 30 December, but due to restrictions on bank opening hours during the holidays, the shares were not taken over until 3 January 2022. Lucky Kat's balance sheet and cash flow are therefore not taken into account in the year-end consolidation, but the company's result for the fourth quarter has been included in the Group's result for the same period, which for this reason also affects the Group's accrued income for the period. In addition, SEK 30 million has been borrowed in connection with the acquisition, but as the takeover of shares did not happen until after year-end, the SEK 30 million remains in cash & cash equivalents at the reporting date, awaiting the formal closing.

### Revenue

The Group's net revenue for the fourth quarter amounted to SEK 60.3 (1.2) million. Net revenue for the full year was SEK 124.0 (4.6) million. The strong growth is largely the result of acquisitions made during the year: Fragbite, Playdigious and Lucky Kat. Net revenue and earnings for Fragbite are included in the 2021 consolidated accounts from 18 February, for Playdigious from 1 June and for Lucky Kat from 1 October.

### Earnings

The Group's other external and personnel expenses amounted to SEK 14.5 (2.8) million for the fourth quarter and SEK 36.6 (12.0) million for the full year. Costs have increased compared with the previous year, mainly driven by acquisitions. Other external costs for the full year were affected by costs of approximately SEK 3.6 million related to the IPO process.

EBITDA amounted to SEK 10.2 (2.3) million for the fourth quarter and SEK 6.2 (-5.5) million for the full year. The improvement compared with the previous year is largely attributable to contributions from acquired companies.

The Group's depreciation/amortisation and impairment amounted to SEK 21.2 (4.5) million for the fourth quarter and SEK 51.6 (16.9) million for the full year. The increase in depreciation/amortisation is mainly related to goodwill for the acquired companies, which amounted to SEK 11.1 (2.5) million for the fourth quarter and SEK 35.1 (9.1) million for the full year. The fourth quarter was affected by impairment of an intangible asset of SEK

7.3 million, categorised as 'Work performed by the Company and capitalised', and related to the game title Army Battle, which is being discontinued. Amortisation related to 'Work performed by the Company and capitalised' amounted to SEK 2.6 (2.0) million for the fourth quarter and SEK 9.0 (7.7) million for the full year.

The Group's net result after tax amounted to SEK -14.3 (-2.1) million for the fourth quarter and SEK -50.4 (-22.46) million for the full year.

### Cash flow, investments and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 6.8 (2.3) million for the fourth quarter and SEK 1.5 (-5.7) million for the full year. Cash flow from changes in working capital amounted to SEK 1.7 (-1.4) million for the fourth quarter and SEK 17.4 (-4.7) million for the full year.

Cash flow from investing activities amounted to SEK -4.3 (-7.3) million for the fourth quarter. For the full year, cash flow from investing activities amounted to SEK -73.0 (3.0) million and is mainly attributable to the acquisitions of Fragbite AB (18 February 2021) and Playdigious (31 May 2021). Work performed and capitalised also affected both the quarter and the full year. As mentioned, the acquisition of Lucky Kat, with the shares not being taken over until 3 January 2022, means that the company's balance sheet and cash flow are not taken into account in the year-end consolidation, but the company's result for the fourth quarter has been included in the Group's result for the same period in accordance with the acquisition agreement. This also affects the Group's accrued income for the period and has therefore contributed to 'change in other receivables', under changes in working capital.

Cash flow from financing activities amounted to SEK 13.7 (0.9) million for the fourth quarter and SEK 136.6 (10.7) million for the full year, and is a consequence of new share issues and also an effect of increased borrowing. Total new share issues for the year amount to SEK 182.5 (75.3) million. After deducting shares issued in connection with acquisitions, the share issues amount to SEK 109.9 (10.8) million. The increased borrowing is related to the Lucky Kat acquisition, but as the takeover of shares did not happen until after year-end, the SEK 30 million remains in cash & cash

equivalents at the reporting date, awaiting the formal closing. Cash and cash equivalents amounted to SEK 87.5 (4.9) million at the end of the period.

<b>Work performed by the Company and capitalised</b>	<b>Oct - Dec</b>		<b>Jan - Dec</b>	
	2021	2020	2021	2020
SEK thousands				
Recognition of capitalised expenditure	2 327	6087	6 757	6087
Depreciation of capitalised expenditure	-2 580	-1 981	-9 017	-7 740
Write-downs balanced expenses	-7 341	0	-7 341	0
Earnings effect/net effect	-7 595	4 107	-9 601	-1 652

During the reporting period, there was no 'Work performed by the Company and capitalised' in Playdigious or in Lucky Kat.

## Forthcoming launches

### Planned launches of game titles and e-sports concepts up to and including second quarter of 2022

<b>Title</b>	<b>IP owner</b>	<b>Publisher</b>
Swedish Chess League, updated tournament format	Fragbite AB	Fragbite AB
MMA Manager 2: Ultimate Fight	Prey Studios	Tilting Point
Fragleague season 9	Fragbite AB	Fragbite AB
Evoland II (Chinese version)	External	Playdigious
Dead Cells – Crossover update	External	Playdigious
Title not yet communicated	External	Playdigious
MMA Manager 2: Ultimate Fight (new geography)	Prey Studios	External
Panzerdogs token – most activities	Lucky Kat	External
Lucky Kat LAND	Lucky Kat	The Sandbox

## Market

### Gaming

The global gaming market can be divided into four different segments: Console, Mobile (including smartphone and tablet), Browser PC and Downloaded/Box PC. Gaming market revenues amounted to \$175.8 billion in 2021, a decline of 1.1% since 2020<sup>1</sup>. Mobile gaming accounts for around 45% of the gaming market.

The mobile gaming market has been less affected by the pandemic than the PC and console games market. This is because PC and console game developers tend to have a larger number of employees working on the same game and have more international collaborations than mobile game developers. In addition, there has been a global shortage of semiconductors.

### Mobile gaming

Mobile games are played on mobile devices, which include smart phones and tablets. As mentioned above, mobile gaming is the largest global gaming market segment in terms of revenue. NewZoo estimates that mobile gaming market revenues grew to \$90.7 billion in 2021, representing an increase of around 4.7% compared with 2020. This is driven primarily by growth in markets such as Asia-Pacific, the Middle East and Africa, but also by new innovations in mobile revenue generation and major PC and console game developers integrating their IP into mobile. *Statista* estimates that the number of global mobile gamers in 2021 reached 2.7 billion. By 2024, it is estimated that the mobile gaming market will be \$116.4 billion, representing a CAGR of 11.2%, calculated from 2019. This revenue represents only players' own consumption and therefore excludes game advertising revenue.

### E-sports

The global e-sports industry declined from revenues of approximately \$957.5 million in 2019 to \$947.1 million in 2020. In 2021, the global e-sports market reached approximately \$1,084 million and is expected to grow to approximately \$1.6 billion by 2024. This corresponds to a CAGR (Compound Annual Growth Rate) of 11.1%, calculated from the year 2019<sup>2</sup>.

In 2021, the number of global e-sports viewers showed 8.7% year-on-year growth, increasing

to 474 million. Of these viewers, e-sports enthusiasts represent 234 million and the remaining 240 million viewers watch an occasional e-sports event during the year<sup>3</sup>. E-sports enthusiasts are viewers who watch e-sports more than once a month. Global viewership is expected to continue to grow at a CAGR of approximately 7.7% to \$577.2 million by 2024. This growth is expected to be driven primarily by markets such as Asia-Pacific, the Middle East and Africa.

Revenue in 2021 is attributable to sponsorship and advertising, media rights, game publisher fees, merchandise & ticket, digital and live streaming.

In 2021, the pandemic continued to have a clear impact on the e-sports market. Sponsors continue to be the dominant segment of the e-sports market. The revenue stream from sponsorship amounted to \$641 million in 2021, representing 59% of the overall e-sports market. According to NewZoo, this share of total e-sports revenue will gradually decrease in the coming years, mainly due to the fact that it will be possible to organise more physical events. In 2021, revenue from merchandise and ticket sales totalled \$66.6 million, and is not expected to recover from the pandemic until after 2022 at the earliest. Digital and live streaming are the segments that increased the most in 2021, with year-on-year growth of 50% and 26% respectively. Digital includes revenue generated from digital sales of buy-in games linked to e-sports teams' brands and contracted players. Live streaming include revenues generated through professional players' and contracted streamers' own channels.

<sup>1</sup> Source: NewZoo Global Games Market Report 2021

<sup>2</sup> Source: NewZoo Global Esport & Live Streaming Market Report 2021

<sup>3</sup> Source: NewZoo Global Esport & Live Streaming Market Report 2021

## Our subsidiaries

Fragbite Group has five subsidiaries: Fragbite AB, FunRock Development AB, Lucky Kat B.V., P Studios AB and Playdigious SAS.

### Fragbite AB

Fragbite Group's subsidiary Fragbite AB operates the Group's e-sports business. Fragbite is a leading e-sports company with a platform that reaches approximately 250,000 e-sports enthusiasts in the Nordic region every month. Fragbite works with well-known international advertisers and has good knowledge of how to create value based on e-sports content. Fragbite also represents a platform for continuing growth through add-on acquisitions within the segment, thereby complementing the existing organisation and increasing the reach to more geographical markets.

Fragbite has about 10 employees working in the company's office in Stockholm.

The company is active in advertising and marketing, league activities, live broadcasting and provides a community for e-sports. The Fragbite brand was founded in 2002 and is currently one of the leading e-sports media companies in the Nordic region. The business produces content for e-sports in order to engage and attract its community. Fragbite's operations are divided into the following four areas:

- **Leagues and tournaments**  
Fragbite is a leader in the full production of digital e-sports tournaments and leagues. Fragbite has over ten years of experience in the production and distribution of e-sports tournaments. Fragbite owns Fragleague, the largest amateur e-sports league in the Nordic region, but also produces tailor-made tournaments with well-known brands such as Philips and Arla.
- **Fragbite Community**  
When it was founded in 2002, Fragbite.se was initially a community mainly for gamers in the PC game Counter Strike. Today, Fragbite is the largest e-sports community in the Nordic region, with around 250,000 visitors per month and around 180,000 followers on its channel on the streaming platform Twitch.tv. Through fragbite.se, e-sports enthusiasts can communicate and read about topics

such as news, tournaments and games.

- **Fragbite Creative Studios ("FCS"):**  
FCS is Fragbite's own studio which helps international brands make their mark on the e-sports audience. Based on its experience, FCS carries out targeted concept marketing, mainly to introduce brands to e-sports but also for continuous marketing to target groups that are often classified as difficult to reach with traditional marketing.
- **Frag-AD**  
Frag-AD is the Nordic region's largest complete advertising vertical for ads and marketing in e-sports aimed at gamers. Frag-AD handles everything from web servers and hosting to programmatic advertising, which is the automated buying of online advertising. Frag-AD also provides the Nordic rights for the "Anzu" in-game advertising platform, an innovative solution for advertising through integrated ads during actual games.

### Lucky Kat

The subsidiary Lucky Kat develops and publishes mobile games in the *Hypercasual segment*. Hypercasual are games with simple game mechanics intended for the general public and are free-to-play. Lucky Kat creates value from advertisements that are exposed to players while they play Lucky Kat's games. Lucky Kat has had over 200 million downloads of its games. The most popular include Road Crash, K Run Challenge and Magic Finger 3D.

In addition to developing mobile games in the hypercasual segment, Lucky Kat has recently developed the game *Panzerdogs* for desktop browsers. Panzerdogs is a game in the third-generation internet, including Web3, with "play-and-earn-mechanics" in the Metaverse. Panzerdogs has completed an NFT sale of 5,555 avatars and the game is under continuing development for future releases including the release of future tokens. The avatars are characters for the Web3 game Panzerdogs – an online Player vs Player game built on the Solana blockchain platform with play-and-earn mechanics.

Through Lucky Kat, Fragbite Group also gains cutting-edge competence in data-driven models for marketing, as well as additional

opportunities in the Metaverse for future game projects.

Lucky Kat has about 20 employees and is headquartered in The Hague, Netherlands.

### **Playdigious**

The subsidiary Playdigious publishes and adapts existing indie games originally built for computers to smartphones, tablets and consoles.

Among the games developed by Playdigious is *Dead Cells*, which was launched in China in mid-February 2021 in partnership with the distributor Bilibili. Since its launch, a total of over 2 million paid downloads have been completed and the game continues to show good traction, holding steady in the top 30 popular games charts in China. Another game launched is the iOS version of *Northgard*. The game has gained recognition on the Apple App Store (Game of the Day) and on the Google Play Store (Pre-registration section). The game was also released on Android in August.

The Playdigious business reduces Fragbite Group's development risk as the Group can now avoid the high development expenses associated with developing its own game from scratch. Its title risk is also reduced by having a larger number of titles in its games portfolio, thereby reducing dependence on one or a few game titles.

Through Playdigious, Fragbite Group gains a large portfolio of pay games and an established network of indie developers who own established game titles that are already successful and proven. The games are distributed through the leading distribution platforms in the West and in Asia.

Playdigious has a total of about 20 employees, based in the company's three offices in Montpellier, Nancy and Paris.

### **FunRock and Prey Studios**

The subsidiaries FunRock Development and P Studios ("FunRock and Prey") develop and publish proprietary mobile games. During the fourth quarter, the operations of the subsidiaries FunRock Development AB and P Studios AB were merged, but the Group will continue to work with both brands in the future. The games are primarily distributed through Google Play and the Apple App Store. The games are mainly developed by the subsidiaries' own developers at the offices in Stockholm and Egypt, but also with the help of external consultants. The games are adapted for smart phones and tablets and apply the most common mobile games business model (free-to-play), which means that players download and play the games free of charge, but can pay for additional content in order to progress more easily in the game.

The following releases are scheduled for the first half of the year:

- Sequel to *MMA Manager 2021* with the game title *MMA Manager: Ultimate Fight*.

Further games and sequels are planned during 2022.

The subsidiaries have just over 20 employees who work in Stockholm and at a development office in Alexandria, Egypt.

### **Parent Company**

The Parent Company's revenue for the fourth quarter amounted to SEK 1.8 (0.0) million and net result after tax was SEK -19.0 (-52.6) million. The Parent Company's revenue for the full year amounted to SEK 2.4 (0.0) million and net result after tax was SEK -24.2 (-53.0) million.

During the fourth quarter, the operations of the subsidiaries FunRock Development AB and P Studios AB were merged. This was done by transferring the FunRock Development business. Following the transfer of the business, it was decided to write down the shares in FunRock Development AB. The share write-down, SEK 22.5 million, affects the Parent Company's net financial items and result after tax and means that the remaining value of the shares in FunRock Development corresponds to the carrying amount of FunRock Development's equity.

### **Accounting policies**

This interim report has been prepared in accordance with K3, Interim Financial Reporting, and the Annual Accounts Act.

### **Fragbite Group's share**

Fragbite Group AB (publ) was listed on Nasdaq First North Growth Market on 12 July 2021 under the ticker (short name) FRAG. The total number of ordinary shares outstanding on 31 December 2021 is 83,969,199. Each share carries one vote at the AGM.



**Consolidated statement of comprehensive income**

<i>SEK thousands</i>	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
<b>Revenue</b>	<b>60 335</b>	<b>1 244</b>	<b>124 041</b>	<b>4 595</b>
<i>Other provisions</i>	2 327	6 087	6 757	6 087
<i>Other income</i>	-1	86	9	173
Cost of goods and services sold	-37 884	-2 269	-88 013	-4 259
<b>Gross profit</b>	<b>24 777</b>	<b>5 149</b>	<b>42 793</b>	<b>6 597</b>
Other external costs	-7 925	-1 499	-20 143	-6 453
Personnel expenses	-6 606	-1 316	-16 488	-5 601
<b>EBITDA</b>	<b>10 246</b>	<b>2 333</b>	<b>6 162</b>	<b>-5 458</b>
<b>Depreciation/amortisation</b>				
Intangible assets	-9 921	-1 981	-16 358	-7 740
Property, plant and equipment	-121	-1	-152	-6
Goodwill	-11 146	-2 488	-35 112	-9 121
<b>Total depreciation/amortisation</b>	<b>-21 188</b>	<b>-4 469</b>	<b>-51 621</b>	<b>-16 867</b>
Other operating expense	-439	4	-287	-12
<b>EBIT</b>	<b>-11 380</b>	<b>-2 131</b>	<b>-45 746</b>	<b>-22 336</b>
Net financial items	-361	-11	-443	-233
<b>EBT</b>	<b>-11 741</b>	<b>-2 142</b>	<b>-46 189</b>	<b>-22 569</b>
Tax	-2 578	0	-4 207	0
<b>Profit/loss for the period</b>	<b>-14 320</b>	<b>-2 142</b>	<b>-50 397</b>	<b>-22 569</b>
<b>Other comprehensive income</b>				
Translation differences attributable to foreign operations	0	0	0	0
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Comprehensive income for the period</b>	<b>-14 320</b>	<b>-2 142</b>	<b>-50 397</b>	<b>-22 569</b>
<b>Profit/loss for the period attributable to the parent company's shareholders</b>	<b>-14 320</b>	<b>-2 142</b>	<b>-50 397</b>	<b>-22 569</b>
<b>Comprehensive income for the period attributable to the parent company's shareholders</b>	<b>-14 320</b>	<b>-2 142</b>	<b>-50 397</b>	<b>-22 569</b>
<b>Earnings per share (SEK)</b>	<b>-0,17</b>	<b>-0,07</b>	<b>-0,60</b>	<b>-0,70</b>
<b>Earnings per share after dilution (SEK)</b>	<b>-0,17</b>	<b>-0,06</b>	<b>-0,59</b>	<b>-0,63</b>
<b>Average number of shares outstanding</b>	<b>83 671 719</b>	<b>29 265 018</b>	<b>63 110 894</b>	<b>21 773 156</b>
<b>Number of shares before dilution</b>	<b>83 969 199</b>	<b>32 035 603</b>	<b>83 969 199</b>	<b>32 035 603</b>
<b>Number of shares diluted</b>	<b>85 869 199</b>	<b>35 853 473</b>	<b>85 869 199</b>	<b>35 853 473</b>

## Consolidated balance sheet

<i>SEK thousands</i>	31 dec 2021	31 dec 2020
<b>ASSETS</b>		
<u>Non-current assets</u>		
Intangible assets	182 535	64 733
Property, plant and equipment	221	9
Financial assets	1 806	0
Total non-current assets	184 562	64 742
<u>Current assets</u>		
Trade receivables	17 175	473
Other receivables	3 701	2 127
Prepaid expenses and accrued income	11 361	54
Cash and cash equivalents	87 460	4 861
Total current assets	119 697	7 515
<b>Total assets</b>	<b>304 258</b>	<b>72 257</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	203 254	67 660
<u>Non-current liabilities</u>		
Borrowing	31 487	0
Other long-term liabilities	10 131	0
<u>Current liabilities</u>		
Accounts payable	25 834	473
Current tax liabilities	338	39
Current liabilities credit institutions	15 000	0
Other current liabilities	13 523	2 825
Accrued costs and accrued income	4 692	1 259
Total current liabilities	59 386	4 597
<b>Total equity and liabilities</b>	<b>304 258</b>	<b>72 257</b>

**Consolidated cash flow statement**

SEK thousands	Oct-Dec		Jan-Oct	
	2021	2020	2021	2020
<b>Operating profit/loss</b>	<b>-11 380</b>	<b>-2 131</b>	<b>-45 746</b>	<b>-22 336</b>
Non-cash items	21 188	4 469	51 621	16 866
Financial items	-361	-11	-443	-233
Tax paid	-2 604	-2	-3 908	-12
<b>Cash flow from operating activities before changes in working capital</b>	<b>6 842</b>	<b>2 325</b>	<b>1 524</b>	<b>-5 715</b>
Change in accounts receivable	6 000	-230	-16 543	-473
Change in other receivables	-10 791	-763	-12 887	-2
Change in accounts payable	-606	-1 771	25 227	-271
Change in other liabilities	7 085	1 368	21 609	-3 902
<b>Cash flow from changes in working capital</b>	<b>1 688</b>	<b>-1 396</b>	<b>17 406</b>	<b>-4 648</b>
<b>Cash flow from operating activities</b>	<b>8 531</b>	<b>929</b>	<b>18 930</b>	<b>-10 363</b>
Investment in subsidiaries	0	0	-63 847	10 287
Sale of property, plant and equipment	-1 663	0	-1 806	
Acquisitions of intangible and tangible fixed assets	0	-2	0	0
New lending	-2 597	-7 344	-7 355	-7 235
<b>Cash flow from investment activities</b>	<b>-4 260</b>	<b>-7 346</b>	<b>-73 008</b>	<b>3 052</b>
New share issue	0	885	109 925	10 706
New borrowings	30 000	0	45 000	0
Amortization loans	-1 280	0	-3 360	0
Reclassification short part of long-term loans	-15 000		-15 000	
<b>Cash flow from financing activities</b>	<b>13 720</b>	<b>885</b>	<b>136 566</b>	<b>10 706</b>
<b>Cash flow from the period</b>	<b>17 990</b>	<b>-5 532</b>	<b>82 488</b>	<b>3 394</b>
Cash and cash equivalents at the beginning of the period	69 307	10 392	4 860	1 466
Cash flow for the period	17 990	-5 532	82 488	3 394
Price difference in cash and cash equivalents	162	0	112	0
Cash and cash equivalents at the end of the period	87 460	4 860	87 460	4 860

**Consolidated statement of changes in equity**

<i>SEK thousands</i>	Share capital	Unregistered share capital	Premium Fund	Balanced result	Loss for the period	Equity attributable to shareholders of the Parent Company
<b>Opening balance 2020-01-01</b>	<b>172</b>	<b>0</b>	<b>58 677</b>	<b>-29 719</b>	<b>-13 454</b>	<b>15 675</b>
Changes in equity during the period 2020-01-01 - 2020-12-31						
Results for the reporting period					-22 569	-22 569
New share issue paid	362	10	74 182			74 554
Disposition according to decision of the Annual General Meeting				-13 454	13 454	0
<b>Closing balance 2020-12-31</b>	<b>534</b>	<b>10</b>	<b>132 858</b>	<b>-43 173</b>	<b>-22 569</b>	<b>67 660</b>

<i>SEK thousands</i>	Share capital	Unregistered share capital	Premium Fund	Balanced result	Loss for the period	Equity attributable to shareholders of the Parent Company
<b>Opening balance</b>	<b>534</b>	<b>10</b>	<b>132 858</b>	<b>-43 173</b>	<b>-22 569</b>	<b>67 660</b>
Changes in equity during the period 2021-01-01 - 2021-12-31						
Results for the reporting period					-50 397	-50 397
New share issue paid	865	-10	189 203			190 058
New share issue cost			-4 896			-4 896
Change in group structure				829		829
Disposition according to decision of the Annual General Meeting				-22 569	22 569	0
<b>Closing balance 2021-12-31</b>	<b>1 399</b>	<b>0</b>	<b>317 165</b>	<b>-64 913</b>	<b>-50 397</b>	<b>203 253</b>

**Parent Company income statement**

<i>SEK thousands</i>	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Revenue	1 806	49	2 358	49
Other external costs	-3 594	-2	-8 620	-129
Personnel expenses	-790	0	-1 278	0
Other operating expenses	-742	0	-804	0
Operating profit/loss before net financial items (EBIT)	-3 320	47	-8 344	-80
Net financial items	-15 748	-52 648	-15 886	-52 873
Profit/loss before tax (EBT)	-19 068	-52 601	-24 230	-52 952
Tax	0	0	0	0
<b>Profit/loss for the period</b>	<b>-19 068</b>	<b>-52 601</b>	<b>-24 230</b>	<b>-52 952</b>

**Parent Company balance sheet**

<i>SEK thousands</i>	31 dec 2021	31 dec 2020
<b>ASSETS</b>		
Shares in Group companies	235 496	75 495
Other long term receivables	1 661	
Receivables from Group companies	1 150	3 303
Other current receivables	5 886	1 500
Cash and cash equivalents	66 885	3 372
<b>Total assets</b>	<b>311 078</b>	<b>83 669</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	241 047	80 116
Provisions	0	
Total non-current liabilities	37 631	0
Liabilities to Group companies	3 414	750
Total current liabilities	28 984	2 803
<b>Total equity and liabilities</b>	<b>311 078</b>	<b>83 669</b>

## 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.

This interim report has not been reviewed by the Company's auditors.

Stockholm, 25 February 2022

Niclas Bergkvist  
*Chairman of the Board*

Claes Kalborg

Dawid Myslinski

David Wallinder

Sten Wranne

Stefan Tengvall  
*President & CEO*

The Company's President & CEO Stefan Tengvall and CFO Lars Johansson will present the results on 25 February 2022 at 10:00 a.m. CET and the presentation will be webcasted live through via <https://tv.streamfabriken.com/fragbite-group-q4-2021>

## Contact

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### Certified Adviser:

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## AGM

The AGM will be held in Stockholm on Wednesday 25 May 2022. The Board of Directors proposes that the Annual General Meeting resolves that no dividend be paid for the financial year 2021.

## Upcoming reports

The Annual Report will be published: week 17 2022  
Interim Report January-March 2022: 25 May 2022  
Interim Report January-June 2022: 25 August 2022  
Interim Report January-September 2022: 29 November 2022  
Year-end Report 2022: 28 February 2023

All reports are available on the company's website: <https://fragbitegroup.com/financial-reports/?lang=en>