

30 July 2021

Summary for the Quarter Ended 30 June 2021

Fatfish Group Ltd ("**FFG**" or the "**Company**") is pleased to provide an summary on its activities for the quarter ended 30 June 2021 ("**Quarter**").

1. RightBridge Ventures raises A\$8.4m

In April 2021, FFG's announced that RightBridge Ventures AB ("**RBV**"), a subsidiary of FFG's Swedish subsidiary Abelco Investment Group AB ("**Abelco**"), has raised SEK55 million (A\$8.4 million) at a post-money valuation of SEK14 million (A\$22.1 million) in a funding round led by leading Scandinavian fund Medelio Equity AB.

FFG and Abelco invested approximately SEK1 million (A\$150,000) each. Post the completion of the funding round, Abelco will own approximately 53% of RBV, whilst FFG will own a non-substantial stake of 0.6% in RBV.

With the funding raised, RBV will be in position to execute its business plan to develop itself into a leading esports investment firm in the Scandinavian region, as well as to initiate a possible IPO on a recognized European stock exchange.

2. Fatfish Acquires Key Lending License – To advance its BNPL rollout and Launch Retail BNPL for Southeast Asia

In April 2021, FFG acquired a strategic 85% stake in Forever Pay Sdn Bhd ("**Forever Pay**"), a company that holds a money lending license in Malaysia.

The acquisition of Forever Pay is part of Fatfish's plan to roll out its Buy-Now-Pay-Later (BNPL) business across Southeast Asia. The money lending license held by Forever Pay will enable FFG to launch its retail BNPL service and other digital financing solutions in Malaysia.

3. Fatfish Increases Direct Stake Significantly in Singapore Central Bank Licensed Smartfunding

In April 2021, FFG and Abelco invested A\$300,000 and A\$200,000 respectively in the rights issue exercise of Smartfunding Pte Ltd ("**Smartfunding**"), raising the combined stake of FFG in Smartfunding to 89.4%.

Headquartered in Singapore, Smartfunding is a fintech platform licensed by the Monetary Authority of Singapore (MAS) that has launched its BNPL services for SMEs and corporates in Southeast Asia.

4. **Fatfish Acquires 55% of Pay Direct, Southeast Asian Payment Gateway Provider with A\$380m Annual Transactions**

In April 2021, FFG acquired 55% of Pay Direct Technology Sdn Bhd ("**Pay Direct**"), a leading payment gateway solutions provider based in Malaysia. The acquisition was completed in May 2021.

Pay Direct operates QlicknPay, a fully integrated payment gateway technology suite which empowers financial institutions to set up and offer online payment gateway services rapidly, facilitating online merchants to accept direct online payments through multiple payment options. Among the clients of Pay Direct are OCBC Bank and Public Bank (2nd and 6th largest banks in Southeast Asia).

The acquisition of Pay Direct is expected to generate synergy with the various BNPL businesses that FFG intends to roll out in Southeast Asia by allowing strategic access to online merchants and financial institutions that could be partners to FFG's BNPL businesses.

5. **Fatfish Finds iHarap to Start Fast-Growing Islamic Financing Business, Complementing its BNPL Roll-out**

In May 2021, FFG announced that it has founded a 100% owned subsidiary in Malaysia, iHarap Sdn Bhd ("**iHarap**") that will be undertaking digital Islamic financing business in Malaysia. "Harap" means hope in the local Malay language, with "iHarap" loosely translating into "i-Hope"

Islam is the most widely practiced religion in Southeast Asia, with more than 275 million Muslims translating to approximately 42% of the entire population. Islamic finance is also one of the fastest growing areas in the global finance industry, and Islamic finance assets are expected to grow to US\$3.69 trillion by 2024 (Source: BNY Mellon).

The founding of iHarap is in line with Fatfish's plan to further develop its fintech businesses in Southeast Asia. Fatfish has chosen to launch iHarap in Malaysia as it is among the global leaders of Islamic finance globally.

The digital Islamic financing business to be launched by iHarap will complement the BNPL businesses that Fatfish is rolling out in Southeast Asia, sharing common technology and back office components and developing economies of scale, as well as provide differentiated financing products to a wider target audience in Southeast Asia.

6. Fatfish Acquires BNPL Next Ltd to Enter into Early Wage Access in Southeast Asia

In June 2021, FFG entered into an agreement to acquire 100% of Australia incorporated BNPL Next Limited, which owns 60% of Circo Pte Ltd ("**Circo**"), a Singaporean based fintech company that operates Circopay, a platform that provides Earned Wage Access (EWA) solutions in Southeast Asia.

Employers use Circopay's EWA solutions to give their employees the opportunity to access their wages that have been earned to meet their short term financial requirements that arise between paychecks without having to turn to higher cost products such as credit cards, personal loans, or payday loans. In return, Circopay charges a tiered fixed processing fee, which is deducted upfront from the employees.

The Circopay platform delivers EWA solutions via WhatsApp (launched in March 2020) and mobile application (launched in February 2021), and has processed and paid out more than A\$500,000 to employees in Southeast Asia (with the majority being in Singapore, and to a smaller extent, Malaysia and the Philippines).

Listing Rule 4.7C.1

In accordance to Listing Rule 4.7C.1, a summary of the net cash operating outflows for the quarter ended 30 June 2021 are as follows:

Receipts from customers	\$330,000
Payments for:	
Product manufacturing and operating costs	\$5,000
Staff costs	\$29,000
Administration and corporate costs	\$340,000

Listing Rule 4.7C.3

In accordance to Listing Rule 4.7C.3, under Item 6 of the Company's Appendix 4C of the cash flow report for the quarter, it has been reported that are payments to Related Parties of approximately \$16,000. This was payment of Directors' fees.

This announcement has been authorised by the Board of Directors of the Company.

– End –

About Fatfish Group Limited

Fatfish Group Limited (**ASX: FFG**) is a publicly traded tech venture firm with business interest in the Southeast Asia and Nordic European region. FFG focuses on emerging



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global technology trends, specifically FFG has been building tech ventures across various sectors of video-games, esports, fintech and consumer internet technologies.

FFG owns a majority stake in publicly-traded Abelco Investment Group AB (NGM: ABIG), which is traded on the Swedish exchange, Nordic Growth Market.

FFG and Abelco operate from innovation hubs located in Singapore, Kuala Lumpur and Stockholm.

For more details, please contact:

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Appendix 4C
Quarterly cash flow report for entities
subject to Listing Rule 4.7B

Name of Entity

FATFISH GROUP LIMITED

ABN

88 004 080 460

Quarter ended ("current quarter")

30 JUNE 2021

Consolidated Statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	330	351
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(5)	(6)
(c) advertising and marketing	-	(18)
(d) leased assets	-	-
(e) staff costs	(29)	(72)
(f) administration and corporate costs	(340)	(535)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from/(used in) operating activities	(44)	(280)

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Quarterly cash flow report for entities subject to Listing Rule 4.7B

	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(12)	(12)
(d) investments	(464)	(1,243)
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	196	196
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from/(used in) investing activities	(280)	(1,059)

	Current quarter \$A'000	Year to date (6 months) \$A'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	1,001	1,474
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other - payments for share buyback	(330)	(330)
3.10 Net cash from/(used in) financing activities	671	1,144

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Quarterly cash flow report for entities subject to Listing Rule 4.7B

	Current quarter \$A'000	Year to date (6 months) \$A'000
4. Net increase/(decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	522	1,065
4.2 Net cash from /(used in) operating activities (item 1.9 above)	(44)	(280)
4.3 Net cash from /(used in) investing activities (item 2.6 above)	(280)	(1,059)
4.4 Net cash from /(used in) financing activities (item 3.10 above)	671	1,144
4.5 Effect of movement in exchange rates on cash held	-	1
4.6 Effect on deconsolidation of subsidiaries that have been deemed investment entities	-	-
4.7 Cash and cash equivalents at end of period	869	871

	Current quarter \$A'000	Previous quarter \$A'000
5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts.		
5.1 Bank balances	869	522
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	869	522

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
16
-

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Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing Facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	10,000	2,000
7.4 Total financing facilities	10,000	2,000

7.5 Unused financing facilities available at quarter end 8,000

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The Company entered into a definitive legally binding agreement with US based Arena Investors, LP for the issuance of up to \$10 million convertible notes. Salient terms of the Notes are as follows:

(i) To be drawn over 10 tranches;

(ii) Investor may elect to convert the Notes at any time up to the Maturity Date, at the lower of 125% of the average of the closing prices of Fatfish's shares for the 25 trading days immediately prior to the issue date of the Notes which is being converted and 90% of the average of the closing price of Fatfish's shares for any 5 consecutive trading days (specified by the Investor) during the period of 25 trading days immediately preceding the last trading day before the conversion date, provided always that in any event, the conversion price shall not be lower than A\$0.013;

(iii) Maturity date is 12 months from date of issue of each tranche, after which the Company shall redeem the relevant Notes in cash, provided that they have not been converted into shares by the Investor;

(iv) Coupon rate of 1.0% per annum; and

(v) A Termination Payment of A\$500,000 less an amount equivalent of the number of tranches drawn down (up to a maximum of 5 tranches) multiplied by A\$100,000 at the relevant time the Termination Payment Obligation arises. The Termination Payment obligation arises if:

(a) the Company does not satisfy the conditions precedent for the follow on tranches prior to the proposed date of issue of the relevant follow on tranche;

(b) the Company terminates the Subscription Agreement prior to the 3 year anniversary of the issuance of the first tranche or before all of the follow on tranches have been drawn;

(c) the Company has not issued follow on tranches, that the Investor has consented to subscribe for, by the date 12 months from the date of the Subscription Agreement having an aggregate face value not less than A\$5,000,000, unless the Company's failure to do so is solely due to the Investor not having agreed to subscribe for a follow on tranche; or

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from/(used in) operating activities (item 1.9)	(44)
8.2 Cash and cash equivalents at quarter end (item 4.6)	869
8.3 Unused finance facilities available at quarter end (Item 7.5)	8,000
8.4 Total available funding (Item 8.2 + Item 8.3)	8,869
8.5 Estimated quarters of funding available (Item 8.4 dividend by Item 8.1)	202

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not ?

N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis ?

N/A

Compliance Statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2021

Authorised by: By the Board of Directors

Notes:

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the {name of board committee - eg *Audit and Risk Committee*}". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system risk management and internal control which is operating effectively.