

30 October 2024

ASX and Media Announcement

Summary Update for the Quarter Ended 30 September 2024

Fatfish Group Ltd ("**Fatfish**" or the "**Company**") is pleased to provide a summary of its activities for the quarter ended 30 September 2024 ("**Quarter**").

During the Quarter, Fatfish recorded total cash receipts of A\$0.63 million, an improvement from A\$0.58 million in the previous quarter, reflecting management's continued focus on driving sustainable revenue streams across its businesses.

Operating expenditure for the Quarter was A\$0.76 million. This marks a reduction of approximately 19% compared to the A\$0.94 million spent in the previous quarter. The combination of an 9% increase in cash receipts and disciplined cost management has led to a net cash outflow from operating activities of A\$0.12 million, an improvement of 65% versus the previous quarter of A\$0.36 million. This highlights the Company's progress towards positive operating cash flow and its commitment to building long-term shareholder value.

	Quarter on Quarter		
	30 Sept 2024	30 June 2024	
	\$A'000	\$A'000	% chg.
Receipt from customers	634	580	+9.3%
Others	2	2	0%
Total receipts	636	582	+9.3%
Total payments	(759)	(941)	-19.3%
Net cash from / (used in) operating activities	(123)	(359)	-65.7%

**Fatfish Group Limited**

(ACN 004 080 460)
Level 4, 91 William Street
Melbourne VIC 3000
Australia

www.fatfish.co

Business Update

As outlined in the Business Update dated 26 September 2024, the Company has completed its investment in AI Gaming Co. Pte Ltd ("**AIGC**"), an Artificial Intelligence-enabled game developer. During the Quarter, the Company is actively involved in advancing AIGC's business.

Following the launch of Hibur.io social gaming platform, the Company has also begun developing a social gaming app on Telegram, tapping into the rising popularity of Telegram gaming. Simultaneously, the Company is exploring white-label service opportunities with strategic partners to expand the reach and capabilities of the Hibur.io platform.

In our fintech division, under the ASEAN Fintech Group (AFG), the Company has concentrated efforts on streamlining product offerings to target sustainable market segments, with a clear roadmap towards profitability.

1. Payment

Our payment division continued to grow during the Quarter, driven by increased Gross Merchandise Value ("**GMV**") from new customer acquisitions. This resulted in a ~3% rise in revenue and a ~8% reduction in expenditure in the Quarter. Several strategic initiatives were executed during this period, including targeted advertising, strategic marketing campaigns, and platform enhancements. We remain committed to building on this momentum and are on track to return to profitability by 2025.

2. Insurtech

We have made significant progress in aligning our Insurtech business with a sustainable revenue model by focusing on returning customers and the targeted acquisition of new customers in the automobile insurance segment. We were selected by Bank Negara Malaysia ("**BNM**") to be among the first companies to submit an application for the newly introduced Insurance and Takaful Aggregation business licence. This will enable us to onboard more insurance partners and products, enhancing our platform's revenue potential. Additionally, we are in discussions to offer our Insurtech platform as a white-label solution to strategic partners.

We will continue to explore partnership opportunities to further unlock the value of our fintech lending licences across the ASEAN region.



Fatfish Group Limited
(ACN 004 080 460)
Level 4, 91 William Street
Melbourne VIC 3000
Australia

www.fatfish.co

Listing Rule 4.7C.1

In accordance with Listing Rule 4.7C.1, a summary of the net operating cash flows for the quarter ended 30 September 2024 are as follows:

Receipts from customers	\$634,000
Interest received	\$2,000
Payments for:	
Product manufacturing and operating costs	\$290,000
Advertising and marketing	\$19,000
Staff costs	\$200,000
Administration and corporate costs	\$227,000
Interest and other costs of finance paid	\$23,000

Listing Rule 4.7C.3

In accordance with 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 payments to Related Parties are approximately \$9,000.

The Company's Appendix 4C statement is herein attached at the back of this announcement.

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

— END —

For further information, please contact:

Fatfish Group Limited
ir@fatfish.co

Reign Advisory Pty Ltd
FFG@reignadvisory.com

About FatFish Group Limited : (fatfish.co)

Fatfish Group Limited (ASX:FFG) ("**Fatfish**" or the "**Company**") is an ASX listed tech venture firm incubating future leaders in digital entertainment, fintech and ecommerce as well as the application of Generative AI technologies in these sectors. Fatfish investee companies, ranging from incubation through to listed entities, include ASEAN Fintech Group, Abelco Investment Group (NGM:ABIG) and iCandy Interactive (ASX:ICI). Our strategy is to give investors indirect exposure to our investee companies as well as incubate new businesses leveraging our significant expertise and experience in developing and launching innovative technology companies.

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 SEPTEMBER 2024

Consolidated Statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	634	2,342
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(290)	(1,599)
(c) advertising and marketing	(19)	(51)
(d) leased assets	-	-
(e) staff costs	(200)	(676)
(f) administration and corporate costs	(227)	(956)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	7
1.5 Interest and other costs of finance paid	(23)	(69)
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	(123)	(1,002)

Appendix 4C

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

	Current quarter \$A'000	Year to date (9 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(55)	(57)
(d) investments	-	(100)
(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	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (cash flow loans to unconsolidated subsidiaries)	233	(351)
2.6 Net cash from/(used in) investing activities	178	(508)

	Current quarter \$A'000	Year to date (9 months) \$A'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,778
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(209)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	(1,350)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other - payments for share buyback	-	-
3.10 Net cash from/(used in) financing activities	-	219

Appendix 4C

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

	Current quarter \$A'000	Year to date (9 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	925	2,275
4.2 Net cash from /(used in) operating activities (item 1.9 above)	(123)	(1,002)
4.3 Net cash from /(used in) investing activities (item 2.6 above)	178	(508)
4.4 Net cash from /(used in) financing activities (item 3.10 above)	-	219
4.5 Effect of movement in exchange rates on cash held	(52)	(56)
4.6 Effect on deconsolidation of subsidiaries that have been deemed investment entities	-	-
4.7 Cash and cash equivalents at end of period	928	928

	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	928	925
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)	928	925

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
9
-

Appendix 4C

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)	4,960	4,960
7.4 Total financing facilities	4,960	4,960

7.5 Unused financing facilities available at quarter end -

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 \$8 million convertible notes. Salient terms of the Notes are as follows:

(i) To be drawn 1 tranche;

(ii) Investor may elect to convert the Notes at any time up to the Maturity Date, at a conversion price of \$0.07 per Note.

(iii) Maturity date is 27 August 2024, which shall be extendable upon mutual agreement of the parties, after which the Company shall redeem the relevant Notes in cash, provided that they have not been converted into shares by the Investor. It has received confirmation that the Note Holder will not call on the Notes in the next 12 months or until the Company has sufficient funds; and

(iv) Coupon rate of 1.0% per annum

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from/(used in) operating activities (item 1.9)	(123)
8.2 Cash and cash equivalents at quarter end (item 4.6)	928
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	928
8.5 Estimated quarters of funding available (Item 8.4 dividend by Item 8.1)	7.54

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

Appendix 4C

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

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 October 2024

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.