



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

www.fatfish.co

29 October 2021

Summary for Q3, 2021 - Strong Cash Position following A\$8 million Financing; Growing Fintech Businesses

Fatfish Group Ltd (“**FFG**” or the “**Company**”) is pleased to provide a summary of its activities for the quarter ended 30 September 2021 (“**Quarter**”).

1. FFG establishes PaySlowSlow as its Retail BNPL Brand

In July 2021, FFG announced the founding of its retail Buy-Now-Pay-Later (“**BNPL**”) brand, PaySlowSlow.

The founding of PaySlowSlow was in line with the company's goal of establishing a prominent Southeast Asian retail BNPL brand. The first geographical market in which PaySlowSlow operates is Malaysia.

PaySlowSlow was launched in the second week of September and had an encouraging start with more than 87 merchant sign ups within its first 2 weeks of operations. In parallel to that, Payslowslow recorded A\$50,839 gross merchandise sales within its first two weeks of operations, with increasing week-on-week growth.

FFG's management believes that the strong early traction shows encouraging demand for Payslowslow's service and intends for an accelerated roll-out plan of Payslowslow across Southeast Asia.

PaySlowSlow is amongst several brands which FFG had launched, in its endeavour to increase its participation within the fintech sector in the fast-growing Southeast Asian market. Opportunities for synergies between PaySlowSlow and FFG's other fintech offerings will be fostered going forward.

2. FFG's insurtech investee, Fatberry, experiences exponential growth

In August 2021, FFG announced that its insurtech investee, Fatberry, had recorded average sales growth of 478% quarter-on-quarter for the quarter ended June 2021. Total sales recorded for the first half year period of January to June 2021 amounted to A\$1,977,391.

In its latest quarter-to-date, Fatberry continued its exponential growth with gross sales of A\$2.78 million for the quarter ended 30 September 2021, which represented a significantly higher gross sales figure compared to the first half year period of 2021. As

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of September 2021, Fatberry achieved year-to-date gross sales of A\$4,761,481, another record high in Fatberry's operating history.

September monthly gross sales stood at A\$905,932, representing 37.42% month-on-month growth over the previous month of August 2021.

Fatberry continues to strengthen its position as one of the leading digital insurance platforms in Southeast Asia, with its range of product offerings which include motor insurance, motorbike insurance, personal accident insurance and travel insurance. New insurance products in further areas are slated for launch going forward.

3. FFG raises A\$8 million funding to grow its fintech businesses in Southeast Asia

In August 2021, FFG had announced funding of A\$8 million from US-based Arena Investors L.P. to support the company's expansion within the Southeast Asian fintech sector.

The new funding provided A\$8 million in cash consideration in exchange for 12-months convertible notes issued by FFG. The convertible notes carry a coupon rate of 1% per annum and can be converted into ordinary shares of FFG at a fixed conversion price of A\$0.07 per share.

Arena Investors L.P. has extensive experience in funding tech-related businesses globally. The Company sees Arena Investors L.P. as valued strategic partners after over three years of collaboration, with a long-term focus on driving growth.

Listing Rule 4.7C.1

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

Receipts from customers	\$72,000
Payments for:	
Product manufacturing and operating costs	\$14,000
Advertising and marketing	\$29,000
Staff cost	\$62,000
Administration and corporate costs	\$313,000

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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 \$30,000. This was payment of Directors' fees.

The Company's Appendix 4C is herein attached to this announcement.

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

— END —

About Fatfish Group Limited

Fatfish Group Limited (**ASX: FFG**) is a publicly traded tech venture firm with businesses in Southeast Asia and internationally. FFG has been building ventures across gaming, esports and fintech.

FFG owns a majority stake in 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 SEPTEMBER 2021

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	72	423
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(14)	(20)
(c) advertising and marketing	(29)	(47)
(d) leased assets	-	-
(e) staff costs	(62)	(134)
(f) administration and corporate costs	(313)	(848)
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	(346)	(626)

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	-	(12)
(d) investments	(22)	(1,265)
(e) intellectual property	-	-
(f) other non-current assets	(83)	(83)
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	(119)	(119)
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from/(used in) investing activities	(224)	(1,479)

	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)	8,000	8,000
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	1,474
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(47)	(47)
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	(6)	(336)
3.10 Net cash from/(used in) financing activities	7,947	9,091

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	871	1,065
4.2 Net cash from /(used in) operating activities (item 1.9 above)	(346)	(626)
4.3 Net cash from /(used in) investing activities (item 2.6 above)	(224)	(1,479)
4.4 Net cash from /(used in) financing activities (item 3.10 above)	7,947	9,091
4.5 Effect of movement in exchange rates on cash held	2	5
4.6 Effect on deconsolidation of subsidiaries that have been deemed investment entities	-	-
4.7 Cash and cash equivalents at end of period	8,250	8,056

	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	8,250	871
5.2 Call deposits	(83)	(83)
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)	8,167	788

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
30
-

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)	8,000	8,000
7.4 Total financing facilities	8,000	8,000

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 12 months from date of issue of the tranche, 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; 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)	(346)
8.2 Cash and cash equivalents at quarter end (item 4.6)	8,167
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	8,167
8.5 Estimated quarters of funding available (Item 8.4 dividend by Item 8.1)	24

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

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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: 29 October 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.